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Monetary Reward and Job Satisfaction in Commercial Banks, Kogi State, Nigeria

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Abstract

This research on monetary reward and job satisfaction in Commercial banks in Kogi state is carried out to determine how effective financial reward offer job satisfaction among employees of commercial banks in Kogi State. The research adopts descriptive research survey design. Data were elicited from respondents using a structured questionnaire and data were analysed using a five points likert scale of mean. The hypotheses were tested using a simple linear regression analysis. Findings revealed that there is a significant positive relationship between monetary reward and job satisfaction in Commercial banks in Kogi state. This implies that job satisfaction will lead to high productivity and the techniques of salaries and wages adopted by organization motivate employees for higher performance. The research therefore recommends that employees' job satisfaction should be vigorously pursued through improved monetary reward using bonus and commission.

Keywords: *Monetary, Reward, Job, Satisfaction, Nigeria, Commercial Banks*

Introduction

For any goal to be effectively achieved in any industry or organization, there are certain factors which contribute to this achievement. This factor need not only be identified, but also to motivate workers efforts toward the set-up goals and objectives of a firm is one of the important factors thus for any organization to attain a higher output the worker must put much effort and this is accomplished when they are reasonably compensated. This compensation takes the form of salaries and wages fringe incentives (Yu et al, 2017, John, 2019 & Lawler, 2017). This of course is bound to bring conflict of interest in the sense that while salaries and wages are income to the employee the same are cost of production of the employers. Job satisfaction is a measure of how content people are with their jobs, reflecting the task environment in which they work and the more tangible aspects of their work environment.

Ali, (2010) and Pigor (2019) noted that Job satisfaction is an important attribute to organizations and individuals who operate from different tasks within them. In present era with the revolution of information technology, globalization challenges, accommodating employment, and elevated mobility in many parts in the world, Organizations are facing the problem of how to keep their workforce motivated and satisfied. In the microcosm of bank industry and bank professionals, the effect can be very significant and reflective for best bank service to the general public of a country (Wageeh, 2015, Achimugu et al, 2015 & Yu etal, 2017). Hence it is very important to develop job satisfaction and employee performance and it is very difficult to avoid employee job satisfaction. In result it is very important for all stake holders in bank system to make bank professionals and the work environment, satisfactory to get quality bank services (Nzewi & Audu, 2023). The important of this study cannot be overemphasized hence this study therefore interrogate the extend in which effective use of bonus and commission enhances job satisfaction in Kogi State.

Objectives of the Study

Generally, the objective of the study is to investigate employee reward and job satisfaction in commercial banks in Kogi State. Specifically, the study sought to achieve the following:
i. To ascertain whether bonus improve job satisfaction.

ii.. To examine whether commission enhance job satisfaction.

Research Questions

The following research questions is formulated for this study

i. Does bonus improve job satisfaction in commercial banks?
ii. Does commission enhance job satisfaction in commercial banks?

Statement of Hypotheses

The following hypotheses are formulated for this study:
H1: Bonus do not improve job satisfaction in commercial banks.
H2: Commission does not enhance job satisfaction in commercial banks.

Review of Related Literature

Concept of Bonus

A bonus is a form of financial compensation that is given to an employee in addition to their regular pay. It is typically used to reward exceptional performance, but it can also be awarded to employees at all levels of seniority. Some employers may also give bonuses to all employees to avoid creating resentment or jealousy among staff members.

Bonuses can be used to attract potential employees to apply for a job or to reward current employees for their good performance and to encourage them to stay with the company. Additionally, companies can give bonuses to their existing shareholders through a bonus issue, which offers free additional shares of the company's stock (Baba & Audu, 2021; Uchenna & Audu, 2021).

In a workplace, a bonus is an additional payment given by an employer to an employee, which is over and above their base pay or salary. Bonuses are typically awarded to recognize and reward employees for outstanding achievements, to show appreciation to those who have been working with the company for a long time, or to attract potential employees to join the company.

Incentive bonuses include signing bonuses, referral bonuses, and retention bonuses. A signing bonus is a monetary offer that firms extend to top-talent candidates to entice them to accept a position—especially if they are being aggressively pursued by rival firms. In theory, paying an initial bonus payment will result in greater firm profits down the line. Signing bonuses are routinely offered by professional sports teams attempting to lure top-tier athletes away from competitive clubs (Bello & Adebayo, 2014).

Concept of Commission

Commission refers to the compensation paid to an employee after completing a task, which is, often, selling a certain number of products or services of an employee or a separate form of income that is paid on a different schedule. It is calculated based on a percentage of total sales. That means the more products or services an employee can sell, the higher the amount they receive (Sydner et al, 2017). Firms vary in the way they set and pay commissions. One way is the flat commission wherein the employee gets a rate or percentage on any sale that he or she makes. The other way is ramped commission wherein the percentage increases when the employee generates more sales or reaches higher targets.

When accepting a job with commission-based pay, make sure to understand the process involved in calculating the amount. Keep in mind that several factors may affect your income, so take time to fully understand your employment contract.

Rewards and Job Satisfaction
According to Bunmi (2010) job satisfaction is the satisfaction derived from the tasks or activities performed by worker in his organization. However, before a worker can derive job satisfaction in this organization, there must be work design what the organization is individual onto training for effective performance. Equally, there must be job design by creating position such as personnel officer, finance officer, and administrative officer also there must be enlargement which gives room for organization expansion and job enrichment by adding more fringe benefits and remuneration to a job.

According to Nwachukwu (2018) job satisfaction is a sensation that employees have about their work environment and their expectations towards work. Thus, job satisfaction can be recognized as what one wants or values form a job. Different kinds of satisfaction lead to diverse objectives and behaviour that ascend from different types of motivation in getting different types of rewards. In any organization, rewards play an important role in building and sustaining the commitment among employees that ensures a high standard of performance (Wang 2014, Waitbaka, 2013, Uchenna & Audu, 2022). Mostly organizations have increased the substantial improvement by entirely complying with the organizational strategy by a well-balanced reward and recognition programs for employee. Reward refers to all categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the organization. Rewards with their aftermath relationship establish satisfaction of the employee with their organization (Chew 2015). Also, experts noted that the suggested rewards from firms strongly affect the employees job satisfaction related to the job and the organization that they work in (Wageeh, 2015, Acho et al, 2021, Malik & Audu, 2023 Yodar, 2016).

Equity Theory
This theory is pillared on the argument that a man's rewards should be directly proportional to his input. Thus, the moment reward and output where not proportional to each other a feeling of inequity will ensue and the consumer will feel being cheated and dissatisfied. In other words, the theory of equity suggests that ratio of input to output should be constant across and among participants in an exchange. The theory applied to customer satisfaction research is held to see satisfaction as having exists when the consumer believes that their outcomes ratio to input in a transaction is comparably equal to that of the exchange person (Nzewi & Audu, 2023). The theory from previous studies seems to have reasonable explanation to consumer satisfaction and post- purchase communication behaviour than other theories.

Research Methodology
The research adopted a descriptive research survey design. This research technique is a research survey design involved studying the respondents with the view to eliciting relevant data with the aim of making statistical inference. Therefore, this study which examines monetary reward and employee job satisfaction involved collecting data through primary source. The primary data collected were through a structured questionnaire and the collected data were subjected to descriptive and inferential statistical analysis. The population of this study comprised the entire employees in the selected Commercial banks, Kogi State. However, considering the fact that the population for this study may not be manageable effectively, it becomes impossible to study the entire respondents. Thus, the research adopted Godden' statistical formula.

The Godden (2004) sample size determination statistical technique is appropriate for determination of sample size with a finite population less than 50,000.

The Godden (2004) formula denoted as.:

$$SS = \frac{Z^2 (P)(1-P)}{C^2} \quad - - \quad - \quad - \quad - \quad \text{-- equ } (1)$$

$$\text{New SS} = \frac{SS}{1 + \frac{(SS-1)}{\text{Population}}} \quad - \quad - \quad - \quad - \quad - \quad \text{equ } (2)$$

Where SS = Sample size
Z = Confidence level 95 %
P = Percentage of population (70%)
C= Confidence interval = 5 % (0.05)

$$SS = \frac{1.96^2 (0.7)(1-0.7)}{0.05^2} \quad - \quad - \quad - \quad - \quad - \quad \text{equ } (1)$$

$$SS = \frac{3.8416 \ (0.7)(1-0.7)}{0.0025}$$

$$SS = \frac{0.806736}{0.0025}$$

$$SS = 322$$

Population = 453

$$\text{New SS} = \frac{322}{1 + \frac{(322-1)}{453}}$$

$$\frac{322}{322}$$

$$SS = \frac{322}{1 + 0.711}$$

$$\frac{322}{1.711}$$

New SS = 188

Therefore, the sample size = 188

However, out of the total 188 questionnaire distributed only 136 were duly completed and returned giving a retrieval rate of 72%.

The questionnaire was the only source of primary data therefore in doing this the study designed twenty-two items structured questionnaire which was close ended while a five- point Likert-scale responses of strongly agree, Agree, Undecided, Disagree and strongly disagree was used. The decision criterion is to accept any item with a mean of 3.00 and above otherwise such a mean will be rejected.

Reliability of the Instrument

Reliability statistics was carried out to determine the internal consistency of the instrument. To test the reliability of the instrument, the study conducted a pilot study by distributing questionnaires numbering twenty-five (25) to the target respondents with the help of two trained research assistants; the Cronbach Alpha coefficient measure of internal consistency was adopted. The reliability of the instrument using Cronbach alpha reliability test with the Statistical Package for Social Sciences (SPSS) which yielded the result of 0.76 for monetary reward and 0.72 for Job satisfaction which is deemed reliable, the results of the reliability statistics conducted is shown is table 1.

Table 1. Reliability Test Results

Decomposed variables	Number of items	Cronbach Alpha
Monetary reward	11	0.76
Job Satisfaction	11	0.72

Source: SPSS statistical analysis version 22.

Technique for Data Analysis

The study adopted inferential statistics in analyzing the data. The inferential statistics was used in testing the initially formulated hypotheses while linear regression analysis which examines the strength of relationship between the independent variable (monetary reward) and dependent variables (Job satisfaction) however, for the purpose of making a statistical inferences in this research only the inferential statistic results are presented for analysis.

Data Analysis and Results

The study tests the hypotheses using the simple linear regression statistical analysis with the aid of Statistical Packages for Social Sciences (SPSS). The independent variable is monetary reward while the dependent variable is job satisfaction. The specific analytical approaches adopted are the descriptive, model summary, ANOVA and coefficient. The decision rule is to accept P. value if the alpha value is ≥0.05 otherwise the null hypotheses be rejected.

Table 2. **Descriptive Statistics**

Descriptive Statistics

	Mean	Std. Deviation	N
Bonus	3.83	1.23	136
Commission	3.19	1.11	136
Job satisfaction	3.53	1.41	136

Table 2 shows the descriptive statistics of the variables, it shows that the selected scale means lie within the accepted range, therefore, they are highly reliable and the research concludes that data obtained and analyzed is significant and reliable. The mean value for bonus is 3.83, Commission is 3.19 and Job satisfaction is 3.53. This implies that Job satisfaction is being influenced by the indicated indices of monetary reward as indicated here.

Test of Hypotheses

Hypothesis 1

H_1: There is no significant positive relationship between bonus and Job satisfaction.

Table 3 Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.875[a]	.766	.765	.23214	.017

a. Predictors: (Constant), bonus

b. Dependent Variable: Job satisfaction

Table 3 shows that there is a significant positive relationship between the dependent variable (job satisfaction) and independent variable (bonus) as indicated by a strong R of 0. 875. The coefficient of determination R^2 (R square) which measures the percentage of the total change in dependent variable that can be explained by independent variable indicating that bonuses increase 0.766 which means that bonuses increase the 77% of job satisfaction. This also implies that a 1% increase in bonuses will lead to 77% of job satisfaction. However, this could be overstated so the adjusted estimate for the whole result was explored and it also gives 0.765 and the standard error of the estimate is considered low at 0.23214. Finally, the model shows that there is no auto regression in the variables as the Durbin Watson of 0.017.

Table 4 ANOVA

ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1Regression	122.213	1	122.213	342.023	.000[a]
Residual	3.215	135	.032		
Total	125.428	136			

a. Predictors: (Constant), bonus
b. Dependent Variable: job satisfaction

The ANOVA table for regression line shows that the P-value is 0.000 which is lower than 0.05 alpha values. The table also shows the f statistics of 342.023. Therefore, it shows that significant positive relationship exists between bonus and job satisfaction which implies that the null hypothesis is rejected.

Table 5 Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.121	.023		2.32	.000
	bonus	.212	.011	.327	46.23	.000

a. Dependent Variable: job satisfaction

To test the significance of the regression for the two variables bonus (independent variable) and job satisfaction (Dependent variable) the P-value was considered. The result shows that the average job satisfaction is 0.121 when bonus is zero. The t-test value is 2.32 and its sig-value is 0.000 which is less than alpha value of 0.05 hence, it means that it is statistically significant. This implies that if there is no bonus the average job satisfaction is 0. 327. The average rate of change in job satisfaction due to single change bonus is 0.327. The t-test value of 46.23 and its sig-value is 0.000 which is less than alpha value of 0.05. It means that it is statistically significant.

Hence, single unit change in bonus impact in the shape of increase on job satisfaction which means that the null hypothesis that there is no significance relationship between bonus and job satisfaction is rejected.

Hypothesis 2

H_2: There is no significant positive relationship between commission and job satisfaction.

Table 6. Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.862[a]	.743	.742	.23214	.014

a. Predictors: (Constant), commission

b. Dependent Variable: job satisfaction

Table 6 shows that there is significant positive relationship between the dependent variable (job satisfaction) and independent variable commission as indicated by a strong R of 0.862. The coefficient of determination R^2 (R square), which measures the percentage of the total change in dependent variable that indicates that commission increase 0.862 which means that commission increase the 74% of job satisfaction. This also implies that a 1% increase in commission will lead to 74% job satisfaction. However, this could be overstated so the adjusted estimate for the whole result was explored and it also gives 0.742 and the standard error of the estimate is considered low at 0.23214. Finally, the model shows that there is no auto regression in the variables as the Durbin Watson of 0.14.

Table 7 **ANOVA**

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	231.25	1	231.25	331.235	.000[a]
	Residual	26.118	135	.44		
	Total	257.368	136			

a. Predictors: (Constant), commission

b. Dependent Variable: job satisfaction

The ANOVA table for regression line shows that the P-value of significance is 0.000 which is less than 0.05 alpha values. The table shows the F statistic of 331.235. Therefore, it shows that significant positive relationship exists between commission and job satisfaction which implies that the null hypothesis is rejected.

Table 8. Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.241	.032		2.013	.000
	commission	1.033	.018	.334	21.53	.000

a. Dependent Variable: job satisfaction

To test the significance of the regression for the two variables commission (Independent variable) and job satisfaction (dependent variable) the P-value was considered. The result shows that the average job satisfaction is 0.241 when commission is zero.

The t-test value is 2.013 and its sig value is 0.000 which is less than alpha value hence, it means that it is statistically significant. This implies that if there is no commission the average job satisfaction is 1.033. The average rate of change in job satisfaction due to single change in commission is 1.033. The t-test value of 21.53 and its sig value are 0.000 which is less than the alpha value of 0.05. It means that it is statistically significant. Hence, single unit change in commission impact on the shape of increase in job satisfaction which means that the null hypothesis that there is no significant positive relationship between commission and job satisfaction is rejected.

Conclusion

The study concluded that organization increase in satisfaction which has collectively increased performance aggregately, employees reward is the key factor to increasing this productivity, the study revealed that lack of job satisfaction and motivation deficiencies can be addressed if the superiors motivate their subordinates with proper recognition and appreciation even through insignificant factors like their family problems. Employees' participation also in the decision making will also encourage employees and make them feel enthusiastic towards working in the organization. It was obvious from the analysis and findings that poor implementation of employees' reward techniques causes low productivity in the organization. Therefore, commercial banks in Kogi state should develop all managerial systems to provide adequate job satisfaction to its employees to avoid failure of the system.

Recommendations

Based on the research findings, the study suggests that job satisfaction among workers is highly influenced by employee rewards, especially bonuses. Therefore, to increase productivity among employees in commercial banks, it is recommended to strengthen the employee reward system.
Again, reward system of the banks should be strategically readjusted to attain their goals, boost employees' morale to spur their job better and enhance job satisfaction. More so, bonuses and allowance should be reviewed periodically as this can serve an inducement for employees of the commercial banks to perform up to expectation.

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