

# Reward System and Employee Engagement of Outdoor Event Management Firms in Port Harcourt, Nigeria

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**Abstract:** *This study was carried out to examine the relationship between reward system and employee engagement of outdoor event management firms in Port Harcourt, Nigeria. The study was anchored on two dimensions (Extrinsic and intrinsic reward), measures (vigour and dedication) with a moderating variable of organizational culture. Nine objectives, research questions were raised for the study from which nine research hypotheses were formulated. The study was carried out across Twenty two outdoor event management firms. Quasi experimental research design was adopted for the study to achieve its objectives. A census sampling technique was adopted since the respondents were not more than one hundred respondents. Data were gotten and analyzed through the distribution of one hundred structured questionnaires on the hypothesized variables, primary and secondary data were used for the study. The formulated hypotheses were tested using the Spearman's Rank Order Correlation Coefficient to aid in establishing a nexus while the p-value obtained were used to test hypotheses developed. Statistical Package for Social Science was used to analyze the data. Existence of a significant relationship between the dimensions and measures was established. Similarly, the contextual variable was found to moderate the two variables. It was then agreed to the fact that there is a strong relationship between the reward system and employee engagement of outdoor event management firms. The research recommends that outdoor event management firms should improve on their extrinsic and intrinsic rewards and other considerable factors to reduce high job mobility, turnover, frequent absenteeism and loss of workforce etc.*

**Keywords:** *Reward System, Employee Engagement, Intrinsic, Extrinsic, Organizational Culture, Vigour, Dedication*

## Introduction

The convolution as well as dynamic nature of today's business setting has imposed continually changing sceneries in which organizations compete for survival. This necessitates placing special emphasis on acquiring and retaining quality employees as this has proven to be a key differentiating factor underpinning organization success. Although great deals of other resources are needed to run a business, employees have been identified as the most valued resource which determines the success of every business. As Milkovich and Bonreau (1988) put it, plant, equipment and financial assets are resources required by firms but employees are particularly important". Take away their creative minds and organizations are just a pile of papers, blocks and metals. Thus, the ability of organizations to survive and create a sustainable competitive advantage in today's business environment depends greatly on employees' ideas and innovations, making them the most valuable assets in the pursuit of organizational goals and objectives. (Floyd & Wooldridge, 1994; Guth & MacMillan 1986). The continuous survival of any work organisation requires employee cooperation with other factors of production such as land and capital. Meanwhile, when employees

are meaningful engaged in their workplace, they are not only happy in their job, but also translate that satisfaction into higher productivity and growth for the organisation because they have good relationships with their co-workers and a better working condition (Larkin, 2009; Lee, 2012).

According to McShane and Gilnow (2000) in Masika and Juma (2019) the notion of employee engagement remains very crucial in an organizations setting and is rated among the vital preoccupations of today's organizations. In a related connotation, Heaney (2010) in his study postulate that as business setting is becoming dynamic in terms of global nature of work and diversity of the workforce, every organisation across the world want to make the best use of its manpower in order to achieve competitive edge in the market. The level of employees' engagement determines an organizations survival or demise as well as its prosperity or decline. High and positive engagement level is associated with high prospects of expansive improvements as well as advancement, survival and competitiveness of an organization. Employee engagement thus remains very essential for the organizations sustainability. Armstrong (2009) asserts that employee engagement patterns in an organization, is determined by the nature of productivity, innovation, flexibility, quality, profitability, sales turnover among other factors, which is further connected closely with the managerial strategies taken in respect of its resources especially the human resources. Havenga, Stanz and Visagie (2011) states that the adoption of such engagement prospects of a more cooperative, participative, collaborative approach to work and comprehensive reward enhances an organizations and employees productivity and makes them to have an overall positive and favorable image among the stakeholders.

According to Phelps and Brossoit (2007) today's business landscape has presented new and challenging demands for business organizations. Customer requirements for lower prices, higher quality and greater value are unprecedented and unyielding. Many firms look for quick fixes in the form of plant consolidations, expensive redesigns of operations, or relocations of their operations. As most firms continue to seek fractional reductions in cost, one of the most imperative drivers of improved business performance and profit margin is the ongoing development of skills and effectiveness for all employees. The world's most successful business organizations are able to build engaged, high performing workforces by investing in every employee and the results are outstanding, as research after research has shown the clear connection between employee engagement and organizational performance.

When work organization engage employees, the organizations could have more satisfied and loyal customers, increased profits, better-quality products or services and greater growth potential. While the revolution to survive must be inspired by leaders, it will only happen when the workers are individually excited about contributing to organization success.

The question now remains, how can employees be driven or motivated to exhibit the much desired expectation(s)? Deeprose (1994) in his study observed that effective reward system improves employee motivation and increases employee productivity which contributes to better enhanced employee performance. Hence, reward system which includes base salary, variable pay (containing short-term incentives and long- term incentives), other extrinsic reward, prerequisites benefits and performance management cannot be over-emphasized. According to Armstrong (2000), reward system is the policy that provides specific directions for the organizations to develop and design programme which will ensure its rewards, and the performance outcomes supporting the achievement of its business goals.

Given the plethora of literature of the effect of reward system on employee engagement there is little evidence of such studies especially within the Nigerian organizational contextual framework. This study as a point of departure from previous efforts seeks to examine using empirical methods

the association between reward system and employee engagement as well as the moderating role of organizational culture within the outdoor event management firms in Port Harcourt.

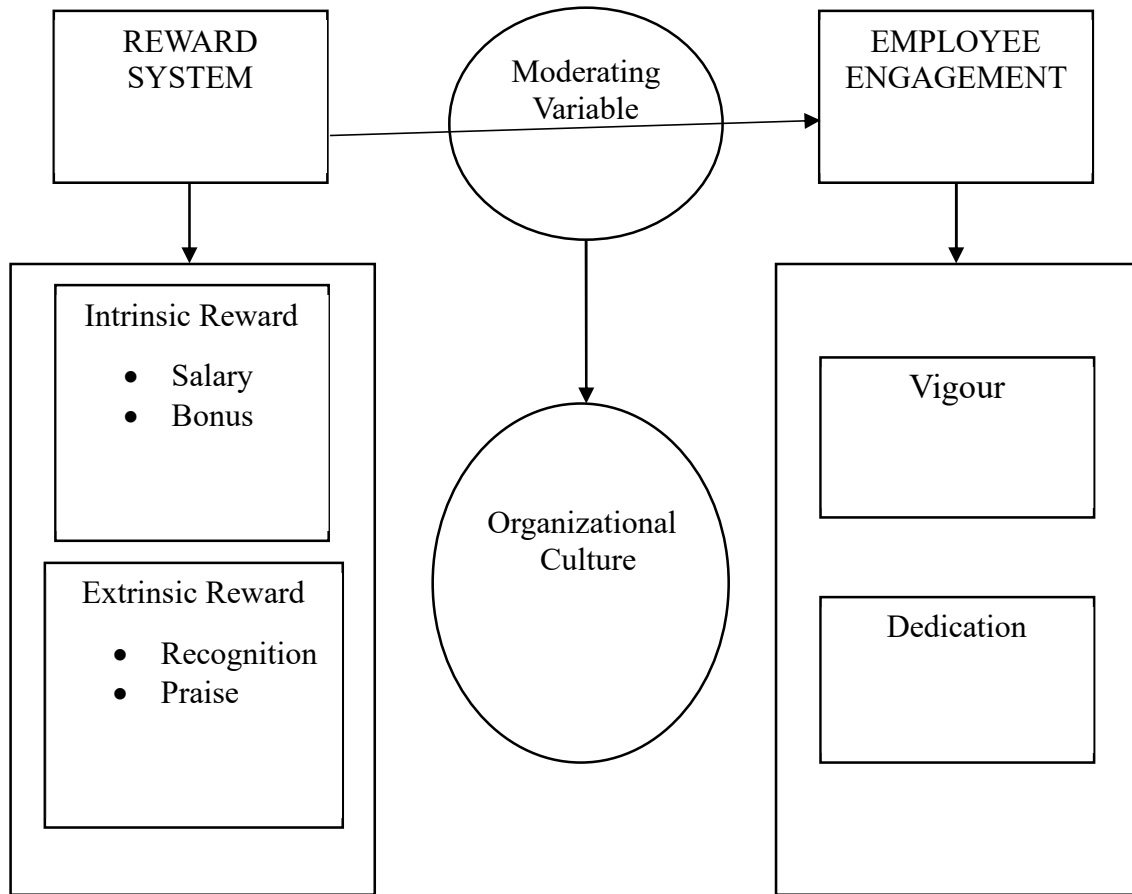
### **Statement of the Problem**

It is taken that in spite of whatever gains that must have been achieved in ensuring meaningful employee engagement of worker at workplace, existing engagement programme have failed to attract, hold and motivate employees because the worker is not considered and did not participate in the planning and designing of most decision taken in organization before its execution or implementation. Various research connote that important number of employees are not enthusiastic neither satisfied about their jobs, and are skeptical of any organizational initiative and are rather more likely to indulge in infectious negativity (Dernovsek, 2008; Perrin, 2003; Ellis & Sorensen, 2007). It is evident that in the outdoor event management firms, observation of high job mobility, constant absenteeism and employees who are not enthusiastic about their job waste their synergy and talent on tasks that may not matter much, this show no vigor, dedication and/or absorption, which makes them unwilling to adapt to dynamic nature and flexibility of current business world.

However, the economic and social development of Nigeria depends to a great extent on the ability of the enterprise to attract and retain the services of qualified manpower. Therefore, the concept of reward system programme has economic, social, behavioural and legal basis consequence. Magnus (2005) opined that, organizations just like outdoor event management firms are facing so many challenges under globalization, especially in terms of providing adequate rewards to their employees. These organizations need to formulate an integrated system of rewards commensurate with the development of work to serve general objectives of increasing productivity, cost reduction, provide high quality services, etc. Meanwhile, challenges arise when employee are not well motivated either with financially or non-financially; such as high employee turnover, employee mobility, diminish performance, crowd and flesh out good behaviour, encourage short cut and unethical behaviour, crush creativity and foster short thinking, because when they are engaged with their work and adequate provision of reward mechanism put in place, they are more creative, innovative and offer advances that permit firms to progress positively over time with changes in business environment.

It becomes expedient and necessary to examine the contributing role and effect it would have in enhancing employee engagement as not much work has been done in this direction; the few studies in this area has been mainly in the developed countries with very little or no study in the developing countries, Nigeria to be specific; It is this gap, which this study tends to fill by focusing critically on the role of reward system as an antecedent of employee engagement with organizational culture as the moderating variable using outdoor event management firms in Port Harcourt as the setting.

**Conceptual Framework**



***Fig. 1.1: Conceptual framework of reward system and employee engagement.***

Source: study dimension adapted from Donata (2011 study measure adapted from Bakker, Demerouti & Xanthopoulou, 2012

**Aim and Objectives of the Study**

The core aim of this study is to evaluate the nexus between reward systems and employee engagement in the outdoor event management firms in Port Harcourt. More specifically this study sought to achieve the following objectives;

- i. To explore the nexus between salary and vigour in the outdoor event management firms in Port Harcourt.
- ii. To examine the nexus between salary and dedication in the outdoor event management firms in Port Harcourt.
- iii. To investigate the nexus between bonus and vigour in the outdoor event management firms in Port Harcourt.
- iv. To review the nexus between bonus and dedication in the outdoor event management firms in Port Harcourt.
- v. To examine the nexus between recognition and vigour in the outdoor event management firms in Port Harcourt.

- vi. To investigate the nexus between recognition and dedication in the outdoor event management firms in Port Harcourt.
- vii. To explore the nexus praise and vigour in the outdoor event management firms in Port Harcourt.
- viii. To review the nexus praise and dedication in the outdoor event management firms in Port Harcourt.
- ix. To explore if organizational culture moderates the nexus between reward system and employee engagement of outdoor event management firms in Port Harcourt.

### **Research Questions**

The research questions below are raised in order to locate answers to the research problems:

- i. How does salary relate to vigour of outdoor event management firms in Port Harcourt?
- ii. Does salary relate to dedication of outdoor event management firms in Port Harcourt?
- iii. How does bonus relate to vigour of outdoor event management firms in Port Harcourt?
- iv. Does bonus relate to dedication of outdoor event management firms in Port Harcourt?
- v. How does recognition relate to vigour of outdoor event management firms in Port Harcourt?
- vi. Does recognition relate to dedication of outdoor event management firms in Port Harcourt?
- vii. How does praise relate to vigour of outdoor event management firms in Port Harcourt?
- viii. Does praise relate to dedication of outdoor event management firms in Port Harcourt?
- ix. How does Organizational culture significantly moderate the relationship between reward systems and employee engagement of outdoor event management firms in Port Harcourt?

### **Research Hypotheses**

Based on the conceptual framework of this study, the following hypotheses are postulated:

- H<sub>01</sub>: There is no momentous nexus between salary and vigor of outdoor event management firms in Port Harcourt.
- H<sub>02</sub>: There is no relationship between salary and dedication of outdoor event management firms in Port Harcourt.
- H<sub>03</sub>: There is no momentous nexus between bonus and vigor of outdoor event management firms in Port Harcourt.
- H<sub>04</sub>: There is no relationship between bonus and dedication of outdoor event management firms in Port Harcourt.
- H<sub>05</sub>: There is no momentous nexus between recognition and vigor of outdoor event management firms in Port Harcourt.
- H<sub>06</sub>: There is no relationship between recognition and dedication of outdoor event management firms in Port Harcourt.
- H<sub>07</sub>: There is no momentous nexus between praise and vigor of outdoor event management firms in Port Harcourt.
- H<sub>08</sub>: There is no relationship between praise and dedication of outdoor event management firms in Port Harcourt.
- H<sub>09</sub>: Organizational culture does not significantly moderate the relationship between reward system and employee engagement of outdoor event management firms in Port Harcourt.

## **Significance of the Study**

**Practical Significance:** The result of this study will be of tremendous prominence to researchers, practitioners as well as management. This study will better position managers to make effective decision as regards to reward packages and programmes in the organization that will apparently bring about more passion in the outdoor event management firms. It would also help the employer to come up with a more refined reward schemes to compensate the employee.

**Theoretical Significance:** It would also contribute to the existing body of knowledge on reward systems and employee engagement and a basis for further research. This work will form a foundational guide for future scholars who will carry out studies as regard reward systems and employee engagement especially in sub-Saharan African countries like Nigeria.

## **LITERATURE REVIEW**

### **Theoretical Framework**

The theory that well connects the idea of rewards system and organization engagement is Herzberg Two-Factor Theory and Social Exchange Theory.

#### **The Herzberg Two-Factor Theory**

Frederick Herzberg in 1959 propounded two factor theory as a behavioural scientist which comprises the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. It divides job-related aspects into motivators and hygiene factors. Hygiene factors consist of elements that are extrinsic in value and they include extrinsic reward and employee benefits. Narsee (2012) points out that hygienic factors include company policies, quality of supervision, employees and human relations, personal life, pay rate and job security and working conditions. On the other hand, motivators are factors that are intrinsic in nature and they include praise and intrinsic reward. They include achievement, career development, personal growth, job interest, intrinsic reward and responsibility. According to Singh (2007) rewards system can be used to meet employees' needs in terms of hygiene factors and motivators thereby increasing their motivation.

#### **Social Exchange Theory**

The origin of social exchange theory can be back to 1958, when George Homans a sociologist published an article titled "Social Behavior as Exchange." Homans devised a framework built on a combination of behaviorism and basic economics.

This theory argues that employees will trade their efforts for the promise of rewards in the future (Blau, 1964). Social exchange theory is based on five central elements. The first element is that behaviour is predicted by the notion of rationality; individuals will behave in a given way if they believe behaving in that way will give more rewards. The second element is that the each individual relationship provides benefit to the other so long as the exchange is equitable. The third element is that the theory is based on a justice principle; for every exchange, there must be fairness governing behaviour. The next element of the theory is that individuals will always seek to maximize gains and reduce costs and losses. The last element is that individuals participate in a relationship out of a sense of mutual benefit rather than coercion (Searle, 1990). Social exchange

theory therefore suggests that employees who value benefits received from their organization, such as pay, fringe benefits or working conditions, will reciprocate with more positive work attitudes. While research demonstrated that extrinsic rewards lead to higher levels of work engagement, the social exchange theory further supports this relationship. This theory holds that when employees receive rewards and recognition for their efforts exerted on a job, they will participate in a fair exchange through responding with increased work engagement (Gujral & Jain, 2013; Ram & Prabhakar, 2011; Waqas & Saleem, 2014).

From the above discourse, rationally when workers intrinsic and extrinsic reward are adequately met in value, there will be no need for such worker to exchange their promise of reward for something else. Furthermore, rewarding equitably, fairness in policies making and employee interest is considered, will lead to positive work attitude that leads to fair exchange underlying increased work engagement. It is very clear that there is a direct connection between the two theories and rewards system, and employee engagement.

### **Reward Systems**

According to Oxford Dictionary, reward definition is “A thing given in intrinsic reward of service, effort, or achievement”. Rewards serve many purposes in organizations. They serve to build a better employment deal, hold on to good employees and to reduce turnover. There are two kinds of Rewards: Extrinsic rewards (extrinsic reward): concrete rewards that employee receives. Such as; Bonuses, Salary Rise, Gifts and Promotion. Intrinsic Rewards (intrinsic reward): tend to give personal satisfaction to individual. Such as; Information or feedback, Intrinsic reward, Trust/empowerment. according to Herzberg's study (as cited in Govindarajulu & Daily, 2004), it proposed that work rewards represent extrinsic and intrinsic reward received by employees for the jobs performed and Amabile (1996) indicated that extrinsic and intrinsic rewards are given by organisations to motivate employees extrinsically and intrinsically in achieving goals or rewarding employees for accomplishing organizational goals or objectives. While the work of Goodale, Koerner, and Roney published in 1997 (as cited in Ong & Teh, 2012) has indicated that reward is considered to extrinsically and intrinsically motivate and improve the behaviour of employee in an organisation. On the other hand,

Lawler (1999) suggested that the role of reward is as a key management tool used within organisations in contributing to the effectiveness of an organisation by affecting employees' behaviour such as skills, motivation, satisfaction, and contribution to the goals of the organisation and subsequently to influence the perceptions and beliefs of employees on the perspective of the company, believes in, and values. Reward is therefore referred as the extrinsic reward by an organisation or the return from employer that the employee receives for the work done in an exchange for his or her service (Zhou, Qian, Henan, & Lei, 2009) and reward is also described as the extrinsic reward scheme to a person or group of people in the form of monetary (extrinsic) and non-monetary (intrinsic) for a work well done or exceeding the initially established expectation (Ballentine, McKenzie, Wysocki, & Kepner, 2009; Douglas, 2012).

Reward is the generic term for the totality of financial and non-financial extrinsic reward or total remuneration paid to an employee in return for work or service rendered at work: Reward is the most important contract term in every paid-employment. Its impact on workers performance is in most instances greatly misinterpreted. The understanding of this term is very

important; this is because the incentive scheme given to an employee will influence the behaviour and level of engagement to the organization. With the unique features of services provided, most of employees are highly skilled and the attractive rewards they receive are dictated by the competitive labour market, which places high premium on requisite skills.

Literally, according to the above expressions reward system is a motivational tools use in appreciating employees on the efforts contributed to the organization. Which means reward could be interchanged as extrinsic reward or remuneration or explicit, price of labor. Reward system is more concerned with people (employee) and the value they create in the organization (Schneider 1987). For organizations to achieve a highly committed business environment and its overall business goal, a reward system must be developed to ensure that the contribution people make to achieving organizational goals or team goals are valued, recognized and rewarded (Armstrong 2010).

According to Byars and Rue (2005) rewards are of two types, the extrinsic reward and the intrinsic reward. Extrinsic rewards are the tangible rewards in form of pay and benefits while intrinsic rewards are intangible rewards internalized by individual employees as a result of their participation in' specified activities. Another word to extrinsic and intrinsic is Financial and Non-financial some texts also refer to them as monetary and non-monetary. The list of intrinsic and extrinsic rewards as stated by Byars and of rewards as follows: Rue (2005) also indicate the structure

**Intrinsic reward:** This include achievement, feeling of accomplishment, intrinsic reward, job satisfaction, personal growth and status, job enlargement, job enrichment, team working, empowerment.

**Extrinsic rewards:** This also includes; base wage or salary, incentive payments, extrinsic reward, fringe benefits, promotion, social relationship and work environment.

Reward system should be well structured, customer focused, fit in strategically with organizational goals and be designed to encourage ethical behaviour. Pay is still an important part of it. So the pressures to achieve this incentive and reach desired performance target should not lead to 'unethical behaviour' (Mujtaba & Shuaib, 2010). Although pay is an important part of the overall reward structure within an organization, there is no guarantee that it will lead to increased performance or even increased satisfaction.

### **Reasons of Reward System**

A study by Svensson, ( 2001) points out that a reward system puts together employees' real self-interests with the organization's objectives and gives three kinds of management control benefits, informational, motivational and personnel related. To begin with rewards should catch the employee's attention and at the same time brings up to date update for the individual in charge of what results should be completed in different working areas. Organizations use reward systems to emphasize which parameters their employees should apply the additional effort on by incorporating them in their reward programme. Merchant (2007) stresses that individuals in some cases require an incentive to perform tasks well. Organizations give rewards for a wide range of reasons e.g. to enhance recruitment and retention by offering a compensation package that is competitive on the market. According to Svensson, (2001) reward systems refer essentially to things that employee's value. It is essential to remember that a reward system can contain both positive and negative rewards.



## **Employee Engagement**

Today majority of the organization in both the public and private sector work towards increased positive employee engagement programs through the provision of better training and developments, reward systems, empowerment programs and the provision of assistance programs (Harter, Schmidt & Hayes, 2002). This has been out of the realization that better employee engagement program continue to improve the organizational life, health and competitive well beings and overall performance. Robinson et al, (2004) defines employee engagement as a positive attitude held by the employee towards the organization and its values. He goes further to add that an engaged employee is one who is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. According to Gibbons (2006), employee engagement is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager or co-workers that in turn influences his/her ability to apply discretionary effort to his or her work. The use of rewards has been significant to the engagement process with the fundamental application of the more flexible adaptable and individual and group schemes. William Kahn provided the first formal definition of employee engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." Kahn (1990:694). The cognitive aspect of employee engagement concerns employees' beliefs about the organization, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990) engagement means to be psychologically as well as physically present when occupying and performing an organizational role.

### **Vigor**

Vigor is a core measure of work engagement, which is defined as "a positive, fulfilling, work-related state of mind (Schaufeli et al., 2002). Vigor is characterized by "high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persist in the face of difficulties" (Schaufeli et al., 2002). Vigor is an affective construct (Shriom, 2004) and considers the subjective experience of energy and aliveness (Peterson & Seligman, 2004; Ryan & Frederick, 1997). It is also seen as a vital element to stimulate creative and proactive engaging behaviors relevant for the organization (Sonnentag & Niessen, 2008). Moreover, vigor is perceived as the opposite of emotional exhaustion (Schaufeli et al., 2002). Low levels of energy tend to indicate a high exhaustion level, whereas high levels of energy indicate a high amount of vigor (Gonzalez-Roma et al., 2006). Vigor's described as the energetic behavior of the employee and also devoted hard work to one's work and job, even in any of problematic situations. (Gonzalez-Roma et al., 2006; Schaufeli et al., 2002).

## **Relationship between vigor and performance**

Shraga and Shirom (2009) stipulated that a certain level of vigor is necessary for motivational processes in work organizations in order to achieve performance goals. This may be explained through the Broaden-and-Build theory (Fredrickson, Tugade, Waugh, & Larkin, 2003) that stipulated that positive affects tend to enhance activity levels, which gives the opportunity to broaden the scope of cognition and enables flexible and creative thinking to come up with solutions for work-related problems (Shirom, 2011). This theory also stipulated that engaged employees have the ability to create their own resources, and are therefore more likely to reach their work

related goals. This is consistent with Hobfoll's (2002) claim that people are motivated to create and protect their own resources once they are obtained (Bakker & Bal, 2010). The positive affect underlying increased energy levels is expected to be associated with performance behaviors (e.g., helping coworkers, spreading goodwill, creative and innovative behaviors at work) (Shirom, 2004, 2011; George & Brief, 1992).

### **Dedication**

Dedication exhibits the employee experience about work, his pride about his work, and meaningfulness of his work. Dedicated employee is "strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge". Dedication an emotional, similarly as dedication can be linked to job involvement. According to Mauno, Kinnunen, and Ruokolainen (2007) dedication has conceptual similarities with job involvement: dedication is defined as a strong psychological involvement or identification with one's work (Schaufeli et al., 2006a; Schaufeli et al., 2002), whereas job involvement denotes an individual's psychological identification with a particular job or with work in general (Kanungo, 1982). Dedication appears to be a broader phenomenon than job involvement because dedication contains feelings of enthusiasm, inspiration, pride, and challenge, while job involvement focuses strictly on the psychological importance of the job in an individual's life. (Mauno et al., 2007). Dedication is about being inspired, enthusiastic and highly involved in your job (Rayton & Yalabik, 2014). Dedication is an individual's deriving a sense of significance from work, feeling enthusiastic and proud about the given job, and feeling inspired and challenged by the job (Song et al., 2012).

### **Absorption**

Absorption refers to "being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work". (Schaufeli et al., 2002). Absorption a cognitive component of work engagement (Schaufeli & Bakker, 2010). Absorption can be associated with flow. Absorption, refers to a sense of detachment from your surroundings, a high degree of concentration on your job, and a general lack of conscious awareness of the amount of time spent on the job (Rayton and Yalabik, 2014). Absorption means concentration and being engrossed in people's work, whereby passing time will be intangible and being detached from the job has some difficulties for them. Furthermore, it is pleasurable to have job experience for individuals. They do that, only for having that and paying high expenditure for job is not such important issue which it is for the others (Hayati et al., 2014).

### **Organizational Culture**

Organizational Culture is the most important variable that influences the functions of any organization. Culture can be seen as a combination of values, sets, beliefs, communications and simplification of behaviour which gives direction to peoples. The basic idea of culture arrives through sharing of learning processes which is based on the proper allocation of resources. (Titiev, 1959) The mental ability of human which helps in enhancing thinking and decision making depends on the organization culture (Pettigrew, 1979). Martins and Martins (2003) state the general definition of organizational culture as "a system of shared meaning held by members, distinguishing the organisation from other organisations".

In relation to the above definition, Arnold (2005) indicates that, organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organization its distinct character. These two definitions suggest that organizational culture distinguishes one

organization from another organization. Therefore, organizational culture is to an organization what personality is to an individual (Johnson, 1990). Linking up with the above definitions, Schein (1985) also defines organizational culture as a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. This description highlights that organizational culture is created assumptions, which are accepted as a way of doing things and are passed on to new members of an organization.

### **Rewards System and Employee Engagement**

Rewards can comprise of financial or non-financial elements or combination of both the financial and non-financial, which is partial or total rewards (Armstrong, 2009). Total rewards is where there is both financial and non-financial elements, while the use of only financial or only non-financial elements constitutes the partial rewards systems. The composition of the rewards system has a great influence and effect on employee engagement and commitments (Schemerborn, 2009). Berk, (2009) states that the application of total rewards with both financial and non-financial proponents contributes to increased commitments of the employees. The financial elements comprise of salaries increments, bonuses, gain sharing and profit sharing schemes. On the other hand the non-financial elements in the rewards consists of such variables as the suggestion schemes, participation in decision making, quality circles, trainings, quality of work life, wellness programs, job enrichment and an array of employee assistance programs. In the views of Hitt (2011), the amalgamation of the financial and non-financial rewards makes the staff more motivated, excited, interested and ready to positively identify with the organization strategies goals and objectives. This also offers high levels of satisfaction, attraction and retention rates. Partial rewards although less expensive and time consuming and economical to the firm has shown to be less effective as a means of gaining employee commitments. Sometimes with the partial rewards, employees tends to get frustrated, bored and fatigued at the sight of only financial or non-financial rewards. Omar (2012) through a study conducted at the multimedia university of Kenya confirms that those organizations with total rewards register better employee relationships through increased identification, less complaints, grievances and conflicts. These organizations do register fewer disputes with increased interaction, collaboration and cooperative efforts and strongly associated with operation through friendly work climate, enterprising culture and collaborative work atmosphere.

### **Method of the study**

Before the processing of responses, data preparation was done on the completed questionnaires. The study used quantitative method of data analysis. To ensure effective analysis, the questionnaire was coded according to each variable of the study to ensure the margin of error is minimized as to assure accuracy during analysis. The quantitative analysis was applied using descriptive statistics. According to Saunders Lewis, and Thornmill (2009) descriptive statistics involves a process of transforming a mass of raw data in to tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. Hypotheses will be tested with Spearman's rank order correlations as a nonparametric statistic, measures the direction and degree of association exists amid two variables in an ordinal scale; with the aid of Statistical Package for Social Sciences (SPSS) Version 20.0, as Partial correlation used on multivariate level of analysis was prompted to gauge the moderating variable effect on the nexus between the predictor and outcome variable.

## Results

As indicated earlier, Spearman's rank order correlation coefficient was adopted to test hypotheses one to eight, while Partial correlation tested the nine hypothesis with contextual factor's influence on the proposed nexus of the studied constructs. The results of these analyses formed the bases for accepting or rejecting the proposed hypotheses at p.v. < 0.05 significance level.

### 4.2.1 Test of Hypotheses 1 & 2

**H0<sub>1</sub>:** There is no significant relationship between salary and employee vigour

**H0<sub>2</sub>:** There is no significant relationship between salary and employee dedication

#### Correlations

			Salary	Vigor	Dedication
Spearman's rho	Salary	Correlation Coefficient	1.000	.812**	1.000**
		Sig. (2-tailed)	.	.000	.000
		N	94	94	94
	Vigor	Correlation Coefficient	.812**	1.000	.816**
		Sig. (2-tailed)	.000	.	.000
		N	94	94	94
	Dedication	Correlation Coefficient	1.000**	.816**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	94	94	94

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

Table 4.13 displays the “Spearman’s rank” correlation coefficients which measured the strength of nexus existent between salary and engagement measures (vigour and dedication) as follows: strongly significant and positive correlation between salary and vigour ( $\rho = .812$ ,  $n = 94$ ,  $p = .000$ ); strong positive correlation between salary and dedication ( $\rho = .1.00$ ,  $n = 94$ ,  $p = .000$ ). Thus, the null hypotheses which states that there is no significant influence of salary on employee engagement measures were not retained as  $p < 0.05$ . Hence, the  $H_0$ s were restated thus: salary significantly influences employee engagement measures (vigour and dedication).

#### 4.2.2 Test of Hypotheses 3 & 4

##### Correlations

			Bonus	Vigor	Dedication
Spearman's rho	Bonus	Correlation Coefficient	1.000	.715**	.867**
		Sig. (2-tailed)	.	.000	.000
		N	94	94	94
	Vigor	Correlation Coefficient	.715**	1.000	.816**
		Sig. (2-tailed)	.000	.	.000
		N	94	94	94
	Dedication	Correlation Coefficient	.867**	.816**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	94	94	94

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

**H0<sub>3</sub>:** There is no significant relationship between bonus and employee vigour.

**H0<sub>4</sub>:** There is no significant relationship between bonus and employee dedication.

Table 4.14 displays the “Spearman’s rank” correlation coefficients which measured the strength of nexus existent between bonus and engagement measures (vigour and dedication) as follows: significant and positive correlation between bonus and vigour ( $\rho = .715$ ,  $n = 94$ ,  $p = .000$ ); very strong positive correlation between bonus and dedication ( $\rho = .867$ ,  $n = 94$ ,  $p = .000$ ). Thus, the null hypotheses which states that there is no significant influence of bonus on employee engagement measures were not retained as  $p < 0.05$ . Hence, the H0s were restated thus: bonus significantly influences employee engagement measures (vigour and dedication).

#### 4.2.3 Test of Hypotheses 5 & 6

##### Correlations

			Recognition	Vigor	Dedication
Spearman's rho	Recognition	Correlation Coefficient	1.000	1.000**	.816**
		Sig. (2-tailed)	.	.	.000
		N	94	94	94
	Vigor	Correlation Coefficient	1.000**	1.000	.816**
		Sig. (2-tailed)	.	.	.000
		N	94	94	94
	Dedication	Correlation Coefficient	.816**	.816**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	94	94	94

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

**H0<sub>5</sub>:** There is no significant relationship between recognition and employee vigour.

**H0<sub>6</sub>:** There is no significant relationship between recognition and employee dedication.

Table 4.15 displays the “Spearman’s rank” correlation coefficients which measured the strength of nexus existent between recognition and engagement measures (vigour and dedication) as follows: significant and positive correlation between recognition and vigour ( $\rho = .1.00$ ,  $n = 94$ ,  $p = .000$ ); very strong and significantly positive correlation between recognition and dedication ( $\rho = .816$ ,  $n = 94$ ,  $p = .000$ ). Thus, the null hypotheses which states that there is no significant influence of recognition on employee engagement measures were not retained as  $p < 0.05$ . Hence, the H0s were restated thus: recognition significantly influences employee engagement measures (vigour and dedication).

#### 4.2.4 Test of Hypotheses 7 & 8

##### Correlations

			Praise	Vigor	Dedication
Spearman's rho	Praise	Correlation Coefficient	1.000	.601**	.754**
		Sig. (2-tailed)	.	.000	.000
		N	94	94	94
	Vigor	Correlation Coefficient	.601**	1.000	.816**
		Sig. (2-tailed)	.000	.	.000
		N	94	94	94
	Dedication	Correlation Coefficient	.754**	.816**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	94	94	94

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

**H07:** There is no significant relationship between praise and employee vigour.

**H08:** There is no significant relationship between praise and employee dedication.

Table 4.16 displays the “Spearman’s rank” correlation coefficients which measured the strength of nexus existent between praise and engagement measures (vigour and dedication) as follows: positive correlation between recognition and vigour ( $\rho = .601$ ,  $n = 94$ ,  $p = .000$ ); strongly significantly and positive correlation between praise and dedication ( $\rho = .754^{**}$ ,  $n = 94$ ,  $p = .000$ ). Thus, the null hypotheses which states that there is no significant influence of praise on employee engagement measures were not retained as  $p < 0.05$ . Hence, the H0s were restated thus: praise significantly influences employee engagement measures (vigour and dedication).

#### 4.2.5 Test of Hypotheses 9

**H09:** Organisational culture does not significantly influence the association between reward system and employee engagement.

#### 4.2.6 Correlations for the Moderating effect of Organizational Culture on the nexus between Reward System and Employee Engagement

**Correlations**

Control Variables			Reward System	Employee Engagement
Organizational culture	Reward System	Correlation	1.000	.941
		Significance (2-tailed)	.	.000
		df	0	91
	Employee Engagement	Correlation	.941	1.000
		Significance (2-tailed)	.000	.
		df	91	0



Table 4.17 illustrates the moderating role of Organizational Culture on the nexus between Reward System and employee engagement. The outcome shows that in the presence of Organizational Culture, there was a strong nexus between reward system and employee engagement ( $r = .941$ , and  $p.v = 0.000 < .05$ ). Therefore, the  $H_{09}$  was not upheld and its alternative retained. This shows that Organizational Culture has a significant effect on relationship amidst reward system and employee engagement of outdoor event management firms in Port Harcourt.

### **Discussion of Findings**

The inferential statistics carried out using the rho coefficient at 0.05 level of significance to test the proposed nexus between reward system and employee engagement of outdoor event management firms in Port Harcourt revealed that all the  $H_0$ s were not upheld. Without further ado, indicating significant link amongst the dimensions of reward system and measures of employee engagement. This finding substantiates several studies (e.g., Brown & Reilly, 2013). These were discussed as follow:

#### **Nexus between Salary and Employee Engagement**

Objectives one and two examine the relationships between salary and the measures of employee engagement. These objectives were expressed in hypotheses one and two ( $H_{01}$  and  $H_{02}$ ). Specifically, these hypotheses state: “there no significant relationship between salary and employee engagement”. This was not retained and restated thus: salary is significantly correlated with employee engagement in the outdoor event management firms in Port Harcourt.

This finding is in consonant with the submission of Njanja et al., (2013) as they investigated the impact level of employee pay on employee engagement level and organizations use contingency pay in order to reward their employees for meeting and exceeding the set targets. The amount of contingency pay is determined based on the level of performance or on the employee rank in the organization and that instituted that significant relation exists between salary and the level of employee engagement.

#### **Nexus between Bonus and Employee Engagement**

Objectives 3 & 4 explored the relationships between bonus and the measures of employee engagement. These objectives were expressed in hypotheses  $H_{03\&4}$ . Specifically, these hypotheses state: “there no significant relationship between bonus and employee engagement”. This was not retained and restated thus: bonus is significantly correlated with employee engagement in the outdoor event management firms in Port Harcourt.

This finding is in consonant with the submission of Brown and Reilly (2013) as they explored the nexus amidst reward management aspect of climate and engagement levels and argued that engagement is linked with pay and rewards need which defined and understood in each organization setting.

#### **Nexus between Recognition, Praise and Employee Engagement**

Objectives 5, 6, 7 & 8 examined the relationships between recognition and the measures of employee engagement, as well investigate the relationships between and the measures of employee engagement. These objectives were expressed in hypotheses 5, 6, 7 & 8. Specifically, these hypotheses state: “there no significant relationship between recognition and employee engagement”. This was not retained and restated thus: recognition significantly correlates with

employee engagement in the outdoor event management firms in Port Harcourt; “there no significant relationship between praise and employee engagement”. This was not retained and restated thus: praise significantly correlates with employee engagement in the outdoor event management firms in Port Harcourt.

This finding is in harmony with the offer of Gale (2002), similarly every action which supports a company’s goal is recognized whether through informal feedback or formal organization-wide intrinsic reward”. This study establishes that recognition mediated the relationship between leader-member exchange and can lead to emotional connection with the firm, and that recognition is a yield stick for success in organization and engages employees. Additionally, Kendra (1996) connote that an award is that which follows an occurrence of a specific behavior with intention of acknowledging the behavior in a positive way.

Meanwhile, Donata (2011) suggests that extrinsically motivated individuals seek to be rewarded for doing what is expected of them. On the contrary, intrinsically praise motivates employees to get pleasure out of completing a task, intrinsic reward or the job itself. Shah and Shah (2007) state that intrinsic reward is a leadership tool that sends a message to employees about what is important to the leaders and the behaviors that are valued whenever they performed excellently.

### **The moderating Role of Organizational culture on the Nexus between Reward System and Employee Engagement.**

Objectives nine investigated the moderating role of Organizational culture on the relationships between reward system and employee engagement. This objective was expressed in hypothesis nine. Notably, this hypothesis states: “there no significant moderating effect of Organizational culture relationship between reward system and employee engagement”. This was not retained and restated thus: Organizational culture significantly moderated the nexus amidst reward system and employee of outdoor event management firms in Port Harcourt.

This finding is in conformity with the submission of Arnold (2005) as he indicates that, organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organization its distinct character and this new and adaptive behaviour instilled through organizational values and beliefs are associated with rituals and myths. In addition, Hofstede (1980) posit that searches for distinctions among 160 000 IBM employees in 50 various countries moreover in three regions of the world, in order to search different elements of culture that can affect the organizational behavior. The findings showed that a positive nexus exists between organizational culture and work engagement, and also elucidate that Organization culture was the predictor of employee engagement.

### **Conclusions**

The current study investigated the relationship between reward system and employee engagement of outdoor event management firms in Port Harcourt. In particular, the study links the construct of reward system at its dimensional levels to extrinsic (salary and bonus), intrinsic (recognition and praise) and thus contributes towards increasing the relationships of the variables.

The study also found that, reward system strongly and significantly correlate with employee engagement. Specifically, extrinsic (salary and bonus), intrinsic (recognition and praise) were significantly and associated with measures of employee engagement (vigour and dedication).

These results indicate that firms seeking to design an integrated reward system must be considerate and engage its employees to participate decision making, tasks and job design in other to know what motivates their employee which can lead to emotional connect to the firm. This research analyses also shows that organizational culture does plays a moderating role on the relationship between reward system and employee engagement. The owners, managers and supervisors who designed reward program may actually anticipate what is the need and what motivates their workers due to non-inclusive system or methods.

### **Recommendations**

Based on the research study and findings, conclusions reached the study recommends that further study could be carried out, also further study could be replicated in other sectors such as tertiary institutions, hospitality, health and service sector of the economy etc.

Evidence from the findings and inferences made, the following recommendations were put forward:

- i. For employees to feel bursting with synergy, strong and vigour, they should be appropriately and adequately rewarded (salary and bonus) as well informed about significant changes or policies in the firm, while firms should also encourage recognition and praise employee so that they could look forward to another day at work.
- ii. Outdoor event management firms should appropriately recognize and praise employee for good work as well as adopt competitive salary scale and bonus as this can inspire employees to be dedicated as they become enthusiastic about their job while bringing in innovation and creativity to the work they do.
- iii. Firms wishing to have vigour and dedicated employees, should ensure that goals and objectives are specifically cleared and that employees know what exactly is expected of them.

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