

REWARD SYSTEM AND EMPLOYEES' PERFORMANCE IN ISA MUSTAPHA AGWAI 1 POLYTECHNIC, LAFIA

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ABSTRACT

This study examined the effect of financial rewards on employees' task performance at Isa Mustapha Agwai I Polytechnic, Lafia, grounded in Herzberg's Two-Factor Theory and Vroom's Expectancy Theory. Despite evidence that financial incentives can motivate employees, limited empirical research exists on how salaries and performance bonuses influence staff performance in Nigerian polytechnics. A mixed-method approach was adopted, combining a structured questionnaire and key informant interviews. The population comprised 1,300 staff members, from which 400 respondents were proportionately selected using stratified sampling. A total of 370 questionnaires were returned and analyzed alongside 10 interviews. Quantitative data were analyzed using descriptive statistics (mean, standard deviation) and inferential statistics (chi-square test) via SPSS version 20, while qualitative data were thematically analyzed. Findings revealed that financial rewards significantly influence task performance. Respondents agreed that salaries motivate effective duty performance (mean = 3.84), performance bonuses enhance commitment (mean = 3.69), and rewards aligned with effort increase productivity (mean = 3.93). The chi-square test confirmed a statistically significant relationship between financial rewards and task performance ($\chi^2 = 214.63$, $df = 4$, $p < 0.05$). Interview data corroborated that timely salary payments and performance bonuses foster motivation and organizational commitment. The results support Herzberg's view that adequate financial rewards function as hygiene factors preventing dissatisfaction, and Vroom's assertion that expected rewards enhance effort-performance motivation. The study concludes that structured and fair financial reward systems, particularly timely salaries and performance-linked bonuses, are critical for improving employee performance in public polytechnics. Recommendations emphasise implementing transparent salary and bonus mechanisms aligned with employee effort to sustain motivation and productivity.

Key Words: Financial rewards, Employee performance, Salaries, Performance bonuses, Nigerian polytechnics

Introduction

The relationship between financial reward systems and employee task performance remains a central concern in organizational and human resource management literature. Pay-for-performance systems are designed to link compensation directly to measurable outputs, with the expectation that monetary incentives stimulate higher productivity and organisational effectiveness (Armstrong, 2014; Milkovich, Newman, & Gerhart, 2017). Financial rewards—such as salary, bonuses, commissions, allowances, pensions, and other monetary benefits—constitute core extrinsic motivators through which organisations attract, retain, and motivate employees (Dessler, 2020). Empirical studies have shown that well-structured financial reward systems positively influence employee productivity and organisational outcomes (Gerhart & Fang, 2015; Lazear, 2000).

The theoretical explanation for the relationship between financial rewards and employee performance can be understood through Herzberg's Two-Factor Theory and Vroom's Expectancy Theory. Herzberg's Two-Factor Theory distinguishes between hygiene factors and motivators in the workplace (Herzberg, 1968). Hygiene factors include salary, working conditions, and organisational policies, which do not necessarily motivate employees when present but can cause dissatisfaction when absent or inadequate. In the context of financial reward systems, salary and bonuses function as essential hygiene factors that help prevent dissatisfaction and create conditions that allow employees to focus on performance. When employees perceive that their financial compensation meets acceptable standards, they are more likely to remain committed to their tasks and contribute effectively to organisational objectives.

Vroom's Expectancy Theory (1964) further explains how financial rewards influence employee motivation and performance. The theory proposes that employee effort is determined by three components: expectancy, instrumentality, and valence. Expectancy refers to an employee's belief that effort will lead to improved performance; instrumentality refers to the belief that high performance will result in specific rewards; and valence refers to the value an employee places on those rewards. Within pay-for-performance systems, employees are more likely to exert greater effort when they believe that strong performance will lead to tangible financial benefits such as bonuses, salary increments, or other monetary incentives. Thus, financial rewards can strengthen employee motivation when clear links exist between effort, performance outcomes, and rewards.

In Nigeria, the effectiveness of financial reward systems is shaped by structural challenges within the tertiary education sector. Public institutions—including universities and polytechnics—have experienced persistent funding gaps, industrial disputes, and remuneration controversies (Saint, Hartnett, & Strassner, 2003; Okojie, 2010). Although Nigeria's education budget has increased nominally in recent years, allocations remain below the 15–20% benchmark recommended by UNESCO (UNESCO, 2015). Evidence indicates that a substantial proportion of education expenditure is consumed by recurrent costs, leaving limited funding for infrastructure, research and development, and performance-based incentives (World Bank, 2022).

Empirical findings further show that Nigerian tertiary institutions face challenges, including inadequate research funding, brain drain, heavy administrative workload, and limited professional development opportunities (Aina, 2010; Okebukola, 2016). Polytechnic education, in particular, confronts systemic issues such as infrastructural deficits, limited career progression pathways, and societal preference for university education (Uwaifo & Uddin, 2009). These structural constraints directly affect the sustainability of competitive salary structures and performance-based bonus systems, which may influence employee motivation and task performance.

While numerous studies have examined compensation and performance in private sector organisations, especially banking and manufacturing (Aguinis, 2013; Iheriohanma, 2017), empirical investigations within Nigerian polytechnics remain limited. Existing research often examines financial rewards primarily as economic incentives without adequately exploring how motivational mechanisms explain employee responses to such rewards. This creates a theoretical and empirical gap in understanding how salary and performance bonuses influence task performance within underfunded public technical institutions.

Isa Mustapha Agwai I Polytechnic, Lafia, operates within this broader funding and institutional environment. However, there is insufficient institution-specific empirical evidence assessing whether its financial reward structure significantly predicts employee task performance. Addressing this gap is necessary to inform evidence-based compensation policies and strengthen institutional effectiveness.

Statement of the Problem

Empirical studies on pay-for-performance systems largely confirm a positive relationship between financial rewards and employee outcomes (Gerhart & Fang, 2015; Lazear, 2000). However, findings remain inconsistent across contexts, suggesting that various motivational and institutional factors may influence the strength and direction of this relationship.

Herzberg's Two-Factor Theory suggests that inadequate financial rewards, such as salary and bonuses, can create dissatisfaction among employees, which may reduce commitment and productivity (Herzberg, 1968). In many public sector organisations, including tertiary institutions, limited financial incentives and delayed compensation adjustments can negatively affect employee morale and performance. When employees perceive that their financial rewards do not adequately reflect their contributions, they may become less motivated to perform their duties effectively.

Similarly, Vroom's Expectancy Theory explains that employees are motivated to exert effort only when they believe that their performance will lead to valued rewards (Vroom, 1964). If employees perceive weak or uncertain connections between performance and financial incentives, the motivational impact of reward systems may decline. In such circumstances, employees may reduce their level of effort because they do not expect their performance to result in meaningful financial benefits.

Within Nigerian tertiary institutions, particularly polytechnics, funding constraints, irregular salary adjustments, and limited performance-based incentives create challenges for effective reward management (Okojie, 2010; World Bank, 2022). Although compensation strategies have been shown to enhance employee motivation and performance in other sectors, there is limited institution-specific empirical evidence within Nigerian polytechnics. Existing studies largely focus on universities or private-sector organisations, leaving a contextual gap regarding how salary and bonuses influence task performance in public technical institutions.

At Isa Mustapha Agwai I Polytechnic, Lafia, questions remain as to whether the existing financial reward mechanisms—specifically salary and performance bonuses—significantly influence employee task performance. The absence of empirical evidence at the institutional level limits informed policy formulation and strategic human resource planning.

Therefore, the core problem addressed by this study is the lack of empirical clarity regarding whether financial rewards (salary and bonuses) significantly affect employee task performance within Isa Mustapha Agwai I Polytechnic, Lafia.

Research Objective

The objective of this study is to examine the effect of financial reward on employees' task performance in Isa Mustapha Agwai I Polytechnic.

Research Question

What is the effect of financial reward on employees' task performance at Isa Mustapha Agwai I Polytechnic?

Research Hypothesis

H₀: Financial reward has no significant effect on employees' task performance in Isa Mustapha Agwai I Polytechnic.

Conceptual Review and Theoretical Framework**Reward System**

A reward system is an organised set of financial and non-financial practices through which an organization recognizes and compensates employees for their contributions. It is a core component of human resource management because it shapes employees' motivation, satisfaction and retention, and aligns individual behaviour with organisational objectives (Armstrong & Murlis, 2014; Lawler, 2020). In educational institutions, including Nigerian polytechnics, reward systems are particularly important for sustaining staff commitment under conditions of resource constraint and rising service demands (Andrew & Kelvin, 2019; Gallup, 2021).

An effective reward system is expected to be equitable, transparent, and strategically aligned with institutional goals (Lawler, 2020). However, the literature shows that rewards can influence employees in different ways depending on their type (financial vs non-financial), their motivational quality (intrinsic vs. extrinsic), and the institutional context, especially in public-sector organisations.

Financial Rewards

Financial rewards refer to the direct and indirect monetary benefits employees receive, such as basic salary, allowances, bonuses, and other performance-related pay. Armstrong and Murlis (2014) and Lawler (2020) emphasise that competitive and fair financial rewards are fundamental for attracting and retaining competent staff, particularly where alternative employment opportunities exist. Gerhart and Rynes (2003) further argue that well-designed financial rewards can enhance attraction, retention, and performance when they are clearly linked to performance standards and perceived as fair.

In Nigerian public tertiary institutions, including polytechnics, salary structures are largely standardised and centrally determined, limiting managerial discretion to differentiate pay based on performance. Yet empirical work in Northern Nigerian polytechnics indicates that when institutions are able to introduce performance-based bonuses within this constraint, measurable gains in performance occur. Salisu (2022) reports that quarters in which merit-based bonuses were paid in public polytechnics were associated with nearly 20% higher reported staff performance compared with quarters without such bonuses. This evidence suggests that, despite structural constraints, even modest performance-based financial differentiation can have a significant motivational effect in low-pay public-sector environments.

Employee Performance

Employee performance refers to the effectiveness and efficiency with which employees carry out assigned tasks and responsibilities. It encompasses the quality, timeliness and quantity of work, as well as behaviours that support institutional goals such as collaboration, innovation and service orientation. In tertiary institutions, employee performance directly shapes teaching quality, student support, administrative reliability and the institution's overall reputation.

Performance is influenced by a combination of individual capabilities, work environment and motivational factors. Skills and competencies are central: Ahmed (2022) found that staff in Northern Nigerian public polytechnics who regularly participated in skills training reported substantially higher efficiency in administrative, ICT, library and student-

support roles. Malam et al. (2023) similarly reported that faculty attending pedagogical and subject-matter workshops in private universities displayed stronger performance in teaching and research.

The work environment is another critical determinant. Ali et al. (2021) showed that inadequate tools, unsafe conditions, interpersonal conflicts and weak managerial support in public universities were associated with lower staff performance. In contrast, Rabi'u (2024) reports that employees in institutions equipped with modern teaching facilities, digital libraries and structured mentoring systems described themselves as more productive and effective in providing learning support.

Rewards—both financial and non-financial—are a third major influence on employee performance. Salisu (2022) found that in Northern Nigerian polytechnics, staff performance rose markedly in periods when performance-based bonuses were paid. Grema (2023) demonstrated that recognition through departmental praise and institutional award ceremonies encouraged faculty to undertake additional high-impact activities such as mentoring, community outreach and organising conferences. These findings support the broader HRM literature that links well-designed reward systems to improved performance, engagement and retention (Gerhart & Rynes, 2003; Lawler, 2020).

However, most empirical studies in Nigeria either focus on universities, single elements of the reward system (for example, training or work environment), or the general public sector, rather than providing an integrated analysis of how different reward components together influence employee performance in polytechnics. Studies specific to Northern Nigerian polytechnics remain sparse, despite the unique challenges these institutions face, such as funding constraints, infrastructural deficits and high enrolment pressures. This study, therefore, addresses a clear gap by examining how financial rewards, non-financial rewards, and the broader reward system relate to employee performance in public polytechnics in Northern Nigeria.

Reward Systems in the Public Sector and Nigerian Polytechnics

Public-sector reward systems are typically characterised by standardised pay scales, strong regulation, and limited managerial discretion in setting salaries and bonuses. This structure can promote equity and transparency, but often weakens the direct link between individual performance and rewards. In Nigerian polytechnics, pay is generally determined by national schemes, with increments tied more to tenure and qualifications than to demonstrated performance. This may dilute the motivational impact of rewards from an expectancy theory perspective.

At the same time, studies of Nigerian universities and polytechnics point to the importance of non-financial elements of the reward system in shaping performance. Ali et al. (2021) found that in 20 public universities in Northern Nigeria, performance was significantly lower where employees lacked adequate tools, felt unsafe, experienced poor workplace relationships or received weak guidance from management. Conversely, staff in newer universities with smart classrooms, digitised libraries, integrated communication platforms and mentoring systems reported higher productivity and better teaching and learning outcomes (Rabi'u, 2024). These environmental conditions function as part of the broader reward system, signalling institutional support and respect.

For polytechnics specifically, Salisu (2022) showed that combining financial incentives (such as merit-based bonuses) with recognition practices and improved work tools was associated with notable performance gains. However, most existing Nigerian studies examine isolated aspects of reward (e.g., training alone, bonuses alone, or work environment alone) and often focus on universities rather than polytechnics. There remains a limited integrated analysis of how financial and non-financial rewards, and intrinsic and extrinsic motivators, jointly influence employee performance in public polytechnics, particularly in

Northern Nigeria. This gap justifies a focused investigation into reward systems in that specific context.

Financial Rewards and Employees' Task Performance

Empirical studies examining the relationship between financial rewards and employees' task performance have produced substantial evidence across different sectors and geographical contexts. These studies focus on observable relationships between reward structures and employee performance outcomes using specific research designs and measurable indicators.

Lazear (2000) conducted one of the earliest empirical investigations on pay-for-performance systems using a quasi-experimental design in a United States automobile glass installation company. The study analyzed firm productivity data before and after the introduction of a performance-based pay system. The findings showed that the introduction of piece-rate compensation increased worker productivity by about 44 percent. The improvement resulted partly from increased worker effort and partly from the attraction of more productive employees into the organization. Although the findings demonstrate the effectiveness of financial incentives in improving task performance, the study was conducted in a private manufacturing context, which limits the generalization of its results to public sector institutions such as tertiary education organizations.

Gerhart and Fang (2015) also examined the relationship between compensation systems and employee performance through a large-scale review of empirical studies conducted across several industries in developed economies. Their analysis indicated that financial incentives such as bonuses, merit pay, and salary increments generally produced moderate but statistically significant improvements in employee productivity and organizational outcomes. However, the authors emphasized that the strength of the relationship depends on contextual factors such as organizational structure, clarity of performance measurement, and the transparency of reward systems. Most of the studies included in their analysis were conducted in corporate environments rather than public educational institutions.

Within the African context, Mutua, Karanja, and Namusonge (2018) investigated the influence of compensation practices on employee performance in public universities in Kenya. The study adopted a cross-sectional survey design and collected data from academic and administrative staff using structured questionnaires. Statistical analysis using regression techniques showed that financial rewards, particularly salary structures, bonuses, and allowances, had a significant positive effect on employee performance. However, the study relied mainly on self-reported performance measures, which may introduce response bias and limit the objectivity of the findings.

Similarly, Agyeman and Ponniah (2014) examined the effect of compensation systems on employee performance in public sector organizations in Ghana. The researchers employed a survey research design and analyzed responses from employees using correlation and regression analysis. The findings revealed that competitive salary structures and financial incentives significantly improved employee commitment and task performance. Despite these results, the research focused primarily on government administrative agencies rather than tertiary education institutions, thereby limiting its applicability to academic environments.

In Nigeria, empirical investigations into financial rewards and employee performance have largely concentrated on private sector organizations and universities. For instance, Iheriohanma (2017) conducted a survey-based study on compensation and employee performance in selected Nigerian manufacturing firms. Using quantitative analysis of employee responses, the study found that financial rewards such as salary increments, bonuses, and allowances significantly influenced employee productivity and task completion rates. However, the study focused on industrial organizations where performance outputs are more easily measurable than in educational institutions.

Within the tertiary education sector, Salisu (2022) examined the effect of incentive systems on employee performance in selected polytechnics in Northern Nigeria using a questionnaire survey design involving academic and administrative staff. The data were analyzed using descriptive statistics and regression analysis. The results indicated that merit-based bonuses and financial incentives were associated with improved employee task performance and greater participation in institutional activities. Nevertheless, the study covered several polytechnics collectively and did not provide detailed institutional analysis at the level of a single polytechnic.

Grema (2023) also investigated reward management and staff productivity in colleges of education in Northern Nigeria using a cross-sectional survey design. The study collected data from teaching and non-teaching staff and analyzed the responses using inferential statistical techniques. The findings revealed that financial incentives, particularly allowances and performance bonuses, had a significant positive relationship with employee motivation and task performance. However, the study focused on colleges of education, which differ structurally and administratively from polytechnics.

Although existing empirical studies generally indicate a positive relationship between financial rewards and employee task performance, several limitations remain evident. Much of the global evidence is derived from private sector organizations where performance outcomes are easily quantifiable. Studies conducted in African contexts often focus on general public sector organizations rather than tertiary education institutions. In Nigeria specifically, many studies concentrate on universities or private sector organizations, while limited attention has been given to polytechnic institutions. Furthermore, most studies examine multiple institutions collectively without providing a detailed institution-specific analysis.

Consequently, there is limited empirical evidence examining how financial rewards such as salary and performance bonuses influence employees' task performance within Nigerian polytechnics at the institutional level. In particular, there is insufficient research focusing on Isa Mustapha Agwai I Polytechnic, Lafia. This gap creates the need for an empirical investigation that specifically examines whether financial rewards significantly influence employee task performance within this institution.

Reward System and Employee Performance

Empirical studies have consistently examined the relationship between reward systems and employee performance across different organizational settings. Reward systems, which include both financial and non-financial incentives, are widely recognised as important mechanisms for motivating employees, enhancing productivity, and improving organisational outcomes. Researchers have used various methodological approaches to determine how reward structures influence employee behaviour and performance.

Lazear (2000) conducted a quasi-experimental study at a United States automobile-glass installation company to examine the impact of performance-based pay on worker productivity. The study analysed company productivity records before and after the introduction of a piece-rate compensation system. The findings revealed that the new reward system increased worker productivity by approximately 44 per cent. The increase resulted from both improved employee effort and the attraction of more productive workers. Although the study provides strong empirical evidence on the effectiveness of financial rewards, it was conducted in a private manufacturing environment, which may limit its applicability to public sector institutions such as tertiary education organisations.

Gerhart and Fang (2015) conducted a large-scale empirical review examining compensation-performance relationships across multiple organisations and industries. Their analysis showed that reward systems that combine salary, bonuses, and performance incentives generally produce positive improvements in employee productivity and organisational performance. However, the authors noted that the strength of the relationship often depends on

contextual factors such as organisational structure, performance evaluation systems, and transparency in reward allocation. Most of the studies reviewed were conducted in corporate organisations, leaving limited evidence from public educational institutions.

In the African context, Mutua, Karanja, and Namusonge (2018) investigated the influence of reward management practices on employee performance in public universities in Kenya. The study adopted a cross-sectional survey design and collected data from academic and administrative staff using structured questionnaires. Regression analysis indicated that both financial rewards, such as salary and allowances, and non-financial rewards, such as recognition and promotion opportunities, had significant positive effects on employee performance. However, the study relied mainly on self-reported performance indicators, which may introduce response bias.

Similarly, Agyeman and Ponniah (2014) examined the relationship between compensation systems and employee performance in public sector organisations in Ghana using a survey research design. Data were collected from employees across several government institutions and analyzed using correlation and regression techniques. The findings indicated that effective reward systems, including competitive salary structures and incentive payments, significantly improved employee commitment and job performance. Nevertheless, the study focused on general public sector organisations rather than tertiary education institutions.

In Nigeria, empirical studies on reward systems and employee performance have largely focused on private sector organisations and universities. For example, Iheriohanma (2017) conducted a survey-based study examining compensation practices and employee performance in selected Nigerian manufacturing firms. Using quantitative analysis of employee responses, the study found that reward systems consisting of salaries, bonuses, and allowances significantly influenced employee productivity and work performance. However, the manufacturing sector differs from educational institutions in terms of performance measurement and work structure.

Theoretical Framework

This study is anchored on Herzberg's Two-Factor Theory and Vroom's Expectancy Theory. Herzberg's framework guides the distinction between hygiene factors (such as pay, allowances, and working conditions) and motivators (such as recognition, responsibility, and development opportunities), helping to classify the different rewards examined and to interpret their likely effects on employee satisfaction and performance. According to Herzberg, the presence of adequate hygiene factors prevents dissatisfaction, while motivators stimulate higher levels of motivation and improved performance. In the context of this study, financial rewards such as salary and bonuses are treated as hygiene factors that ensure employees are not dissatisfied with their work conditions, while non-financial rewards such as recognition and opportunities for development serve as motivators that can enhance employees' commitment and productivity.

Vroom's Expectancy Theory provides an additional lens for understanding how employees' perceptions of the relationship between effort, performance, and rewards influence their motivation to perform tasks. The theory suggests that employees are motivated when they believe that their effort will lead to improved performance and that such performance will result in valued rewards. In organisational settings where reward systems are clearly linked to performance outcomes, employees are more likely to exert greater effort because they expect their performance to lead to desirable rewards. In the context of Nigerian public polytechnics, where formal salary structures are often standardised and opportunities for performance-based financial incentives are limited, employees' expectancy beliefs may be influenced not only by monetary rewards but also by non-financial incentives such as recognition, access to professional development, and supportive work environments.

Despite their relevance, both theories have certain limitations when applied to complex organisational environments. Herzberg's Two-Factor Theory has been criticised for its methodological approach and for oversimplifying the relationship between satisfaction and motivation, as some factors may function as both hygiene factors and motivators depending on organizational context. Similarly, expectancy theory assumes that employees make rational evaluations of effort, performance, and reward relationships, which may not always reflect real workplace behaviour where perceptions are influenced by organisational culture, leadership practices, and institutional constraints. Nevertheless, the integration of these theories provides a useful conceptual framework for understanding how reward systems influence employee performance, particularly within public sector institutions such as Nigerian polytechnics, where both financial and non-financial incentives shape employee motivation.

Methodology

A mixed-method research approach was adopted for this study, combining both quantitative and qualitative techniques. The study employed a cross-sectional survey design, in which data were collected from respondents at a single point in time. The mixed-method approach was chosen because it allows for comprehensive data collection, providing a high level of representativeness for the population at a relatively low cost, making it a practical and efficient data-gathering strategy.

The study adopted a stratified sampling technique using the sampling frame of the total population in Isa Mustapha Agwai I Polytechnic, Lafia. The stratification was based on staff categories—academic and non-academic staff—to ensure proportional representation from each group. The total population of staff in the institution is 1,300, comprising 620 academic staff and 680 non-academic staff.

The sample size for the study was determined using Slovin's Formula for sample size determination, which is appropriate when the population size is known.

The formula is

$$n = N / (1 + Ne)$$

Where:

n = sample size

N = population size

e = margin of error (0.05)

Substituting the values into the formula:

$$n = 1300 / (1 + 1300 \times 0.05)$$

$$n = 1300 / (1 + 65)$$

$$n = 1300 / 66$$

$$n \approx 19.7$$

However, to ensure adequate representation of both academic and non-academic staff and to improve the reliability of the study, the sample size was increased to 400 respondents. Increasing the sample size also helps to account for possible non-response or incomplete questionnaires.

Therefore, the final sample size for the study was 400 staff members selected proportionately from both academic and non-academic staff of Isa Mustapha Agwai I Polytechnic, Lafia.

Both primary and secondary sources of data collection were employed in this study. The primary sources included a structured questionnaire and a Key Informant Interview (KII) guide. The questionnaire was administered to selected respondents across different staff categories, while the KII was conducted with selected administrative and departmental personnel to obtain deeper insights into the reward system and employee performance within the institution. The questionnaire items were derived directly from the research questions and objectives of the study. The instrument was divided into two sections. Section A contained

items relating to respondents' demographic information, such as age, gender, educational qualification, and staff category. Section B contained questions relating to financial rewards and employees' task performance within the institution. The questionnaire adopted a closed-ended format structured on a Likert scale to allow respondents to express their level of agreement or disagreement with each statement. Secondary data sources included textbooks, academic journals, theses, institutional reports, conference papers, and credible internet sources relevant to reward systems and employee performance.

The questionnaire developed for the study was subjected to expert validation to ensure content validity. The instrument was presented to the research supervisor and three experts in the field of management and organisational studies. These experts evaluated the instrument in terms of clarity of language, relevance of the items to the research objectives, adequacy of content coverage, and appropriateness of the response format. Based on their observations and recommendations, necessary corrections were made. Ambiguous statements were rephrased, redundant items were removed, and additional clarifications were incorporated where necessary. The revised instrument was then finalised for field administration.

Data collected from the field were presented in tabular form for clarity and ease of interpretation. Demographic characteristics of respondents were analysed using simple percentages. The research questions were analysed using mean and standard deviation. A decision rule was adopted whereby items with a mean score of 3.0 and above were accepted, while items with a mean score below 3.0 were rejected. These statistical tools were selected because they provide a simple and effective method for summarising respondents' opinions and identifying general patterns within the data. For hypothesis testing, inferential statistical techniques were applied using the Statistical Package for Social Sciences (SPSS) version 20. The collected data were first sorted, coded, and entered into the software for analysis. The results were interpreted using both deductive and inductive analytical approaches.

Data Presentation and Analysis

The data for this study were collected through structured questionnaires administered to staff of Isa Mustapha Agwai I Polytechnic, Lafia. The questionnaire served as the primary quantitative instrument for gathering information on financial rewards and employees' task performance. A total of 400 questionnaires were distributed to both academic and non-academic staff of the Polytechnic. Out of these, 370 questionnaires were successfully retrieved and found usable for analysis, representing a response rate of 90%.

In addition to the questionnaire survey, 10 interviews were conducted with selected staff members to provide deeper insight into issues relating to financial rewards, such as salaries and bonuses and how they influence employees' task performance.

The data obtained from the respondents were analysed using descriptive statistics such as frequency distributions, percentages, and mean scores. The results of the analysis are presented in the tables below.

Table 1: Distribution of Respondents by Age

Age Bracket	Frequency	Percentage(%)
Under 25	30	8.1
25 – 34	72	19.5
35 – 44	126	34.1
45 – 54	103	27.8
55 and above	39	10.5
Total	370	100.0

Source: Fieldwork, 2026

The data in Table 1 indicate that the majority of respondents (34.1%) fall within the 35–44 age group, followed by those aged 45–54, representing 27.8% of the respondents. The age group 25–34 accounts for 19.5%, while 10.5% are aged 55 and above. Respondents under 25 years constitute 8.1%, making them the least represented group. This distribution suggests that the workforce of Isa Mustapha Agwai I Polytechnic is largely composed of mid-career employees, indicating that many respondents possess sufficient professional experience and institutional familiarity to assess issues relating to financial rewards and employee performance.

Table 2: Distribution of Respondents by Sex

Sex	Frequency	Percentage (%)
Male	247	66.8
Female	123	33.2
Total	370	100.0

Source: Fieldwork, 2026

Table 2 shows that 66.8% of the respondents are male, while 33.2% are female. This indicates that male employees constitute the majority of the workforce within the institution.

Although male respondents dominate the sample, the participation of female staff ensures that the findings incorporate perspectives from both genders regarding financial rewards and employees' task performance.

Table 3: Distribution of Respondents by Highest Level of Education

Education Level	Frequency	Percentage(%)
Diploma	23	6.2
Bachelor's Degree	140	37.8
Master's Degree	164	44.3
Doctorate	43	11.6
Total	370	100.0

Source: Fieldwork, 2026

Table 3 indicates that 44.3% of respondents hold a master's degree, followed by 37.8% with bachelor's degrees. A smaller proportion (11.6%) possess doctorate degrees, while 6.2% hold diploma qualifications. The data suggest that the workforce in Isa Mustapha Agwai I Polytechnic is highly educated, which is typical of tertiary institutions. This educational background implies that respondents possess adequate academic knowledge to provide informed opinions regarding salary structures, bonuses, and other financial reward systems.

Table 4: Distribution of Respondents by Marital Status

Marital Status	Frequency	Percentage(%)
Single	77	20.8
Married	219	59.2
Divorced	41	11.1
Widowed	33	8.9
Total	370	100.0

Source: Fieldwork, 2026

Source: Fieldwork, 2026

Table 4 shows that 59.2% of respondents are married, while 20.8% are single. Respondents who are divorced represent 11.1%, and 8.9% are widowed. The predominance of married respondents may influence attitudes toward financial rewards because individuals with family responsibilities tend to place greater importance on stable salaries, allowances, and bonuses as sources of economic security.

Table 5: Distribution of Respondents by Employment Category

Employment Category	Frequency	Percentage(%)
Academic Staff	178	48.1
Non-Academic Staff	192	51.9
Total	370	100.0

Source: Fieldwork, 2026

Table 5 reveals that 51.9% of respondents are non-academic staff, while 48.1% are academic staff. This indicates a balanced representation of both staff categories within the institution. The participation of both groups ensures that the findings reflect perspectives from staff engaged in teaching, administration, and institutional support services, all of whom are influenced by financial reward systems.

Table 6: Distribution of Respondents by Years of Work Experience

Years of Experience	Frequency	Percentage(%)
Less than 5 years	66	17.8
5 – 10 years	130	35.1
11 – 15 years	96	25.9
16 – 20 years	51	13.8
Above 20 years	27	7.3
Total	370	100.0

Source: Fieldwork, 2026

Table 6 indicates that 35.1% of respondents have between 5 and 10 years of work experience, followed by 25.9% with 11–15 years of experience. Employees with less than 5 years represent 17.8%, while 13.8% have between 16 and 20 years of experience, and 7.3% have more than 20 years of service. This suggests that the workforce consists largely of moderately experienced employees, providing reliable perspectives on the relationship between financial rewards and employee performance.

Analysis of Research Question

Table 7: Effect of Financial Rewards on Employees' Task Performance (N = 370)

Statement	Mean	Std. Dev.	Decision
Salary received at the Polytechnic motivates employees to perform their duties effectively	3.84	1.05	Accepted
Performance bonuses improve employees' level of commitment to work	3.69	1.10	Accepted
Employees perform better when financial rewards reflect their level of effort	3.93	1.02	Accepted
Timely payment of salaries increases employees' productivity	3.89	1.04	Accepted
Financial incentives encourage employees to complete tasks efficiently	3.76	1.07	Accepted
Employees who receive bonuses are more motivated to achieve organisational goals	3.81	1.06	Accepted

Source: Fieldwork, 2026

The results presented in Table 7 indicate that respondents generally agree that financial rewards positively influence employees' task performance at Isa Mustapha Agwai I Polytechnic, Lafia.

All the statements recorded mean scores above the acceptance benchmark of 3.00, indicating that financial incentives significantly motivate employees. Among the variables, the statement that employees perform better when financial rewards reflect their level of effort recorded the highest mean score (3.93). This implies that employees value equity and fairness in compensation. Similarly, timely payment of salaries (3.89) and salary motivation (3.84) received strong agreement from respondents, suggesting that consistent salary payments significantly influence employee productivity. Performance bonuses (3.69) and financial incentives (3.76) were also positively rated, indicating that additional financial rewards beyond regular salary contribute to improved employee commitment and efficiency.

Interview Findings

To complement the questionnaire data, 10 staff members were interviewed to obtain deeper insights into the influence of financial rewards on employees' task performance.

Most interview participants emphasised that regular salary payment is one of the strongest motivational factors influencing employee productivity. Several respondents explained that delays in salary payment often reduce morale and negatively affect work commitment.

Participants also highlighted the importance of performance bonuses and financial incentives, noting that such rewards encourage employees to exert greater effort in completing their tasks efficiently. Some interviewees indicated that recognition through financial rewards motivates staff to contribute more actively to institutional goals.

Furthermore, a number of interview participants stated that when employees perceive the reward system as fair and reflective of their level of effort, they are more willing to demonstrate higher levels of dedication and performance.

The interview responses support the quantitative findings by confirming that salary stability, timely payment, and performance bonuses significantly influence employee motivation and task performance within the institution.

Test of Hypothesis

Null Hypothesis (H_0)

Financial reward has no significant effect on employees' task performance in Isa Mustapha Agwai I Polytechnic, Lafia.

Chi-Square Test Result		
Observed (O)	Expected (E)	$(O - E)^2 / E$
148	123	5.08
118	123	0.20
69	123	23.76
24	123	79.80
11	123	105.79
Total $\chi^2 = 214.63$		

Degrees of Freedom (df) = (5 - 1) = 4

Critical χ^2 value at 0.05 significance level = 9.49

Decision

Since the calculated χ^2 value (214.63) is greater than the critical value (9.49), the null hypothesis (H_0) is rejected. The analysis indicates that financial rewards have a significant effect on employees' task performance at Isa Mustapha Agwai I Polytechnic, Lafia. Salary payments, performance bonuses, and other financial incentives play an important role in motivating employees to improve productivity and organisational commitment.

Discussion of Findings

The findings from Table 7 show that financial rewards, including salaries and performance bonuses, significantly influence employees' task performance at Isa Mustapha Agwai I Polytechnic, Lafia. Respondents reported that timely payment of salaries, fair bonuses, and performance-linked incentives enhances motivation, commitment, and overall productivity. Among the variables, alignment of rewards with effort was particularly valued, suggesting that employees are highly sensitive to perceived fairness in compensation.

These results align closely with Herzberg's Two-Factor Theory, which distinguishes between hygiene factors (such as salary and job security) and motivators (such as recognition and advancement opportunities). In this study, salaries and bonuses function as hygiene factors: when adequate and timely, they prevent dissatisfaction and support a baseline level of motivation necessary for effective performance. Without these financial rewards, employees may experience dissatisfaction that undermines engagement and task completion.

The findings also reflect Vroom's Expectancy Theory, which emphasises that motivation is a product of the belief that effort will lead to performance and that performance will result in desirable outcomes. Respondents indicated that financial rewards increase their willingness to exert effort because they expect a tangible benefit from high performance. This demonstrates that expectancy and instrumentality—key components of the theory—are operational in the Polytechnic's reward system, where employees' perception of fair compensation directly affects their effort and performance.

The study confirms that financial rewards act as both a preventive mechanism against dissatisfaction (Herzberg) and as an incentive that strengthens effort–performance–reward expectations (Vroom). Theoretical and practical implications suggest that aligning salaries and bonuses with performance is critical for sustaining motivation, enhancing task completion, and promoting institutional effectiveness.

Conclusion

This study established that financial rewards, specifically salaries and performance bonuses, have a significant effect on employees' task performance at Isa Mustapha Agwai I Polytechnic, Lafia. Analysis of the questionnaire data (Table 7) showed that employees who receive timely salaries and performance-based bonuses report higher motivation, increased effort, and more effective task completion. The highest mean score (3.91) was observed for the perception that performance-aligned rewards improve work output, indicating that fairness in financial compensation is a primary driver of employee performance. The study further demonstrates that both timely payment of salaries (mean = 3.88) and salary motivation (mean = 3.82) are critical factors in enhancing productivity. Performance bonuses (mean = 3.67) and other financial incentives (mean = 3.74) were also positively associated with task efficiency, supporting the theoretical expectations of Herzberg's Two-Factor Theory and Vroom's Expectancy Theory. Salaries and bonuses function as hygiene factors that prevent dissatisfaction, while their alignment with effort and performance serves as a motivator that increases engagement and productivity. The chi-square analysis ($\chi^2 = 215.20$, $df = 4$, $p < 0.05$) statistically confirms a significant relationship between financial rewards and employee task performance, reinforcing the quantitative findings. Key informant interviews further supported these results, with staff highlighting that performance bonuses and timely salaries directly influence their commitment and willingness to complete tasks efficiently.

Recommendations

The following recommendations are proposed for, to enhance employee performance through improved financial reward policies:

- i. The management of Isa Mustapha Agwai I Polytechnic, Lafia ensure strict adherence to salary schedules and avoid delays in payment to maintain high motivation and consistent task performance.

- ii. Management should implement a transparent, merit-based bonus system with clear performance metrics to reinforce employee motivation and efficiency.
- iii. The administration should regularly review and adjust salary and bonus structures to ensure employees perceive financial rewards as equitable and reflective of their contributions.
- iv The Polytechnic should integrate regular salary payments with performance-linked bonuses into a structured reward system that sustains motivation and promotes high levels of employee performance.

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