

Strategic Reward System: A Tool to Invigorate Employee Performance.

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Abstract

This study investigates the impact of strategic reward systems on employee performance in selected organizations in Ado Ekiti, Nigeria. The research focuses on a key dimension: strategic alignment (SA). Guided by Expectancy Theory, Equity Theory, Goal-Setting Theory, and Herzberg's Two-Factor Theory, the study examines how these components influence employee motivation and performance. A quantitative, cross-sectional design was employed, with data collected from 178 employees across Afe Babalola University (ABUAD) and Wema Bank Plc, Ado Ekiti branch. Descriptive statistics, Pearson correlation, and multiple regression analysis were used to analyze the data. Results showed that all three components of the reward system significantly influence employee performance ($R^2 = 0.551$, $F(3,174) = 56.82$, $p < 0.001$). Strategic alignment had the strongest effect ($\beta = 0.476$, $p < 0.001$), followed by monetary rewards ($\beta = 0.414$, $p < 0.001$) and non-monetary rewards ($\beta = 0.264$, $p < 0.01$). The study concludes that reward systems which are strategically designed: transparent, inclusive, and aligned with organizational objectives are essential for enhancing employee performance and maintaining sustained workplace engagement. It recommends that organizations embed performance-based and strategically aligned reward mechanisms into their HR practices to drive both individual and institutional productivity.

Keywords: *Employee performance, Monetary rewards, Non-monetary rewards, Strategic alignment, Strategic reward system.*

1. Introduction

In the era of globalization, technological disruption, and hybrid work models, organizations face increasing pressure to boost productivity while retaining top talent. The evolving nature of work has shifted the focus from mere compensation to strategic reward systems (SRS), comprehensive and purposeful approaches to motivating employees by aligning reward mechanisms with both individual and organizational goals (Aguinis et al., 2023). As competition intensifies across sectors, particularly in emerging economies like Nigeria, the need to deploy reward systems as strategic levers for performance enhancement has become more urgent than ever (Ifenowo & Genty, 2024).

A strategic reward system involves the structured integration of monetary rewards (e.g., salaries, bonuses), non-monetary incentives (e.g., recognition, career advancement), and strategic alignment mechanisms that ensures firm's consistency with long-term corporate vision (Armstrong & Taylor, 2022; Olatunji & Umeh, 2024). It transcends the transactional logic of traditional pay-for-labor by emphasizing fairness, transparency, motivation, and cultural fit, thereby fostering high performance and organizational

loyalty (Mbah & Eze, 2023). Several studies have confirmed that organizations with clearly articulated reward systems report higher employee engagement, lower turnover rates, and greater alignment with strategic objectives (Ugochukwu & Hassan, 2022; Yusuf & Adetola, 2024). Particularly in Nigeria, where inflation, policy instability, and labor union pressures often undermine compensation structures, strategic rewards offer a more resilient and motivationally robust alternative to ad hoc wage adjustments (Nwachukwu & Ayinde, 2023). However, the effective design and implementation of such systems remain a challenge for many firms that lack the HR maturity to integrate rewards into broader organizational strategy (Ayanponle et al., 2024).

Moreover, workforce expectations are shifting. New-generation employees value more than just pay they seek purpose, flexibility, and professional growth (Onyekachi & Musa, 2021; Wang & Rowley, 2022). Organizations that fail to acknowledge these evolving motivational drivers risk disengagement, underperformance, and talent attrition. As such, a strategic reward approach must be both dynamic and inclusive, capturing the diverse motivations of a multigenerational, culturally varied workforce (Okoroafor & Aluko, 2023).

With the growing recognition of reward systems as strategic tools for driving organizational performance, many Nigerian firms continue to implement compensation policies in a reactive and fragmented manner (Oluyemi, 2024). These systems often emphasize short-term monetary benefits with little alignment to long-term organizational goals or employee development pathways. The result is a workforce that may be compensated but not necessarily motivated, engaged, or aligned with strategic priorities. Studies such as Mbah and Eze (2023) and Nwachukwu and Ayinde (2023) have revealed that Nigerian employees frequently express dissatisfaction with the lack of transparency, consistency, and strategic focus in how rewards are administered. In many cases, high-performing staff receive similar recognition or rewards as their underperforming counterparts, leading to demotivation, reduced productivity, and increased turnover (Carr & MacLachlan, 1996; Adams, 1965). Moreover, existing literature often isolates monetary or non-monetary rewards, with limited attention given to how strategic alignment of the process of ensuring that rewards reflect organizational goals interacts with other reward dimensions to influence performance outcomes.

Given the gap identified in extant literature, there is a pressing need to examine how strategic reward system (monetary rewards (MR), non-monetary rewards (NMR), and strategic alignment (SA)), affects employee performance (EP) in selected Nigerian organizations. This study, therefore, seeks to fill that gap by focusing on how strategic reward systems invigorate employee performance, going beyond traditional compensation logic to investigate performance from a strategic HRM perspective. This research hypothesizes that strategic reward system has no significant effect on employee performance of selected organizations in Ado-Ekiti.

2. Literature Review

2.1. Strategic Reward System

A strategic reward system (SRS) is a deliberately structured and long-term approach to employee compensation that integrates financial and non-financial incentives with the strategic objectives of an organization (Mensah & Otoo, 2023). Unlike traditional compensation models, which often emphasize fixed salaries or annual bonuses, SRS is designed to reinforce behavior and performance outcomes that directly contribute to an organization's mission and competitive advantage (Armstrong & Taylor, 2022). This includes aligning rewards with values such as innovation, collaboration, efficiency, and customer satisfaction. In this regard, reward systems are no longer seen as mere cost items, but as strategic tools for talent management and organizational performance (Aguinis et al., 2023). In high-performing organizations, reward systems serve as performance enablers by motivating employees, reinforcing desired behaviors, and ensuring goal congruence across hierarchical levels.

In the evolving global business environment, especially with the rise of remote work and generational diversity, SRS has become even more critical. Research by Wang and Rowley (2022) shows that younger employees, particularly millennials and Gen Z, value personalized and strategically aligned rewards that offer meaning, development, and flexibility. Moreover, organizations are increasingly shifting from one-size-fits-all rewards to tailored reward portfolios that reflect employees' preferences, job roles, and performance levels (Mbah & Eze, 2023). This personalization enhances employee engagement by making rewards feel more relevant and attainable, which in turn leads to increased discretionary effort and commitment. Strategic reward systems also support inclusivity, helping to bridge motivational gaps across different genders, age groups, and skill levels (Hollenbeck, 2024; REBA, 2024).

2.2. Monetary Rewards (MR)

Monetary rewards refer to the financial compensation employees receive in exchange for their services (Akinwale & George, 2023). These include salaries, bonuses, allowances, commissions, profit-sharing schemes, and performance-based pay. Monetary rewards remain a foundational component of most organizational compensation systems, particularly in economies like Nigeria, where economic volatility makes financial stability a primary concern for employees (Mbah & Eze, 2023). According to Lawler (2021), monetary rewards are among the most visible and immediate forms of recognition and are especially effective in attracting talent and motivating short-term performance. In performance-driven environments, clearly defined financial incentives tied to key performance indicators (KPIs) can stimulate productivity and goal orientation (MatterApp, 2025).

In Nigerian organizations, particularly in the private sector, monetary rewards are widely used to address performance deficits, yet their design and application often suffer from inconsistency and lack of strategic structure (Okonkwo & Adeyemi, 2022). Employees may perceive monetary rewards as arbitrary when promotions or bonuses are not based on transparent criteria, thereby reducing their motivational effect. Moreover, research shows that where rewards are not equitably distributed or are delayed due to bureaucratic or financial challenges, employees may experience low morale, job dissatisfaction, and reduced organizational commitment (Nwachukwu & Ayinde, 2023). This highlights the importance of not only the magnitude but also the timing and fairness of monetary rewards.

2.3. Non-Monetary Rewards (NMR)

Non-monetary rewards refer to non-financial forms of recognition and motivation that organizations offer to employees in exchange for their contributions (Eze, Uche & Obasi, 2024). These include recognition programs, career development opportunities, training, job enrichment, flexible work arrangements, mentorship, and a positive work environment. While these rewards may not directly increase employees' income, they often have a deeper psychological impact by addressing intrinsic motivation, personal growth, and work-life balance (Deci & Ryan, 2000; Armstrong & Taylor, 2022). In an increasingly knowledge-driven and multigenerational workforce, non-monetary rewards have become essential components of a holistic reward strategy.

Recent empirical studies affirm the growing importance of NMR, particularly among younger employees who seek purpose, flexibility, and continuous learning in their careers (Kumah, 2024; Phillips Consulting, 2025). Wang and Rowley (2022) highlight that millennials and Gen Z workers in Asia and Africa prioritize personal development and work-life integration over higher pay. Similarly, Aliyu and Musa (2022) observed that employees in Nigerian tech startups valued project autonomy, remote work options, and public recognition as much as, if not more than, monetary compensation. These findings suggest that NMR can foster long-term engagement and retention, especially in industries that require high creativity, commitment, or innovation.

In Nigeria, NMR is often underutilized, especially in public institutions and SMEs, where formal HR structures are weak or underfunded. Aina and Adediran (2021) found that in public hospitals, healthcare workers ranked opportunities for training, supervisory feedback, and promotional clarity higher than periodic financial bonuses in terms of motivational influence. Likewise, Okoye and Egbunike (2020) reported that employees in Lagos-based SMEs rated recognition, flexible scheduling, and mentorship as key drivers of job satisfaction and performance. These results highlight that non-financial incentives are not just supportive mechanisms, but critical levers for building trust, loyalty, and a high-performance culture.

2.4. Strategic Alignment (SA)

Strategic alignment (SA) in the context of reward systems refers to the deliberate integration of employee rewards with the strategic goals, vision, and values of an organization (Ogunyomi & Adeleke, 2024). It ensures that what is rewarded reflects what the organization considers important, be it innovation, customer satisfaction, productivity, or teamwork (Armstrong & Taylor, 2022). Unlike ad hoc reward programs that focus solely on short-term outcomes, strategically aligned rewards drive behavior that supports both immediate and long-term objectives. By aligning rewards with key performance indicators (KPIs), strategic plans, and organizational values, SA fosters a sense of purpose, clarity, and direction among employees (Aguinis et al., 2023).

When reward systems are strategically aligned, they act as a signal to employees about the organization's priorities, thereby enhancing goal congruence. According to Olatunji and Umeh (2024), organizations that reward competencies and behaviors consistent with strategic goals experience higher levels of performance, employee engagement, and organizational citizenship behavior (OCB). For example, if innovation is a core organizational value, the reward system must prioritize and consistently reinforce innovative contributions across departments. Failure to achieve alignment often results in misaligned incentives, where employees are rewarded for behaviors that do not contribute to strategic success, thereby leading to disengagement or resource misallocation (Alkahtani & Ameen, 2023).

2.5. Employee Performance (EP)

Employee performance (EP) is a central construct in organizational behavior and human resource management, representing the degree to which an individual effectively carries out assigned duties and contributes to the broader organizational objectives (Meyer & van Dyk, 2023). It encompasses a range of behaviors and outcomes, including task efficiency, goal attainment, innovation, collaboration, and adaptability (Dessler, 2020). In today's dynamic work environment, performance is increasingly viewed as a multidimensional construct, encompassing both quantitative results (e.g., output, sales, timeliness) and qualitative attributes (e.g., creativity, problem-solving, interpersonal skills). High-performing employees are instrumental to organizational growth, customer satisfaction, and sustained competitiveness (Aguinis et al., 2023).

Contemporary HR literature emphasizes that EP is influenced by both internal and external motivators, including organizational support, leadership style, job design, and most importantly, the nature of the reward system (Armstrong & Taylor, 2022). Research has shown that performance improves significantly when employees perceive a clear link between their efforts and outcomes, particularly when rewards whether monetary or non-monetary are tied to specific performance indicators (Ugochukwu & Hassan, 2022). Moreover, the alignment of reward structures with individual career goals and organizational expectations leads to stronger commitment and discretionary effort (Okoroafor & Aluko, 2023). This underscores the importance of strategic reward systems in enhancing not just task completion but also initiative-taking and organizational citizenship behaviors.

2.6. Theoretical Review

The effectiveness of a strategic reward system in enhancing employee performance is grounded in several well-established organizational and motivational theories. These theories provide the conceptual foundation for understanding how reward structures influence individual behavior, drive motivation, and support alignment with organizational objectives. The key theoretical frameworks relevant to this study include Expectancy Theory and Herzberg's Two-Factor Theory.

Expectancy Theory (Vroom, 1964) : Expectancy Theory, proposed by Victor Vroom in 1964, posits that an individual's motivation is driven by the belief that effort will lead to performance (expectancy), performance will lead to specific outcomes or rewards (instrumentality), and that these rewards are desirable (valence). In the context of strategic reward systems, this theory underscores the importance of ensuring that reward structures are clearly linked to performance outcomes. Employees are more likely to exert effort when they believe that their performance will be objectively assessed and fairly compensated. Recent empirical support comes from Aguinis et al. (2023), who found that performance-reward transparency significantly enhances employee engagement and goal commitment across diverse organizational settings.

Despite its relevance, Expectancy Theory has attracted criticism for oversimplifying the complexities of motivation. Critics such as Lawler (1994) and Porter & Lawler (1968) argue that the theory assumes a rational decision-making process, which may not always hold in dynamic or collectivist environments, such as team-based projects or bureaucratic institutions. Moreover, when performance metrics are ambiguous or the reward system lacks credibility, the relationship between effort and reward can be disrupted, leading to demotivation. These concerns are especially pertinent in public institutions where reward distribution may be politically influenced or inconsistently applied. In your study, Expectancy Theory is central for explaining why clear performance criteria and reliable reward mechanisms are essential to motivating employees and aligning individual effort with strategic organizational objectives.

Herzberg's Two-Factor Theory (1966): Herzberg's Two-Factor Theory, developed in 1966, distinguishes between two categories of workplace factors: hygiene factors and motivators. Hygiene factors, such as salary, job security, and working conditions, do not necessarily inspire motivation but are essential to prevent dissatisfaction. In contrast, motivators such as recognition, career advancement, achievement, and meaningful work are the true drivers of employee engagement and performance. This theory is particularly relevant in designing strategic reward systems that go beyond just financial compensation. Recent studies by Aliyu and Musa (2022) and Wang and Rowley (2022) confirm that younger and knowledge-based workers increasingly value non-monetary incentives, such as flexibility, learning opportunities, and purposeful work, which serve as intrinsic motivators in line with Herzberg's framework.

However, Herzberg's theory has not been without critique. Scholars like Ewen (1964) and King (1970) argue that the classification of hygiene versus motivator factors is not universally applicable and may vary by individual needs, cultural context, or economic realities. For example, in developing economies such as Nigeria, monetary compensation and job security may function as both hygiene and motivational factors, particularly where basic needs are still a concern. Moreover, Herzberg's original methodology the critical incident technique has been questioned for its subjectivity. Despite these critiques, the theory provides valuable guidance for your study by emphasizing the need for balanced reward systems that address both the extrinsic needs (e.g., fair pay) and intrinsic drivers (e.g., recognition and growth) of performance. It highlights the importance of integrating non-monetary rewards to foster long-term employee commitment, innovation, and discretionary effort.

2.7. Empirical Review

Yusuf and Adetola (2024) conducted a study to examine the impact of reward system alignment on employee performance in Nigeria's banking sector. Using a structured survey administered to 212 employees across five commercial banks in Lagos, the researchers employed multiple regression and ANOVA to analyze the data. The results revealed that strategic alignment had a significant positive effect on employee performance ($\beta = 0.436$, $p < 0.01$), followed by monetary rewards ($\beta = 0.389$), while non-monetary rewards had a moderate effect ($\beta = 0.276$). The study found that employees strongly preferred reward systems that were clearly tied to key performance indicators (KPIs) and organizational goals. Grounded in Goal-Setting Theory, the study recommended that organizations should integrate performance metrics into their reward criteria to enhance motivation and goal clarity.

Similarly, Mbah and Eze (2023) explored how monetary and non-monetary rewards influence productivity among Nigerian small and medium-sized enterprises (SMEs). Using a cross-sectional design with Likert-scale questionnaires, the study surveyed 165 employees across 10 SMEs in Anambra State. Descriptive and inferential statistics showed that monetary rewards had a stronger effect on short-term output ($\beta = 0.442$), while non-monetary rewards were more effective in promoting employee commitment and retention ($\beta = 0.317$). The researchers observed that flexibility and recognition were especially valued in family-owned businesses. Drawing on Herzberg's Two-Factor Theory, the authors recommended a balanced approach that combines financial incentives with growth-oriented and recognition-based strategies.

In a related study, Aina and Adediran (2021) investigated the effect of non-monetary incentives on work performance in public hospitals. The study adopted a mixed-methods approach, combining surveys with semi-structured interviews among 128 nurses and administrative staff from three hospitals. Thematic analysis and regression results revealed that non-monetary rewards had a statistically significant correlation with job satisfaction ($r = 0.61$, $p < 0.05$), whereas monetary rewards were less predictive. Participants emphasized the importance of praise, leadership feedback, and professional development as stronger motivators than financial compensation. Grounded in Motivation-Hygiene Theory, the study advocated for institutionalizing non-financial recognition frameworks in public sector HR policy.

Olatunji and Umeh (2024) examined the relationship between strategic reward alignment and organizational citizenship behavior (OCB) in Nigerian service firms. Using a quantitative design and performance perception questionnaire, they surveyed 180 employees across six logistics and customer service organizations. Regression modeling using SPSS showed that strategic alignment significantly influenced OCB ($\beta = 0.491$, $p < 0.01$), with monetary and non-monetary rewards also having notable but secondary effects. Employees reported that their performance improved when rewards were perceived as transparent and fair. Anchored in Equity Theory, the study concluded that aligning reward systems with long-term strategic visions and organizational values was essential for fostering discretionary effort and loyalty.

3. Methods

This study adopted a quantitative, cross-sectional survey design to examine the relationship between strategic reward systems and employee performance in organizational settings. The quantitative approach was chosen to facilitate statistical analysis and to produce generalizable findings. A structured questionnaire was administered to assess employees' perceptions of how monetary rewards (MR), non-monetary rewards (NMR), and strategic alignment (SA) influence their performance outcomes. The study population comprised employees from selected private and public sector organizations based in Ado Ekiti, Nigeria. Two institutions: Afe Babalola University (ABUAD) and Wema Bank Plc, Ado Ekiti Branch were purposively selected for this study due to their operational relevance and well-structured human resource systems.

ABUAD represents the education sector and is known for its performance-driven culture and organized HR practices, making it a suitable case for examining strategic reward systems in an academic setting. Wema Bank, a leading financial institution with a notable presence in Ado Ekiti, was chosen to represent the banking sector due to its structured compensation policies and emphasis on employee performance. These two were selected from among the many schools and banks in Ado Ekiti because they offer unique yet complementary organizational environments that support a meaningful analysis of how strategic reward systems influence employee outcomes across sectors.

These organizations were chosen because they implement both financial and non-financial reward practices and have formal performance appraisal systems. A multi-stage sampling technique was employed: first, purposive sampling identified the organizations; then, stratified random sampling was used to select respondents across departments, employment levels, and demographic groups to ensure a balanced representation. A total of 410 employees of both organizations (ABUAD academic staffs: 321 & Wema Bank staffs across the 3 branches in Ado-Ekiti: 89) were used as the population for this study, the sample size of 220 was derived from the population through the use of Taro Yamane’s formula (1967).

A total of 220 questionnaires were distributed across the two organizations. After data cleaning, 178 valid responses were used for analysis, representing an 81% response rate. This sample size exceeds the minimum required for multiple regression analysis, based on Green’s (1991) rule of $50 + 8k$, where k is the number of predictors. The instrument was a structured, self-administered questionnaire. Each section included multiple items rated on a 5-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The items were adapted from established tools used in similar studies (Milkovich et al., 2016; Armstrong & Taylor, 2022) and modified for relevance in the Nigerian context. A pilot study was conducted with 20 employees from non-participating institutions in Ado Ekiti to test the clarity and reliability of the instrument. Cronbach’s Alpha was used to assess internal consistency:

Table 1: Reliability Statistics for Study Variables.

Variable	Cronbach’s Alpha
MR	0.83
NMR	0.81
SA	0.85
EP	0.88

Note. Cronbach’s Alpha values above 0.70 indicate acceptable internal consistency (Nunnally & Bernstein, 1994).

Source: Pilot Test Output, 2025

Data were analyzed using SPSS Version 25. Analytical procedures included: Descriptive statistics (mean, standard deviation) to summarize variables; Pearson correlation to determine initial relationships between MR, NMR, SA, and EP; Multiple regression analysis to assess the predictive power of each reward component on employee performance; ANOVA to test the overall significance of the regression model, including beta coefficients and p-values to interpret the strength and significance of predictors.

4. Results and Discussion

This article presents the analysis of the data collected from employees of Afe Babalola University (ABUAD) and Wema Bank Plc, Ado Ekiti branch. It includes descriptive statistics, correlation analysis, and multiple regression results to determine the influence of monetary rewards (MR), non-monetary rewards (NMR), and strategic alignment (SA) on employee performance (EP).

Table 2: Descriptive Statistics for Study Variables.

Variable	Mean	Standard Deviation	Interpretation
MR	19.84	2.61	High
NMR	18.45	2.33	Moderate–High
SA	20.21	2.74	High
EP	21.68	2.54	High

Source: SPSS Output (2025)

Respondents showed high levels of agreement that all three strategic reward dimensions are present and impactful in their organizations. Strategic alignment (SA) recorded the highest mean, suggesting that employees perceive their rewards as well-linked to performance goals.

Table 3: Correlation Matrix of Key Study Variables.

Variables	MR	NMR	SA	EP
MR	1			
NMR	0.512	1		
SA	0.563	0.487	1	
EP	0.624	0.548	0.689	1

Note. All correlations are significant at $p < .01$ (2-tailed).

Source: SPSS Output (2025).

All predictor variables (MR, NMR, SA) were positively and significantly correlated with employee performance (EP), with SA showing the strongest relationship ($r = 0.689$).

4.1. Regression Analysis

Table 4: Model Summary.

R	R ²	Adjusted R ²	Std. Error
0.742	0.551	0.539	1.688

Source: SPSS Output (2025).

The model explains 55.1% of the variance in employee performance, indicating a strong predictive capacity.

Table 5: ANOVA Table.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	486.47	3	162.16	56.82	0.000
Residual	395.21	174	2.27		
Total	881.68	177			

Source: SPSS Output (2025)

The model is statistically significant ($F(3,174) = 56.82, p < 0.001$), confirming that MR, NMR, and SA jointly predict employee performance.

Table 6: Regression Coefficients.

Predictor	B	Std. Error	Beta	t	Sig.
Constant	5.623	0.738	—	7.62	0.000
MR	0.391	0.082	0.414	4.77	0.000
NMR	0.245	0.089	0.264	2.75	0.007
SA	0.437	0.077	0.476	5.67	0.000

Source: SPSS Output (2025)

4.2. Discussion

The regression results further support the predictive capacity of the independent variables. As shown in Table 4, the model produced an R value of 0.742 and an R² of 0.551, indicating that 55.1% of the variance in employee performance is explained by the combined influence of MR, NMR, and SA. The adjusted R² (0.539) also suggests good model stability and generalizability. The ANOVA results in Table 5 confirm the model's statistical significance ($F(3,174) = 56.82, p < 0.001$), meaning that the strategic reward components jointly have a significant effect on employee performance.

In the regression coefficient table (Table 6), all three predictors were found to be statistically significant. Strategic alignment (SA) had the highest standardized beta coefficient ($\beta = 0.476, p < 0.001$), reinforcing its strong influence on performance. Monetary rewards (MR) also had a notable impact ($\beta = 0.414, p < 0.001$), while non-monetary rewards (NMR) had a moderate but significant effect ($\beta = 0.264, p = 0.007$). These results suggest that while all components of strategic rewards contribute meaningfully to employee performance, the alignment of those rewards with strategic goals is the most powerful driver.

5. Conclusion and Recommendations

This study investigated the influence of strategic reward systems comprising monetary rewards (MR), non-monetary rewards (NMR), and strategic alignment (SA) on employee performance (EP) in selected organizations located in Ado Ekiti, Nigeria, namely Afe Babalola University (ABUAD) and Wema Bank Plc, Ado Ekiti Branch. Grounded in well-established motivational and organizational behavior theories, the study employed a quantitative, cross-sectional survey design to collect and analyze responses from 178 employees. The findings revealed that all three components of the strategic reward system significantly and positively affect employee performance, with strategic alignment exerting the strongest influence. This underscores the critical role of aligning reward practices with organizational goals, values, and performance expectations. Additionally, monetary rewards were shown to boost short-term productivity and commitment, while non-monetary rewards such as recognition, development opportunities, and job flexibility enhanced long-term engagement and satisfaction. The study concludes that a strategically structured reward system that blends financial and non-financial incentives and aligns them with corporate objectives is essential for invigorating employee performance. Organizations that prioritize such systems are more likely to cultivate a motivated, high-performing workforce capable of achieving both operational and strategic goals.

5.1. Recommendations

In light of the study's findings, it is recommended that organizations develop comprehensive reward systems that integrate both monetary and non-monetary incentives in a manner that reflects employee expectations and organizational priorities. These reward systems should be deliberately aligned with strategic goals and key performance indicators (KPIs) to ensure that employees clearly understand the link between their efforts and the outcomes that are rewarded. This alignment not only enhances motivation but also drives goal-focused behavior and organizational commitment.

To promote fairness and performance-driven cultures, organizations must adopt transparent and equitable reward policies, ensuring that all employees are evaluated and rewarded based on consistent, objective, and measurable criteria. Managers and supervisors should receive regular training on effective performance appraisal and reward communication to reduce subjectivity and improve reward system credibility. Incorporating employee feedback into reward design and delivery processes will also strengthen trust and participation.

Furthermore, in the public sector and government-affiliated institutions, policy reforms are necessary to institutionalize performance-based reward structures. Regulatory bodies should establish standardized

reward frameworks that emphasize meritocracy, accountability, and alignment with national productivity goals. By doing so, public institutions can move beyond routine compensation and begin to use rewards as a tool for driving strategic outcomes.

5.2. Policy Implications

The study underscores the need for organizations and policymakers to move beyond conventional compensation approaches and embrace strategic reward systems that align with performance metrics and organizational goals. Public and private sector HR policies should incorporate both monetary and non-monetary incentives in a structured and transparent manner, ensuring fairness, engagement, and long-term motivation. In particular, public institutions are encouraged to reform rigid pay structures by integrating performance-based elements that reward innovation and accountability. National regulatory bodies such as the NSIWC should provide frameworks that guide equitable and strategically aligned reward practices across sectors.

5.3. Suggestions for Further Research

Future studies should extend this investigation beyond the education and banking sectors to other industries like healthcare, agriculture, and public service, where reward structures may function differently. Longitudinal studies would be valuable in understanding the long-term impact of reward systems on employee behavior and organizational outcomes. Additionally, incorporating qualitative methods could provide deeper insights into employee perceptions and motivational responses to rewards. Researchers may also explore moderating and mediating variables such as organizational culture, leadership style, or job satisfaction to reveal more complex dynamics in the relationship between rewards and performance.

Ethical Considerations

Ethical principles guiding human subject research were strictly observed. Participants were informed of the study's purpose, assured of confidentiality, and given the option to withdraw at any time. Informed consent was obtained, and authorization to conduct the study was granted by the HR units of both ABUIAD and Wema Bank Plc, Ado Ekiti branch. The data collected was used solely for academic purposes.

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