The Effect of Reward on Employee Performance in Kano State Board of Internal Revenue

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Abstract

The study seeks to investigate the direct relationship between reward and employee performance using the variables including salary, bonus, incentive, promotion, recognition, pension and gratuity as independent variables and performance as dependent variable. The research adopted descriptive survey research design, whereby questionnaire was used to elicit information from a sample of 282 respondents sampled from a population of 1050 employees of Kano State Board of Internal Revenue (KSBIR) using purposive sampling technique. The study made used of Multiple Regression and Pearson Correlation techniques to analyze the data collected with the aid of SPSS version 20 statistical software package. It was found that there is a significant relationship between employee performance with salary, Bonus and Incentive, Promotion and Recognition. But Pension and Gratuity has a negative and statistically insignificant impact on employee performance. The study made some useful recommendations including the exigency of a fair, moderate, dynamic pay reward system that should be reflective of the prevailing societal costs of living. Also the research will benefit both federal and state government revenue services and future researchers who wish to carry further research on this.

Keywords: *Reward, Employee Performance, Kano State Board of Internal revenue.*

1. Introduction

Employee performance and the level of job satisfaction and commitment to their job is a direct function of the compensation packages and reward system of the organization. (Osibanjo, Adenji, Falola, & Heirsmac, 2014). Without appropriate compensative package, incentive system and motivational techniques put in place in the organization, it is most likely that workers will not be committed and their performance level will be underhand. Employees are the organization's greatest assets and the success or failure of organizations Centre on the ability of the employers to attract, retain, and reward appropriately talented and competent employees (Osibanjo, &etal, 2014). Employees' performance, commitment and willingness to stay on the job considerably depend on compensation packages of the organization. In a drive to ensure employees optimal performance, many organizations both in the public and private sector have seen the need to consider a variety of appropriate ways to reward the employees to get the desired results (Armstrong, 2005; Falola, Ibidunni &Olokundun, 2014).

Reward is a broad idea that can include anything an employee may value and desire that an employer is able or willing to offer in exchange for employee contribution (Henderson 1989). The productivity of an organization and human resource management has a direct relationship with each other. If employees are managed appropriately i.e. job analysis, recruitment, training, motivational tools like compensation etc. they are destined to give high performance in their operations so will improve the overall productivity of the organization (Aamir, Jehanzeb, Rasheed & Malik 2012). Reward is central to the functioning of any employee-employer relationship and it is a matter that is closest to the heart of both the employee and the employer. It relates to the welfare of the workers with special references to enhanced salaries which have relationships to what is obtainable in the economy. Such relationships are often times expressed in terms of inputs and outputs of the workers in the economy. Based on one's inputs (e.g. efforts, education, competence, skills etc), one can compare outputs (e.g. salary level, promotions etc). However, when people perceive imbalance in their input-output ratio with reference to their referent others, tension is created which will result in high accident rate, job dissatisfaction, frequent absenteeism, low productivity, lack of commitment to organizational goals and objectives, and intention to quit (Osibanjo, Pavithra &Adeniji, 2014).

In Nigerian Civil Services, pay is the motivational force for seeking employment and promotion in the industry (Anyebe, 2003). Agitation by workers for increased reward packages has become a continuous and reoccurring event in the public service and employees which the Kano State Board of Internal Revenue (KSBIR) are not an exception. The agitations are mostly as a result of the degrading conditions of the workers occasioned by the increasing rate of inflation and dwindling Nigerian economy which often increases the cost of living and reduces the living standard of the populace. For instance, while Akerele (1991) blamed the low productivity level of Nigerian workers on several factors, particularly the failure of employers to provide adequate compensation for hard work, Markova and Ford (2011) emphasized that the real success of organizations originate from employees willingness to use their creativity, abilities and know-how in the direction of their organizations' growth and development path in response to the favorably stimulating and encouraging reward practices.

The Nigerian public sector is characterized by poor service quality and poor service delivery due to low morale and underperformance of workers resulting from compensation management related issues amongst others (Kelly 2014). In an effort to address the problem of poor service quality in the civil service the federal and state government came up with the Service Compact as a strategy to commit public sector workers and guarantee rendition of quality service to all and sundry. Despite this effort there has not been any significant improvement in the quality of service offered by public sector organizations as compared with their private sector counterparts. Issues of reward, pension, pay and promotion have always been a source of disagreement between government and labour thereby resulting in little commitment to work and poor performance of public sector employees.

Akanbi (2011) asserts that the importance of reward in the day-to-day performance of workers' duties cannot be overemphasized particularly in regard of reward for a job done. The author concludes that workers place great value on the different rewards given to them by their employees. Hence, when the rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job. Issues of compensation, pension, pay and promotion have always been a source of disagreement between government and labor thereby resulting in little commitment to work and poor performance of public sector employees. Akanbi (2011) asserts that the importance of reward in the day-to-day performance of workers' duties cannot be overemphasized particularly in regard of reward for a job done. The author concludes that workers place great value on the different rewards given to them by their employees. Hence, when the rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job. In line with that, the main aim of this paper is to examine the effect of reward on employee performance in Kano State Board of Internal Revenue.

2. Literature review

This section commences with the conceptual background of Employee performance. This is followed by the conceptual definition of reward system. Finally this section presents the model and the hypothesis development of the study.

2.1 Employee Performance

According to Campbell and Pritchard (1976) Job performance is a function of ability and motivation according to the industrial and organizational psychology and is the interrelationship between three main components i.e., motivation, skill levels, attitudes, demographic and organizational (Salleh, Yaakub & Dzulkifli, 2011). According to Bergmann (1986), people can make contacts, learn new skills and gather information that promotes future performance potential during work experience. A number of personal variables have been identified in the literature. For example, Churchill, Ford, Hartley, and Walker (1985) propose that experience and skill can be important determinants of job performance. Employee performance is considered as the measures of the quality of human capital which was held by the organization (Salleh, Yaakub & Dzulkifli, 2011). Employee performance refers to task accomplished by individual employee (Nelson & Quick, 2000).

According to Obadan and Uga (2000), it is how well a worker accomplishes a given task in an organization as measure against honest, quality, transparent, fair and adequate standards of satisfaction. It is the total effect of workers output as defined by traits, training, staff development, role perception, abilities and other conditions of service (Kirkpatrick, 2006).

Employee performance can be said to be the effectiveness and efficiency to which employees of a given organization carry out their day to day duties in order to meet the management and customer expectations, (Pierce et al, 2004). It can also be said to be the level to which the employees apply their skills, knowledge and attitudes towards achieving the desired results and meeting the specified objectives, (Rehman, 2009). Bohnstedt and Larsen, (2008) point out that employeeperformance is often indirectly measured using aspects of employee behavior at work such as speed, courtesy, etiquette, precision, time management, consistency and influence on other employees.

Performance is the accomplishment of a given task measured against pre-set standards of accuracy, completeness, cost and speed" (Business Dictionary 2010: online). The role of human resources is absolutely critical in raising performance in an organisation (Armstrong & Baron, 1998). Ultimately it is the performance of many individuals which culminates in the performance of an organisation, or the achievement of goals in an organisational context (Armstrong and Baron, 1998).

2.2 Reward System.

Reward system according to Armstrong (2001) consists of an organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill and competence and their markets worth. The reward system is developed within the framework of the organization's reward philosophy, strategies and policies and contains arrangements in the form of processes, practices, structures and procedures which will provide and maintain appropriate types and levels of pay, benefits and other forms of reward. Reward system according to Obisi (2003) is a prize given to employees as an inducement towards their performance. Robert (2005) defines reward system as the process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs and increasing their motivation and commitment.According to Armstrong (2003) "Financial rewards provide financial recognition to people for their achievements in the shape of attaining or exceeding their performance targets or reaching certain levels of competence or skill while financial incentives aims at motivating people in achieving their objectives, improve their performance or enhance their competence or skills by focusing on specific targets and priorities".

Many researchers are of the view that any firm that desires higher performance from workers should link remuneration and person effort together (Encinosa, Gaynor & Rebitzer, 2007; Kaplan & Norton, 2007; Bartlett & Ghosal, 2013). Heneman (1992) argues that worthy reward and personal effort bonuses are the most visible practices in person effort acknowledgement. It is emphasized that programmes, which remunerate people's effort, cannot be compared with new administrative procedures based on uninterrupted progress, joint effort and support (Demming, 1986, Snell & Dean, 1994, Lepak & Snell, 2002). Firms are attaching greater recognition to individual pay and performance not only to persuade their workers to increase productivity and efficiency but also to entice them with the aim of retaining the highly valued workers so that there will be more commitment through a more favourably attitude disposed towards the attainment of the goals of the firm (Kuvaas, 2006). Similarly, Lee and Bruvold (2003) opine that the more the employees are encouraged by the firm, the more the workers will be ready to their commitment level to the firm. This is also supported by (Gardner et al., 2004). Similarly, Lawler (2003) argues that when remuneration is highly attached to the effort result, it highly promotes effectiveness of managing performance of the firm as well as that of the workers. He suggests that matching remunerations to the performance result give rooms for the effort management system to be more result oriented with particular reference to motivation. It is submitted that workers put more agility to achieve results when they are aware that their remuneration package will be determined by the effort put in to accomplish the performance goal of the firm (Lawler, 2003).

Johnson and et al (2010) outlines the aims of reward system to include: attract, retain and motivate employee, to support the attainment of the organization's strategic and short term objectives by helping to ensure that it has the skilled, competent, committed and well-motivated work force it needs, to meet the expectations of employees that they will be treated equitably, fairly and consistently in relation to the work they do and their contribution. Luthans (2000) highlights two types of rewards which are financial (extrinsic) and non-financial (Intrinsic) reward and both can be utilized positively to enhance employees' performance. Financial rewards means pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc. Non-financial rewards are non-monetary/non cash and it is a social recognition, praise and genuine appreciation etc. Lotta (2012) agree that financial incentives are indeed effective in motivating employees.

Intrinsic Rewards: Intrinsic rewards often called non-financial rewards are inherent of an activity and their administration is not dependent upon the presence or actions of any other person or thing. Intrinsic is concerned about the feeling of being recognized, praised for a jobwell done and participation in whatever we do. Extrinsic rewards do not follow naturally or inherently from the performance of an activity but are administered to a person by some external agents. Extrinsic reward concerns such motivations like money, retirement benefits, health insurance scheme, compensation, salary, bonus, etc.

2.3. Theoretical Framework

The theoretical framework of this study is based on the Vroom's expectancy theory of motivation, which believes that employees will change their behaviour by working harder or prioritizing their actions if they know that by doing so they will be rewarded with something of value to them. Hence, incentives are a great way to reward effort and behaviors which the organization wishes to encourage (Torrington, Hall, Taylor & Atkinson, 2009).

The Vroom's expectancy theory is evident in their relevance in explaining the relationship between reward system management and staff performance of Kano State Board of Internal Revenue Services.The expectancy theory takes a compressive view of the motivation process, underscores the importance of individual perceptions of reality in the motivational process and shows that individuals will only act when they have a reasonable expectancy that their behavior will lead to the desired outcomes.

2.4. Theoretical Model

The theoretical model of the study is based on the relationship between compensation and employee performance. Compensation of employees motivates them and causes changes to occur in their commitment and performance. Accordingly, employee performance largely depends on compensation management. Given that employee performance (EP) is proxy by punctuality/lateness, presents/absenteeism, work overtime, education/qualification, and rewards by salary (S), bonus and incentives (BI), promotion (P), recognition (R), and pension and gratuity (PG) the theoretical model of the study is presented in Figure 1 below:

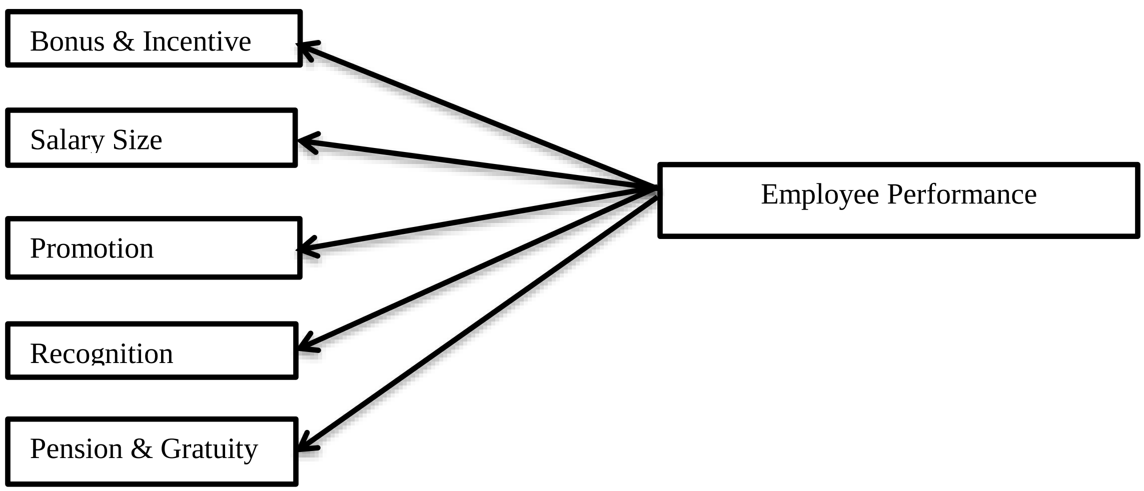

Figure 1: Research Model

Based on the model above the following hypotheses were formulated

- H1: There is no significant relationship between salary and employee performance.
- H2: There is no significant association between bonus with incentives and employee performance.
- H3: There is no significant correlation between promotion and employee performance.
- H4: There is no significant association between recognition and employee performance.
- H5: Pension and gratuity do not have significant impact on employee performance.

3. Methodology

The study adopted the descriptive survey research design which focuses on describing the opinions or views of individuals (respondents in the study) in relation to the current status of the phenomena under investigation (Neuman, 2000). The sample size of the study is two hundred and eighty two (282) staff of Kano State Board of Internal Revenue based on a population size of one thousand and fifty (1,050) employees of the revenue agency (Field survey, 2017) which was determined using Krejcie and Morgan's (1970) table for determining sample size for a finite population.

The study will utilize descriptive statistics for data analysis geared towards answering the research question and Pearson Product Moment Correlation technique together with linear regression particularly simple and multiple least square technique to test the hypotheses. Thus, the study will utilize Pearson Product Moment Correlation and simple linear regression technique to analyze working hypotheses multiple regression. The SPSS Statistical Package version 20.0 will be used as the software to run the test. Given that the study is a descriptive survey research, questionnaire will be used as the instrument. The questionnaire utilized is adapted from the works of Kirunda (2004); Schuldes (2006); Danish (2010); Sajuyigbe, Bosede and Adeyemi (2013); and Kikoito (2014).

Model of specification

The econometric model for study is presented below;

$Y = \beta_0 + \beta_1 + \ldots\ldots\ldots\ldots\ldots\ldots\ldots + \beta_i + \varepsilon$

Where;

Y= dependent variable, β_0= the slope and β_i = coefficient of the independent variable and ε = stochastic error term.

The independent variables of the study comprise salary (SAL), Bonus with Incentive (BINC), promotion (PRO), recognition (RECOG) and pension & gratuity (PENGRAT). The dependent variable of the study comprises employee job performance (EMPLPERF). The dependent variable in all the hypotheses formulated in the study is employee performance.

4. Analysis and Results

4.1 Table 1: Demographic variables

	Frequency	**Percentage**
GENDER		
Male	250	88.7
Female	32	11.3
Total	**282**	**100.0**
Marital Status		
Single	13	4.6
Married	252	89.4
Divorced	4	1.4
Separated	3	1.1
Widow	10	3.5
Total	**282**	**100.0**
Age range		
18 – 30 Years	73	25.9
31 – 40 Years	67	23.8
41 – 50 Years	78	27.7
50 Years & Above	64	22.7
Total	**282**	**100.0**
Department		
Administration	36	12.8
Finance	40	14.2
Research & Development	25	8.9
Others	181	64.2
Total	**282**	**100.0**
Designation		
Admin personnel	69	24.5
Account Officer/Manager	35	12.4
Internal Auditor	44	15.6
Field/Revenue Collection Officer/Manager	50	17.7
ICT personnel	48	17.0
Others	36	12.8
Total	**282**	**100.0**
Educational Qualification		
School Certificate or equivalent	9	3.2
OND/NCE or equivalent	93	33.0
HND/B.Sc or equivalent	74	26.2
MBA or equivalent	87	30.9
M.Sc or equivalent	13	4.6
Professional Qualification	3	1.1
PhD	3	1.1
Total	**282**	**100.0**
Years of Working Experience		
1 – 5 Years	68	24.1
6 – 10 Years	48	17.0
11 – 15 Years	60	21.3
16 – 20 Years	61	21.6
21 – 25 Years	45	16.0
Total	**282**	**100.0**

Salary Range	**Frequency**	**Percentage**
N10, 000 – N50, 000	41	14.5
N51, 000 – N100, 000	62	22.0
N101, 000 – N150, 000	32	11.3
N151, 000 – N200, 000	46	16.3
N201, 000 – N250, 000	51	18.1
N250, 000 & Above	50	17.7
Total	**282**	**100.0**
Size compared to KSBIR		
Very Low	58	20.6
Low	47	16.7
Moderate	49	17.4
High	51	18.1
Very High	77	27.3
Total	**282**	**100.0**

Table 4.1 above shows the demographic distribution of the respondents. There 9 items in the table, the first item which is gender shows that 250 of the respondents are male representing 88.7% while 32 of the respondents are female representing 11.3%. This implies that the predominant working gender in KSBIR is males. The second items is the marital status of the respondents, from the table, 4.6% are single, 89.4% are married and 1.4%, 1.1%, and 3..5% are divorced, separated and window respectively. This implies that majority of the respondents working at KSBIR are married.

The third item is the age range of the respondents, 25.9% are within the ages of 18-30 years and 23.8% of the respondents are within the ages of 31-40 years likewise 27.7% of the respondents are within the ages of 41-50 years and 22.7% of the respondents are above 50 years of age. The fourth item shows the distribution of the respondents on the assigned department they are working in KSBIR, 12.8% of the respondents are in administration department, while 14.2% of the respondents are in the finance department. Also, 8.9% of the respondents are in the Research & Development and 64.2% of the respondents are in the other departments. The fifth item in the table 4.1 above shows the respondents designation in KSBIR. 69. % of the respondents are admin personnel, while 12.4% of the respondents are account officer/manager. Also, 15.6% of the respondents are internal auditors and 17.7% of the respondents are Field/Revenue Collection officers/manager and 17.0% are ICT personnel with 12.8% of the respondents designated in other assignments.

The sixth item shows the educational qualification of the respondents, 3.2% of the respondents are having School Certificate or equivalent while 33.0% of the respondents are having OND/NCE or equivalent. 26.2% of the respondents have HND/B.Sc or equivalent and 30.9% are having MBA or equivalent. Likewise, 4.6% have M.Sc or equivalent and 1.1% and 1.1% are having Professional Qualification and PhD respectively. The seventh item from the table shows the respondents working experience. 24.1% of the respondents have been working for 1-5 years while 17.0% have been working for 6-10 years. 21.3% of the respondents are have been working for 11-15 years while 21.6% of the respondents have been working for 16-20 years and 16.0% of the respondents have been working for 21-25 years.

The eightieth item on the table is the salary range of the respondents. 14.5% of the respondents earn between N10, 000-N50, 000 and 22.0% of the respondents earn between N51, 000 – N100, 000. Also, 11.3% of the respondents earn between N101, 000 – N150, 000 and 16.3% of the respondents earn between N151, 000 – N200, 000 while 18.1% of the respondents earn between N201, 000 – N250, 000 and those who earn above N250, 000 are 17.7% The ninetieth item on the table seeks the opinion of the respondents on how would they rate the salary size they earn compared to the average salary in KSBIR or average salary in Kano State civil service. 20.6% of the respondents rated their salary very low, 16.7% of the respondents rated theirs low. 17.4% of the respondents rated theirs as moderate. 18.1% of the respondents rated theirs has high and 27.3% of their respondents rated theirs very high.

4.2. Reliability Test

Reliability test is to determine the extent of internal consistency of items in the questionnaire's measurement scales. According to Hinton, Brownlow, McMurry and Cozens (2004) study, results indicating 0.70 to 0.90 means a high liability. The following are the results obtained from the test.

Table 2: Reliability Test

Variables	**Number of Items**	**Cronbach's Alpha Coefficient**
Salary	6	.902
Bonus	6	.807
Promotion	7	.720
Recognition	5	.806
Pension and Gratuity	5	.802
Performance	12	.947

Source: computed by the researcher using SPSS. Version 20

The result from table 4.2 above shows the result of reliability test for the variables used for the study. The result above shows that all the variables have a homogeneous and internally consistent item in the reliability of the measuring instrument.

4.3. Correlation Analysis

The study uses the correlation matrix to analyze the relationship between the dependent variables and the independent variables.

Table 3: Correlation Result

	Performance	Salary	Bonus and Incentive	Promotion	Recognition	Pension Gratuity
Performance	1					
Salary	0.266***	1				
Bonus and Incentive	0.169***	0.513	1			
Promotion	0.172***	0.484	0.292	1		
Recognition	0.129**	0.477	0.383	0.375	1	
Pension Gratuity	0.107*	0.544	0.429	0.327	0.256	1

***. Correlation is significant at the 0.01 level (2-tailed).
** Correlation is significant at the 0.05 level (2-tailed).
* Correlation is significant at the 0.10 level (2-tailed).

The above table3 shows the correlation output of the variables used for the study using Pearson Correlation matrix. The correlation matrix shows the extent of relationship between the dependent variable and the independent variables. In this case the dependent variable is employee performance. From the results Salary has a positive relationship with performance and the relationship is statistically highly significant at 1%, 5% and 10%. Likewise, Bonus and Incentive have a positive relationship with performance and the relationship is statistically significant at 1%, 5% and 10%. Also, promotion has a positive relationship with performance and the relationship is highly significant at 1%, 5% and 10%. Also Recognition has a positive relationship with performance; the relationship is significant at 5% and 10%. Pension and Gratuity has a positive relationship with performance and statically significant at 10% only but insignificant at 5% and 1%.

4.4 Multiple Regression Analysis

The table 4.4 below shows the regression output of the variables used for the study. The OLS multiple regression technique was used to test the impact between the independent variables and the dependent used for the study. An econometric model were designed to investigate the effects on the dependent variable, as the expected direction and amount of change in the criterion for a 1-unit increase of independent variable; while all the other variables held constant.

Table 4: Regression result

Variables	Beta	T-values	P-Values
Salary	0.124	3.079	0.002
Bonus Incentive	0.032	.832	0.046
Promotion	0.037	.937	0.040
Recognition	0.009	-.281	0.029
Pension Gratuity	-0.029	-1.002	0.317
Adj R^2	0.61		
F-statistics	4.672		
F-probability	0.000		

Source: computed by the researcher using SPSS. Version 20

The Adjusted R-Square is 0.61. This implies that the model explain about 61% of the total variation in employee performance (dependent variable). F-Statistics of the model measures the overall significance of the regression model. It shows if the model has a robust fit. The null hypothesis explained that the model is statistically insignificant if P-value is greater than 0.05. From the table above, the P-value is 0.000 which is less than 0.05, which implies that at 5% level of significance; hence we thereby reject Ho and conclude that the model has a robust fit and it is statistically significant, that means there exist a true relationship between the regressor and the regress

From the table 4 above the coefficient of salary is positive with a value of 0.124, which implies an increase in salary by 1%, will lead to 12.4% increase in performance of staffs holding other variables constant. The relationship is statistically significant ($\beta = 0.124 t = 3.079, p = 0.002$). Likewise, the coefficient of Bonus and Incentive is positive with a value of 0.032; which implies that 1% increase in Bonus and Incentive; it will lead to 3.2% increase in performance. The relationship is statistically significant ($\beta = 0.032 t = .832, p = 0.046$). Also, the coefficient of Promotion is positive with a value of 0.037, which implies that a 1% increase in promotion will lead to 3.7% increase in performance. The relationship is statistically significant ($\beta = 0.037 t = .937, p = 0.040$). The coefficient of recognition is positive with a value of 0.009, which implies that a 1% increase in recognition of an employee will lead to 0.9% increase in performance.The relationship is statistically significant ($\beta = 0.009 t = -.281, p = 0.029$) The coefficient of Pension and Gratuity is negative with a value of -0.029; this implies that a 1% increase in retiree will lead to 2.9% decrease in performance. The relationship is statistically insignificant ($\beta = -0.029 t = -1.002, p = 0.317$)

5. Discussion, Conclusion and Recommendation.

Probability test of significance (p-value) of the parameters are employed in the research to verify the statistical significance of the estimates. All computations were done at 5 percent (5%) level of significance. If the probability (p-value) is less than or equal to 0.05 (p-value ≤ 0.05) the null hypothesis will be rejected and alternate hypothesis will be accepted, given that the estimates are statistically significance. However if the p-values is greater than 0.05 (p-value > 0.05) the null hypothesis will be accepted and the alternate hypothesis will be rejected, certain that the estimates are not statistically significance. The result of the study shows that salary, bonus and incentive, promotion and recognition with employee performance. This findings is similar to previous results documented in the literature (e.g. Sajuyigbe, Bosede & Adeyemi 2013; Malik, Danish & Munir 2012; Osinbanjo, Adeniji, Falola&Heirsmac; 2014, Idemobi, Onyeizugbe&Akpunonu 2011; Njanja, Maina, Kibet & Njagi 2013).

The result also indicates that pension and gratuity has a statistical insignificant relationship with performance. This contradicts the research of Andrew (2017) on the impacts of pension on employee performance in Nigeria, the research found that pension has positive impact on employee performance. In conclusion, the result of the study shows that the performances of employees are largely influenced by salary, bonus and incentives, promotion and recognition. Workers job performances are not significantly affected by Pension and gratuity because it is administered poorly and more so it usually paid to staff after retirement. Due to the fact that workers are more concerned about meeting their immediate needs, the package of pension and gratuity least boost their morale to work extra hours and perform excellently. The study was limited to only the staff of Kano State Board of Internal Revenue (KSBIR). Therefore, further research should be carried out using other sister public sectors of the economy or the Federal Inland Revenue Service (FIRS).

It is recommended that there should be an exigency of a fair, and moderate, dynamic pay reward system that should be reflective of the prevailing societal costs of living since salary has a strong effect on the employee performance. Theoretically, future research should consider mechanisms through which rewards influence performance of employees in KSBIR. For example, future research should consider the use of job satisfaction, job commitment, and person-organization fit as mediating variables in the model.

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