Performance based incentives and employees' productivity in commercial organisations

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Abstract

The study examined the relationship between performance-based incentives and employees' productivity in commercial organizations in Cross River State, Nigeria. Specifically, the study investigates the links between performance-based incentives such as promotions, bonus, recognition and employees' productivity. Expectancy theory was used to situate the study. Descriptive survey design that allows for the use of questionnaire as quantitative tool was adopted as well as in the selection of respondents from commercial organizations. Quantitative data were analyzed using multi-variance analysis. It was revealed that performance-based promotion, performance-based bonus, performance-based recognition significantly influences productivity of employees in commercial organizations. The study further reveals a joint relationship between the predictor variables (performance-based promotion, bonus, recognition) and productivity of employees. It was recommended among others that promotion policies in commercial organizations should be transparent and fair. Management of these entities should make personnel policies that outline key performance indicators and their relationship to internal promotions, bonuses and wages.

Keywords: Performance, incentives, promotions, bonus, recognition, employee productivity.

1. Introduction

In an era of increasing competition, business organisations are faced with a greater need to maintain an edge over competitors. Aside other resources, employees are the most important resources that organisations need. They create innovative ideas and implement such to achieve the organisational objectives and goals as well as stay ahead of other competitors (Emeh & Agba, 2010; Agba, Mboto & Agba, 2013). Increasingly, business organisations are interested in developing and promoting a committed labour force that will reduce absenteeism and turnover, as well as improve organisational performance and related job attitude. Also, there exist growing body of evidence that workers' positive attitude and discretionary behaviour are vital factors that affect the performance of organisations (Shore, Tetrik, Lynch, & Barksdale, 2006). Hence the need for a better understanding of the motivational basis for such work-related attitudes.

The management of organisations and labour scholars have recognised incentives as an important tool that motivate employees to put in more effort and carry out their task efficiently and effectively to meet organisational goals (Gana & Bababe, 2011; Agba & Ushie, 2010). Suggesting that the absence or lack of appropriate incentive will negatively affect hardworking employees' performance and impede organisational goal attainment (Palmer, 2012; Angioha, Omang, Ishie, & Iji, 2020). Thus, maximizing the overall organizations' performance requires an understanding of those factors that encourage employees to put in extra effort to enhance their performances (Hafiza, Shah, Jamseheed & Zaman, 2011; Adah, Angioha, Ugwuonwu, & Akomaye, 2020). Performance based incentives are one important human resource management strategy for attracting and retaining high-quality employees as well as boosting their performance (Dewhurst, Gutridge & Mohr, 2010). Appropriate incentive has been recognized as resulting in employees reengineering innovative ideas, as well as getting several tasks completed simultaneously. Empirical

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evidence exists on the effect of performance-based incentives of employee's productivity (Agba, Nkpoyen & Ushie, 2010; Chipkemoi, 2018; Azin, 2019; Mamdam & Minhaj, 2016; Agba, Agba & Nwosu, 2015; Agba & Ushie, 2010; Enukoha & Angioha, 2019).

The minimum employees expect from the management of the organisation they work for is fair wages, safe working condition, appropriate incentives and fringe benefits and fair treatment. Like their management or employers, employees also often expect more, depending on their need for increased status, involvement in decision making, increased status and for organizations to address these expectations, proper understanding of employees' motivation is required (Beer, Spector, Lawrence, Mills, & Walton, 1984).

In Cross River State, Nigeria, as it is in other economies, there is the belief that if business organizations can identify those factors that motivate their labour force besides wages, there will be a drastic reduction of the demand for an increase in wages. Also, less time will be spent on negotiating for increased pay for employees between management and employee unions (Badu, 2010). The general problem inherent in the Cross River State business environment is low salaries, irregular/opaque promotional exercises and lack of recognition of workers' achievements. All these tend to dampen workers' morale and consequently affect their productivity. This study answers the following questions: What effect does performance-based promotion have on employees' productivity in commercial organisations? To what extent does performance based bonus affect employees' productivity in commercial organisations? Does staff recognition have any effect on employees' productivity in commercial organizations? To what extent do the predictor variables (performance-based promotion, bonus and recognition) predict employees' productivity?

2. Theoretical framework

The study is built on the expectancy theory developed by Victor Vroom and his associates in 1964 at Yale School of Management. The theory tries to give an explanation on the reason an individual picks a particular behavior over others. It states that effort to act in a particular manner depends on the expectation that the action will lead to an expected outcome and how appealing the outcome is to the person performing the task. According to Vroom, people are motivated to act in a certain way when they believe their actions will lead to an outcome that is desirable. The theory explains the mental process in making a choice to act in a particular way based on motivation.

In organizational settings, the theory proposes that employee job motivation is based on the relationship between the employee output and the outcome from such output based on the calculation of the anticipated outcome (Chen & Fang, 2008). The expectancy theory is based on three variables; Valence, expectancy and instrumentality. Valence is the relationship between the individual and perceived or expected outcome from a particular behavior. It is the perception not the actual incentive or satisfaction that the employee receive for an output. Expectancy is the belief that more effort will lead to a better performance. Expectancy is influenced by possession of appropriate skills and the presence of the necessary resources for the Job. Instrumentality is the belief that an actual performance will lead to valid reward. This factor is influenced by employees' confidence in their employers, clarity in the relationship between performance and outcome. Thus, the expectancy theory is of the opinion that an individual's motivation to work is based on the how much he/she wants a reward (valence), an assessment of the likelihood that the such effort will lead to an expected performance (expectancy) and that such performance will lead to expected reward (instrumentality) (Vroom, 1964).

3. Review of Relevant Literatures

Researchers have documented the relationship between performance based incentives and productivity of workers (Gathungu, Iravo & Namusonge, 2016; Njanja, Maina, Kibet & Njagi, 2013; Sitati, Were & Waitit, 2016; Agba, Akpanudoedehe & Ocheni, 2014). Gathungu, Iravo and Namusonge (2016) assess the effect of promotion practices on employees' commitment in the banking sector of Kenya. The study applied correlation analysis to analyse data collected from the staff of several commercial banks in Kenya using a self-administered questionnaire. Results reveal a considerable relationship between promotion and workplace commitment at $r = 291$, $p < 0.001$, at the 0.01 level of significance. Further analysis revealed that promotion has a negative and significant relationship with commitment (Beta = -0.022, at $p>0.05$). The study recommends a need for an improvement in the promotion criteria and benefit of employees.

Sitati, Were and Waitit (2016) adopted the survey research design in examining the relationship between employee job promotion and retention in the hospitality industry in Kenya. a sample of 137 respondents was selected from 213 registered hotels in Kenya using a stratified sampling technique. A self-administered structured questionnaire was used to collect data from the respondents. Inferential and descriptive statistics were used to analyse the data. Result revealed a correlation between employee job promotion and job retention in the hospitality industry in Kenya.

Njanja, Maina, Kibet and Njagi (2013) in their study, examined the association between cash bonus and employee performance. The correlation research design was adopted in selecting 68 employees using random sampling. Data was generated using a structured questionnaire and analysed using Chi-Square. Result revealed a significant association between cash bonus and employee job performance. It was recommended that organizations should focus on changing the intrinsic nature and content of jobs. Salah (2016) examine the impact of reward types on the performance of employees. A sample size of 315 was randomly selected from a population of 513 employees working for the unified mining company in southern Jordan. Data collected for the study were analyzed using deceptive statistics such as tables, percentages, mean and standard deviation and Pearson productions moment correlation analysis. Result revealed a significant relationship between rewards types and employee performance

Zaraket and Saber (2017) investigated the correlation between financial reward and job performance. A self-administered questionnaire was used to collect information from a sample of 250 employees in the contracting, printing and construction industry in Lebanon. Data analysis revealed a significant correlation between financial rewards and job satisfaction. Tausif, (2012) examined the impact of non-monetary reward on job satisfaction among teachers in public schools in Pakistan. Result revealed a significant relationship between non-financial rewards such as recognition and job satisfaction. Murhtar and Nassar (2015) in a study carried out in Malaysia investigated the correlation between reward and job satisfaction. Result revealed a significant relationship between recognition and employee job satisfaction. The study concluded that financial and non-financial reward correlates with job satisfaction.

Magaji, Akpa and Norom, (2018) using structured questionnaire as the instrument of data collection, examine the relationship between recognition, promotion and workplace satisfaction and performance in plateau state. A sample of 541 staff was selected from 5 outsourcing companies using random sampling generated data was analyzed using lineal regression and Pearson product moment correlation result from the analysis of data revealed a significant effect of recognition on job satisfaction and performance.

4. Methods

4.1 Study Setting and Population

The study was carried out in Cross River State, Nigeria. The state lies between latitude $4^028'$ and $6^055'$ North of the Equator and longitude $7^0 50'$ and $9^0 28'$ East of the Greenwich meridian. Cross River state, with a population of over 3 million, the state is located within the tropical rainforest belt of Nigeria and is bounded to the East by the Federal Republic of Cameroun, to the West, Abia and Ebonyi State, Akwa Ibom to the South West and the Atlantic Ocean to the South. Its international boundaries make it a security hotspot and an axis of international trade. The state is home to different business organisation such as both commercial and microfinance banks, cement production factory, telecommunication providers and a flour mill company. The population of the study is employees of selected commercial organizations in Cross River State. The selected commercial organisation includes Flour Mill, Airtel Communication, First Bank, Guaranty Trust Bank and Zenith Bank. The total population of employees in these organizations were 899.

4.2 Design and Instrumentation

The study adopts the descriptive research design. The design allows a study to systematically and accurately describe a situation, phenomenon and population. The design applies different quantitative and qualitative method to examine the correlation between variables (Angioha, Enukoha, Agba, & Ikhizamah, 2020; Ukwayi, Akintola, & Angioha, 2019). It was used because of its advantage of producing a good amount of responses from a wide range of people. The method is appropriate to this study since it aims at describing performance-based incentives and attitude of employees. The instrument of data collection was a structured questionnaire (Ojong, Iji, & Angioha, 2019; Angioha, Nwagboso, Ironbar, & Ishie, 2018). The instrument (Performance-based incentive and employee productivity

questionnaire – PBIEPQ) was structured in accordance with the research questions raised. The questionnaire was divided into two (2) units. The first unit contains questions on the performance based incentives (independent variable). The second unit contains questions on employee productivity (dependent variable).

4.3 Sampling

The sample used for the study is 270; arrived at using the Survey Monkey Sample Determinant Technique. The sampling technique used for the study is the purposive, proportional stratified and simple random sampling technique. The purposive sampling technique was used in selecting the organizations under study. The purposive sampling was used because of the nature of the study. The purposive sampling technique was used in selecting Flour Mill, Airtel Communication, First Bank, Guaranty Trust Bank and Zenith Bank. The proportional stratified sampling technique was used in selecting the appropriate sample from each of the organizations under study. The sample selection using proportional stratified sampling is highlighted in table 1 and 2. Simple random sampling technique was then used in selecting the needed sample from each of the organization under study.

Table 1. Population Distribution according to Organization

S/N	Commercial Organization	Population size (N)	Proportion of Staff	Sample Size (n)
1	Airtel	35	0.04	11
2	First bank	259	0.29	78
3	Flour Mill	384	0.43	115
4	GTB	64	0.07	19
5	Zenith Bank	157	0.17	47
	Total	899		270

Source: Field Work, 2020

Table 2. Sample of Bank Branch

S/N	Bank	Branch	Bank Branch Population Size (N)	Proportion of Staff	Sample Size (n)
1	FBN	Calabar Main	66	0.25	20
		Obudu	36	0.13	11
		OGoja	17	0.06	5
		Akamkpa	15	0.05	4
		Ekorinim	17	0.06	5
		8miles	20	0.07	6
		Main Avenue	20	0.07	6
		Ndidem Usang	32	0.12	10
		EPZ	19	0.07	6
		Iman	17	0.06	5
	Total		$\sum$N= 259		$\sum$n=78
	GTB	Calabar main	34	0.53	10
		Calabar Mariam	27	0.42	8
		Ikom	3	0.04	1
	Total		$\sum$N= 64		$\sum$n=19
	Zenith Bank	Mary Slessor	27	0.17	8
		Calabar Main	53	0.33	16
		Ikom	25	0.15	7
		Ogoja	26	0.16	8
		Chamley	26	0.16	8
	Total		157		47

Fieldwork, 2020

4.4 Reliability and Method of Data Analysis

Cronbach Alpha procedure was adopted to check the internal consistency of the instrument used for data collection. The instrument (**Performance-Based Incentive and Employee Productivity Questionnaire (PBIEPQ)**) was trial tested on 20 respondents, who do not form part of the original sample size. The instrument reliability measurement ranged from 0.70 to 0.93. Data collected, were coded and inputted into SPSS (Statistical Package for Social Sciences) version 20. Code data were analysed using simple lineal regression at 0.05 confidence level.

Table 3. Cronbach alpha reliability estimate

Variable	No. of items	Mean	SD	Cronbach alpha value (r)
Performance-based promotion	4	18.64	2.96	0.75
Performance-based bonus	4	19.41	2.85	0.74
Performance-based recognition	4	19.42	2.39	0.70
Employee productivity	4	17.21	2.42	0.85
Overall scale	16	72.99	4.57	0.93

5. Results

5.1. Test of hypothesis one

There is no significant main effect of staff promotion on employees' productivity. The independent variable will be measured in terms of effectiveness, efficiency and performance. To test the hypothesis, Multivariate Analysis of Variance (MANOVA) was adopted in analysing collected data and presented in Table 4.

Table 4. Multivariate analysis of variance of performance-based promotion and employees' productivity

Variable		N	Mean	SD		
Staff promotion:	Effectiveness of employees	255	25.87	5.80		
	Efficiency of employee	255	23.74	5.52		
	Performance of employee	255	26.97	5.61		
			23.91	6.03		
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Effectiveness	1058.404[a]	3	211.681	7.403	.000
	Efficiency	594.867[b]	3	118.973	4.781	.001
	Performance	791.681[c]	3	158.336	5.091	.000
Productivity	Effectiveness	925.374	1	925.374	27.231	.000*
	Efficiency	560.607	1	560.607	22.526	.000*
	Performance	615.114	1	615.114	32.012	.000*
Error	Effectiveness	3259.521	251	28.592		
	Efficiency	2837.100	251	24.887		
	Performance	3545.486	251	31.101		
Total	Effectiveness	63859.000	255			
	Efficiency	56436.000	255			
	Performance	72978.000	255			

a. R Squared = .245 (Adjusted R Squared = .212)
*significant at .05 level of significance; 2 tailed

The results of the Multivariate Analysis of Variance (MANOVA) for this hypothesis is presented in Table 4. As shown in the upper part of the Table, the mean scores for the sub-variables of employees' productivity: employees' effectiveness, efficiency and performance are ($\bar{X}$ = 25.81; SD = 5.50; $\bar{X}$ = 23.74, SD = 5.52; and $\bar{X}$ = 26.97, SD = 5.61), the mean scores revealed that staff promotion affects employee performance more than other sub-variables of productivity.

As shown in Table 4, the calculated F-values for employees productivity: employee effectiveness, $F(1, 251) = 32.364$; employee efficiency, $F(1, 251) = 22.526$; employee performance $F(1, 251) = 19.778$ are each greater than the critical F-value of 3.00 at 1 and 251 degrees of freedom, and 0.05 level of significance. With these results, the null hypothesis which states that there is no significant main effect of staff promotion on employees' productivity in terms of effectiveness, efficiency and performance in commercial organisations was rejected and the alternate hypothesis accepted. It was concluded that; there is a statistically significant main effect of staff promotion on employee productivity: effectiveness, efficiency and performance.

5.2. Test of hypothesis two

There is no significant main effect of performance-based bonus on employees' productivity. The dependent variable was measured in terms of effectiveness, efficiency, and performance. To test the hypothesis, Multivariate analysis of variance (MANOVA) was used to analyse the data and the result is presented in Table 5.

Table 5. Multivariate analysis of variance of performance-based bonus and employees' productivity

Variable		N	Mean	SD		
Performance based bonus	Effectiveness of employees	255	26.12	5.06		
	Efficiency of employees	255	25.59	6.65		
	Performance of employees	255	25.87	5.80		
			19.11	5.42		
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Effectiveness	1048.656[a]	3	209.731	8.782	.000
	Efficiency	304.706[b]	3	60.941	2.995	.015
	Performance	242.813[c]	3	48.563	1.919	.099
Productivity	Effectiveness	1009.922	1	1009.922	12.180	.044*
	Efficiency	85.048	1	85.048	9.675	.028*
	Performance	93.004	1	93.004	7.999	.021*
Error	Effectiveness	2101.556	251	23.881		
	Efficiency	1790.571	251	20.347		
	Performance	2227.187	251	25.309		
Total	Effectiveness	51234.000	255			
	Efficiency	51088.000	255			
	Performance	66014.000	255			

a. R Squared = .245 (Adjusted R Squared = .212)
*significant at .05 level of significance; 2 tailed

The results of the Multivariate Analysis of Variance (MANOVA) for this hypothesis is presented in Table 5. As shown in the upper part of the Table, the mean scores for the sub-variables of employees' productivity: employees' effectiveness, efficiency and performance are ($\bar{X}$ = 26.12; SD = 5.06; $\bar{X}$ = 25.59, SD = 6.65; and $\bar{X}$ = 25.87, SD = 5.80), the mean scores revealed that performance based bonus affect employee effectiveness more than other sub-variables of productivity.

As shown in the Table, the calculated F-values for employees productivity: employee effectiveness, $F(1, 251)$ = 12.80; employee efficiency, $F(1, 251)$ = 9.675; employee performance $F(1, 251)$ = 7.999 are each greater than the critical F-value of 3.00 at 1 and 251 degrees of freedom, and 0.05 level of significance. With these results, the null hypothesis which states that there is no significant main effect of performance based bonus on employees' productivity in terms of effectiveness, efficiency and performance in commercial organisations in Cross River State, Nigeria was rejected and the alternate hypothesis accepted. It was concluded that there is a statistically significant main effect of staff promotion on employee productivity: effectiveness, efficiency and performance. This suggests that performance based bonus can effectively promote/increase employee productivity in terms of effectiveness, performance and efficiency in this order.

5.3. Test of hypothesis three

There is no significant main effect of staff recognition on employees' productivity in terms of effectiveness, efficiency and performance in commercial organization in Cross River State, Nigeria. The dependent variable is measured in terms of effectiveness, efficiency and performance. To test the hypothesis, Multivariate Analysis of Variance (MANOVA) was used to analyse the data and the result is presented in Table 6.

Table 6. Multivariate analysis of variance of performance-based staff recognition and employees' productivity

Variable		N	Mean	SD		
Performance-based staff recognition	Effectiveness of employees	255	23.20	5.85		
	Efficiency of employee	255	24.36	5.18		
	Performance of employee	255	23.74	5.52		
			22.76	4.11		
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Effectiveness	1053.287[a]	3	209.731	8.782	.000
	Efficiency	324.510[b]	3	60.941	2.995	.015
	Performance	272.374[c]	3	48.563	1.919	.099

Variable		N	Mean	SD		
Productivity	Effectiveness	3.225	1	1009.922	4.963	.009*
	Efficiency	19.443	1	85.048	8.697	.021*
	Performance	28.728	1	93.004	5.852	.037*
Error	Effectiveness	2096.926	251	23.881		
	Efficiency	1770.766	251	20.347		
	Performance	2197.626	251	25.309		
Total	Effectiveness	51234.000	255			
	Efficiency	51088.000	255			
	Performance	66014.000	255			

a. R Squared = .245 (Adjusted R Squared = .212)
*significant at .05 level of significance; 2 tailed

The results of the Multivariate Analysis of Variance (MANOVA) for this hypothesis is presented in Table 6. As shown in the upper part of the Table, the mean scores for the sub-variables of employees' productivity: employee effectiveness, efficiency and performance are ($\bar{X}$ = 23.20; SD = 5.85; $\bar{X}$ = 24.36, SD = 5.18; and $\bar{X}$ = 23.74, SD = 5.52). The mean scores revealed that performance based bonus affect employee effectiveness more than other sub-variables of productivity.

As shown in the table the calculated F-values for employees productivity: employee effectiveness, $F_{(1, 251)}$ = 4.963; employee efficiency, $F_{(1, 251)}$ = 8.697; employee performance $F_{(1, 251)}$ = 5.852 are each greater than the critical F-value of 3.00 at 1 and 251 degrees of freedom, at 0.05 level of significance. With these results, the null hypothesis which states that there is no significant main effect of performance-based staff recognition on employees' productivity in terms of effectiveness, efficiency and performance in commercial organisations in Cross River State, Nigeria is rejected and the alternate hypothesis accepted. It was concluded that there is a statistically significant main effect of staff recognition on employee productivity: effectiveness, efficiency and performance. It suggests that staff recognition can effectively promote/increase employee productivity in terms of efficiency, performance and effective in this order.

5.4. Test of hypothesis four

There is no significant joint contribution of the predictor variables (promotion, performance-based bonus and recognition) on the productivity of employees' in commercial organizations.

Table 7. Regression Model Summary of all the predictor variables: performance-based promotion, performance-based bonus and performance-based recognition on the productivity of employees

Model	R	R square	Adjusted R square	Std error of the estimate
1	.533	.284	0.279	6.39696

Source of Variance	Sum of Squares	df	Mean square	F	Sig.
Regression	14297.120	3	2042.446	49.912	.000*
Residual	35969.691	251	40.921		
Total	50266.812	254			

As presented in Table 7, the regression model summary, and ANOVA, shows that the predictor variables had a moderate positive correlation with the productivity of employees' in commercial organisations (R = .533, p <.05). The combination of all the predictor variables (promotion, performance-based bonus and recognition) is joint predictors of productivity of employees'. Overall, the model accounts for 28.4% of the variance in productivity of employees and is a significant fit of the data (or, put another way, the 28.4% of variance that can be explained is a significant amount).

Also, the ANOVA shows a moderate lineal joint relationship (contribution) of all the predictors to the productivity of employees given by the F-ratio $(3, 251)$ = 49.912; p < 0.05. the interpretation implies that the model statistical significantly improves the researchers' ability to predict the outcome variable (as a result of the F-ratio being significant). The adjusted R^2 (0.279) revealed shrinkage of the unadjusted value (0.284), which implies that the model is suitable for use to generalise the population. From this result, it was revealed that when all the predictor variables

(promotion, performance-based bonus and recognition) are used together, the productivity of employee in commercial organisations will significantly improve.

6. Discussion of Findings

There is a statistically significant main effect of staff promotion on employees' productivity in commercial organisations in Cross River State, Nigeria. This result implies that staff promotion can effectively promote/increase employees' productivity in terms of performance, effectiveness and efficiency in this order. The findings of this study are supported by the findings of Gathungu, Iravo and Namusonge (2016), Noraani, and Zaizura (2013), Muhammad, Rizwan, and Yasin (2012), Sitati, Were and Waitit (2016) and Adnan and Mahazril 'Aini (2011). Gathungu, Iravo and Namusonge (2016), posit that promotion has a negative and significant relationship with commitment. Similarly, Sitati, Were and Waitit (2016) Posit that there is a positive and significant relationship between job promotion and employee retention in the hotel industry.

More so, the study revealed that there is a statistically significant main effect of performance based bonus on employee productivity in commercial organizations in Cross River State, Nigeria. The result implies that performance based bonus can effectively promote/increase employees' productivity in terms of effectiveness, performance and efficiency in this order. It reveals that performance based bonus affect employee effectiveness more than other sub-variables of productivity. The findings corroborated the works of Njanja, Maina, Kibet and Njagi, (2013); Salah, (2016); Zaraket and Saber, (2017). Njanja, Maina, Kibet and Njagi (2013) argued that cash bonus does not affect employee performance. This is because, those who received cash bonuses and those who did not belief that the cash bonus affects their performance the same. Similarly, Salah (2016) observed that there is a statistical significant relationship between rewards types and employees' performance.

Again, the study showed that there is a statistically significant main effect of staff recognition on employee productivity in commercial organizations in Cross River State, Nigeria. This result implies that staff recognition can effectively promote/increase employees' productivity in terms of efficiency, performance and effective in this order. It reveals that performance based bonus affect employee effectiveness more than other sub-variables of productivity. These findings are similar to that of Tausif, (2012) Mokhtar and Nasser (2015) and Magaji, Akpa and Norom, (2018). For instance, Tausif, (2012) examined the impact of non-monetary reward on job satisfaction among teachers in public schools in Pakistan. Result revealed a significant relationship between non-financial rewards such as recognition and job satisfaction and performance enhancement. Also, Mokhtar and Nasser (2015) investigated the correlation between reward and job satisfaction. Result revealed a significant relationship between recognition and employee job satisfaction.

7. Conclusion and recommendations

This study sought to examine the relationships between performances based incentives and employees' productivity in commercial organizations in Cross River State, Nigeria. The study specifically examined promotion, performance-based bonus, recognition and their relationship with employees' productivity in commercial organizations. From the analysis, results revealed that there is a significant relationship between performance-based promotion, performance-based bonus recognition and employees' productivity in commercial organizations. The study concludes that there is a significant relationship between performance-based incentives and employees' productivity in commercial organizations in Cross River State, Nigeria. Based on these findings, the following recommendations were made:

1) Promotion policies of commercial organizations should be transparent and fair. These policies should be well communicated to employees. It should outline clearly the key performance indicators and its relationship to internal promotions, performance-based bonuses and recognition.
2) Commercial organizations should give serious thought to increasing employees' wages based on their performance and other remunerations.
3) Non-financial rewards such as recognition and commendation should be used by management as a vital motivational tool for workers.

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