

Examining Safety and Security Compensation/ Reward System of an International Security Company amongst Lagos-based Employees

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Abstract: The purpose of this research is to evaluate the effectiveness of an international security company's compensation strategy. Data was gathered through the use of questionnaires. The respondents (n=170) were employees of the security company, drawn from different management cadre and other staff, and rated variables for the study on a five-point Likert scale. This study found statistical support for all of the hypotheses, showing that a fair reward system leads to better performance from workers of thesecurity company in Nigeria and that this reflects maximally on workplace safety. The research suggests that companies should institute reward policies and practices that encourage and facilitate the attainment of organizational objectives.

Keywords: Intrinsic Motivation, Extrinsic Motivation, Safety, Security, Rewards

1. Introduction

There are two types of incentives: internal and external. When an employee achieves his or her goals and experiences the satisfaction that comes from doing a job well, he or she experiences an intrinsic reward. On the other hand, extrinsic rewards are those that are not directly related to the work itself, such as salary, working conditions, and other perks. Industrial managers may not have much say over intangible rewards like job security, career advancement opportunities, service contracts, and working conditions. On the other hand, there are rewards that can be classified as "psychological rewards," such as the chance to put one's skills to use, the satisfaction of meeting a challenge, the joy of being acknowledged for one's efforts, and the comfort of knowing that one is cared for and valued.

According to Ajila and Ibukun (2019), managerial leadership encompasses the theory and practice of work organizations. It integrates the characteristics of a good leader and the expertise and competence of a manager. In other words, a good leader should know the connection and the relationship between rewards, motivation and job satisfaction of employees which has much significance to the success of both public and private sectors like the Apapa-based security company in Lagos, Nigeria.

Through the years, it has been established that rewarding employees well is one policy that can boost their motivation to do their best for the company, which in turn boosts productivity. Furthermore, with the current trend in the global economic climate, most employers of labor have realized that the performance of their employees plays a significant role in determining the success of their organization. Conversely, the success of both the company and its employees depends on each individual's contribution to the workplace. It is important for a business or organization to identify its top performers, those who could benefit from additional training, and those who are not making a positive impact. Work performance evaluations can be conducted at any stage of an employee's career, and the results can be used to make personnel decisions about things like advancement, job rotation, job enrichment, workplace safety, and security, among other things. The goal of any performance review should be to provide an honest appraisal of how well an employee is carrying out his or her duties. Also, decisions about an employee's future will be made based on the data collected.

An in-depth analysis of an employee's performance can reveal gaps in their knowledge or ability on the job, as well as the causes of their lack of motivation. Once these gaps are exposed, they can be filled by providing the necessary reinforcements or by providing additional training.

Although management has frequently tried to stimulate production by such offerings and has often attributed production increase to them, the belief that particular rewards will encourage increases in production has not always been sustained. Production has increased over the years for many reasons apart from the specific motivation, which has been oversimplified. Since then, psychologists have focused primarily on the study of motivation, expanding their expertise in this area beyond that of the general public. What we currently know about motivation, from a psychological perspective, needs to be briefly reviewed.

Statement of Problem

It wasn't until the 1970s that Nigerians started thinking about how they could motivate their workforce through the use of incentives. Countless researchers such as Meyer and Rowan (1977), Kayode (1978), Egwureidi (1981) and Akwei and Nwachukwu (2022) have delved into this topic. Experts in human resources and personnel are growing increasingly concerned about the level of output obtained from workers due to poor remuneration, elevating the significance of employee performance. In addition to being a social issue, the failure of managers to effectively manage their staff by rewarding them adequately for maximizing productivity is a major cause of many of the problems seen in industrial settings. Workers' interest in their jobs should be fostered in order to encourage them to give their best efforts on the job, and this can be accomplished by fostering an environment of safety, security, and industrial harmony. Given this context, the purpose of this research is to determine how Apapa-based Security Company Safety and Security compensation and reward structure affects employee productivity.

Some estimates place Nigeria's security production at sixth in the world. Recent surveys have revealed that the country has a natural gas reserve that exceeds its security reserve. Because of its natural resources, the country has the potential to become an industrial powerhouse in the not-too-distant future, if the resources are properly utilized. Given the current state of employee motivation in the country, this ideal needs to be approached with caution. The employees have gone on strike once more. After hearing this, you might be wondering, "Over what?" They want another raise on top of the one they received recently. Why do they need anything else?

These kinds of statements and comments, along with countless others like them, are regularly reported in the dailies and are discussed by observers of the market from a wide range of industries and service providers. What employees want from their employers is a common topic of discussion. Please put an end to the constant demands for wage hikes. Motivation at work: why people show up and how they can be encouraged to give their all.

These are not questions that are unique to Nigerian government employees or service providers. The federal government has recently announced that it will be reevaluating the federal minimum wage with an eye toward increasing it. Workers in state and local government "bureaucracies" across the country began mobilizing almost immediately after the announcement to gain access to the new funding. Money is a motivator in this part of the world, so it may seem like that's all workers want.

The only thing money does is act as a universal denominator. Workers' demands for pay raises and the time spent in the annual ritual of management and worker union negotiation meetings are often thought to be drastically reduced if only management could find other ways to motivate the workforce besides monetary compensation.

This study seeks to determine, through empirical evidence, whether or not workers can be motivated to contribute to the productivity and growth of their organizations in ways other than financial compensation. Some of the goals that this study hopes to achieve are the following: a decrease in employee turnover; an increase in worker productivity; the elimination or reduction of industrial unrest as a result of the redesign and implementation of appropriate labor laws and policies; and an overall improvement in management and staff relations.

Aim/Objectives of the Study

The aim of this study is to examine the relationship between compensation and reward system and the effect on employee/organizational productivity in the Apapa-based Security Company, Lagos, Nigeria.

The following objectives are highlighted.

- a. To ascertain the relationship between fair reward system and improved employees' performance in the Apapa-based Security Company in Lagos, Nigeria.
- b. To examine the relationship between fair reward system and improved organizational performance (increased productivity and efficiency) in the Apapa-based Security Company in Lagos, Nigeria.

Research Hypotheses

1. H_0 : There is no significant relationship between fair reward system and improved employees' performance in Apapa-based Security Company in Nigeria.
 H_1 : There is significant relationship between fair reward system and improved employees' performance in Apapa-based Security Company in Nigeria.
2. H_0 : There is no significant relationship between fair reward system and improved organizational performance (increased productivity and efficiency) in Apapa-based Security Company in Nigeria.

H_i: There is significant relationship between fair reward system and improved organizational performance (increased productivity and efficiency) in Apapa-based Security Company in Nigeria.

The theory of expectations examines the thought procedures involved in selecting an option. It describes the mental and emotional steps a person takes when making a decision. As a motivational theory, expectancy theory was first proposed by Yale business school professor Victor Vroom. A person's motivation for selecting one course of action over another is explained by the expectancy theory. This theory explains how people can be motivated to achieve their goals if they have a belief that their efforts will lead to a positive outcome that their performance will lead to a desirable reward, that the reward from their performance will satisfy an important need, or that the outcome will satisfy their need sufficiently to make the effort worthwhile.

Significance of the Study

This study will be of great importance to the managers in the security industry as well as other industries in designing policies on improving performance as well as policies on employee reward. The findings of this study will enable them to understand the factors surrounding reward system and specifically its effects on employee performance in the Apapa Security company in order to make informed policies aimed at improving employee performance in the industry. Furthermore, the findings of this study can be used by researchers to further explore different dimensions of reward system; such as fairness, complexity etc., to examine their impact on employee performance, employee satisfaction and motivation.

2. Review of Related Literature

Conceptual Review

According to Yavuz (2017) incentive, reward, recognition are quite interrelated and complementary in the context of employee motivation. It is difficult to draw a line among them. The broadest is the incentive which refers to any means that makes an employee desire to do better, try harder and expend more energy. It may be into two categories; monetary incentives and non-monetary incentive. Monetary incentive involving granting of reward in terms of money such as salary, wages, bonuses etc. Non-monetary or non cash incentives do not involve direct payment and they can be tangible and non-tangible.

Concept of Non-Financial incentives

Incentives are very crucial in motivating employees in an organizational setting. Incentives refer to a thing given in recognition of service. Incentives have two basic types: namely financial reward and non-financial incentives. Most organizations use financial reward system as a way of motivating their employees and financial rewards are monetary rewards such as salaries/wages, bonuses etc. The concept of non-financial incentive existed because not every employee in an organization is being motivated through financial reward system or money. According to Abraham Maslow (1943), in his hierarchy of needs theory, every individual has different kinds of needs in which they desire. Most employees want to feel appreciated or recognized for their efforts. Herzberg (1987) also propagated the two-factor theory that are of two types namely; motivation factor and hygiene factor. He also focused on the motivation factor to encourage employees in the organization in order to know if they are satisfied with the work to increase their performance toward achieving organizational goals.

Non-financial incentives are non-monetary incentives, they can be recognition, promotion, training and development etc. Companies should implement non-financial reward systems in the organization so as to not only motivate the junior staff but also the senior staff. Promotion of staff from one level to another can motivate other staffs to increase their performances towards any responsibility in relation to the organizational goals. Non-financial rewards tend to motivate employees and also retain them. According to Silverman (2021), motivation is by both monetary and non-monetary factors. Non-financial rewards also attract new employees to an organization.

Concept of Employee Performance

The performance of an employee has an effect on the effectiveness and productivity of the organization. Performance is referred to the accomplishment of work, task etc. According to Byars (2022) employee performance is a collection of effort, ability and perception of tasks. When employees are being given a task, it is expected to be completed efficiently. The way and manner in which employees are being appreciated for their effort enhances their ability to work more or less.

The use of performance incentives should be implemented by management of an organization to increase their productivity as an organization and also to increase the effectiveness and efficiency of the employees. The

use of non-financial reward system such as staff promotion, staff recognition and training and development tends to boost the effort of employees to work extra hard in order to achieve organizational goals.

Theoretical Review

Remuneration Strategy Theory

Remuneration strategy is how the organization positions its remuneration, or pay levels. The organization may implement any of the following pay levels.

Benchmarking

The organization positions its salaries in relation to the market. That is on what other organizations in the same industry are offering.

- The organization can adopt a total cost of employment strategy, which covers base pay with variable pay, incentives, and benefits. The organization may use base salary plus add-ons in the form of incentives; or benefits.
- The organization may use incentives as its remuneration strategy or annual salary increments. The remuneration strategies discussed above have to be aligned with the overall business strategy. The alignment of remuneration strategies with business strategy helps the organization to procure the level of skills necessary to meet the strategic objectives of the organization.

Deciding the Remuneration Approach

The choice and appropriateness of the remuneration approach would depend on the following.

- i. **Affordability:** Considers the costs associated with pay. If the organizations were newly established, the focus would be to achieve sustainability and viability; thus, affordability would usually influence the original pay levels adopted by the organization. If the organizations were well established, the key driver would be competitiveness.
- ii. **Salary Administration:** Is to offer choice per pay, grade, i.e. different pay rates for each pay grade.
- iii. **Benchmarking:** Organizations have to implement pay levels that are externally equitable with what the competitive are offering.
- iv. **Cost Control:** Is choosing a pay strategy that reduces overhead costs.
- v. **Business Alignment:** Considers the role of remuneration in supporting the overall performance level of the organization.

As organizations grow and become established, the usefulness of employees increase in value; thus, the competitive pay approach would be the most appropriate pay strategy used to attract, motivate and retain employees. The competitive pay approach rewards employees with market related salaries, and provides additional incentives in the form of annual bonuses, profit sharing, and gain sharing. The organization is required to tailor the rewards according to the needs of the individual. The organization also has to consider the cost implications associated with each pay strategy.

The remuneration strategy is usually guided by the objectives of remuneration and reward systems. The sub-problem of this study is to identify the objectives and strategies of rewards systems. The above discussion gives an overview of some of the strategies that organizations can adopt as total cost of pay, base salary plus benefits in annual salary increments, and incentives. The appropriateness of each pay strategy is guided by the objectives of the reward and pay systems.

The Evolution of Motivational/Reward Concepts

The concept of motivation can be traced back to the hedonistic tenet that people are naturally inclined to pursue happiness and avoid suffering. Hedonism presupposes that people are capable of acting consciously, in the sense that they can weigh their options and make deliberate decisions about how they will spend their time in the future. In theory, when faced with a choice between two or more possible courses of action, a person will choose the one that will have the greatest positive impact while minimizing any negative ones. However, over time, these assumptions were shifted from philosophical theory to the more empirically based science of psychology. Even so, motivation is a relatively new concept in psychological theory; it was originally introduced as "instinct" before being reformulated as "drive." Just a few words on each of the four (4) main theories of motivational concept will help clarify the subject. Theories include:

Instinct Theory: Drive Theories: Heldonic Theories: and Cognitive Theories.

One of the greatest exponents of instincts theories was McDougall, and he defined instinct as inherent or innate psychophysical disposition which determines its possessor to perceive and to pay attention to objects of a certain class to experience an emotional excitement of a particular quality upon perceiving such an object, and to act in regard to it in a particular manner, or at least, to experience an impulse to such actions.

Instinct is purposefully directing or guarding the organism to suitable objects or actions in the interest of its needs. Another notion of instinct was that of unconscious motivation or behaviour and this was the basis of the work of Freud who argued that most behavioural tendencies were not necessarily those of that individuals “consciously” determined would be in their best interests(Lumer, 2019)

Motivation/Reward

The word “motivation” was originally derived from the Latin word “Movere” which means ‘to move’ though this could be an inadequate description for what is meant. Motivation is defined as “a process governing choices made by persons or lower organisms among alternative forms of voluntary activity”(Vroom ,2021); “the contemporary (immediate) influence on the direction vigor, and persistence of action”(Atkinson , 1976);and “motivation have to do with set of independent and dependent variable relationships that explains the direction, amplitude and persistence of an individual’s behaviour, holding constant the effects of aptitude, skill and understanding of the task, and the constraints operating in the environment”(Campbell and Pritchard, (1976),. Perhaps we can distinguish common factors to all these definitions, namely: what energizes human behaviour; what directs or channels such behaviour and how such behaviour is maintained or sustained. And it is also possible these are the true components of motivation and each would be essential factor in understanding human behaviour at work. From these three components we can characterize motivation as:

1. An energizing force within an individual that ‘drives’ him to behave in some ways, and environment forces often triggers these drives:
2. Good orientation on the part of the individual behaviour is directed towards something (and)
3. System oriented process of feedback from the environment to the individual, reinforces them from their course of action and redirects their efforts.

Alignment of Pay with Business Strategy

The principle of alignment is that every aspect of an organization’s activities should be integrated to achieve corporate goals. In the absence of a meaningful pay system such as pay for performance and skills and competence pay, it is unlikely that employees would perform well and make the organization successful. The ultimate goal of pay system is to align the goals and interests of employees, with the goals and interests of the organization. This is to make employees think, feel and act like owners of the business. For employees to feel like owners of the company, business goals must include employees’ safety and security and rewards provided for goal accomplishment (Martin et al, 2006).

In a first paced global economy faced with competitive pressures, scarcity of human resources,, and technological changes, organizations are making long-term plans for survival and growth. Technology offers much more flexible work patterns and roles that are met by a wider range of skills, which affects the pay structures that are in place. In a competitive market, pay structures have to respond to the pressures by replacing traditional narrow grades with broad structures (Armstrong and Murlis, 1994).

In trying to respond to the global competitive pressures, organizations are aligning their new strategies, with the evolving organizational work structures and culture. While some values, culture, and structures have changed, pay has remained stagnant over the years. This may affect the change process and the commitment of employees to the organization’s goals. For organizations to be successful, the reward strategy should change as the company evolves since the reward and compensation system communicate the new expectations and key messages linked to the long-term success of the organization for employees’ performance and for accomplishing the organization’s vision and values. (Flannery, Hofrichter and Platten, 1996).

The organization becomes what it rewards, and a reward programme can either drive, or diminish organizational performance. Organizations should ask questions such as “what are we currently rewarding” rather than what do we need to reward”? An effective reward strategy enables organizations to deliver the right amount of rewards to the right people, at the right time, for the right reason (Gilbert and Cornish, 2022).

Different Pay Systems to motivate Employees

Employees contribute to the success of the organization therefore, employers should create conditions that inspire employees to utilize their skills. Properly managed remuneration system such as pay for performance and pay for skills and competencies, allow employees to be productive, utilize their skills and improve growth and profitability of the organization.

Employees should be involved in building the organization as their involvement creates a lasting successful relationship (Wilson, 1995).

Table 1. Total Reward Components: The Better Work Force Deal

Individual Growth	Compelling Future
Investment in people Development and training performance management career enhancement	Vision and values company growth and success company image and reputation strike holdership win-win overtime.
Total Pay	Positive Work place
Base pay Variable pay, including stocks Benefits indirect pay Recognition	People Focus People focus Leadership Weak itself Involvement & Communication Trust and Commitment

Source: Researchers' Field Survey, 2022

Total pay and a positive work place are at the foundation of reward management. The way employees view work environment and remuneration package is essential to attracting and keeping employees but these two components are not enough when faced by global competition.

Individual growth and a compelling future address the issues of competitive pressure; thus for an organization to survive, all the four components (total pay, positive work place, individual growth are compelling future) should be present. The overall objectives of any profit making entity and growth, profits, quality products and increased return on investment. These can only be attained when the work forces' competencies and skills are developed. Shields (2007:30) views the four components discussed by Lawler(1995) as the components of a total rewards strategy. Reward system is not just about money; it is also concerned with those non-financial rewards that provide, intrinsic and extrinsic motivation. Intrinsic rewards are inherent in job design such as interesting and challenging job, degree of feedback, task variety, and autonomy. Extrinsic rewards arise from the factors of job context that include financial rewards, development rewards and social rewards. Financial rewards encompass base pay, variable pay, and benefits; these financial rewards are always of primary importance in reward management, and the organization has to find the right mix of financial and non-financial rewards. The objectives of this study are to evaluate the financial rewards used in motivating, retaining, and improving organization's success as per literature review.

Job Analysis: Is a process of identifying and documenting the duties of a job through use of job description. Job description is an essential factor, when making pay decision because in the absence of clear job descriptions, employees feel work overload, role conflicts and ambiguity. (Martin et al, 2006).

Job Evaluation: Involves the systematic evaluation of the job description that results from job analysis. The purpose is to rank jobs in order of importance and to reveal the relative worth of each job within the organization and to establish pay structures that are internally equitable and consistent with the organizational goals (Swanepoel et al 2014).

Market Survey: Is when organizations offer salaries that are similar to what other employers in the same industry pay, in order to attract, retain, and motivate employees. The use of market surveys help organizations to make salary comparisons by structuring their pay levels on what other employers in the same industry pay their employees (Martin et al, 2006).

Pay Structuring: is when organizations use information that is obtained from the job evaluation exercise and from market surveys to establish differentiated pay rates to be used for each grade (Swanepoel et al, 2014). Base pay is the largest component of total pay for non-executive employees. It also serves as a benchmark for other cash incentives such as profit sharing, which is expressed as a percentage of base pay. As overtime increases costs, Li et al, 2000) suggests that overtime should be eliminated for the following reasons.

- Overtime increase labour costs much more than it increases output.
- Overtime bolsters inefficiencies by allowing employees to increase production time, although they could have finished their work within the normal working hours.
- Skilled employees are not willing to train and develop other employees for the fear of losing overtime premiums.

Skills and Competence Based Pay

Skills based pay is a payment method in which pay progression is linked to the number and depth of skills that individuals develop and use. It is paying for the horizontal acquisition of skills and the vertical development of skills needed to operate at a higher level by undertaking a wider range of tasks. The emphasis on skills development is necessitated by rapid developments in technology and changing manufacturing methods that require flexibility (Armstrong and Murlis, 1994).

Objectives of Skills and Competency Based Pay

Organizations that use many job grades create inefficiencies, high salary costs and high priced product. Efficiency can be enhanced by increasing the skill base of employees through training and development. Training increases productivity and reduces costs associated with wastes. Skill based pay creates employees’ commitment by offering employees a change to develop their careers. One of the reasons for employee turnover is lack of career progression and skill pay system addresses this problem.

Rewards that an individual receives are very much part of the understanding motivation. Research has suggested that rewards now cause satisfaction of the employee to be affected, which directly influences the performance of the employee. Adejoh (2013) concluded that factors influence the performance with regards to work. Firstly, it depends on the amount received and the amount the individual feels he or she should receive. Secondly, comparison to what others collect influences peoples performance and thirdly, and employee’s satisfaction with both intrinsic and extrinsic rewards received affects overall job performance. Thirdly; people differ widely in the rewards they desire and in the value they attach to each. And fourthly, that many extrinsic rewards satisfy only because they lead to other rewards. All these observations suggest the need for a diverse reward system. The study basically adopted the same method as Hersberg et al (2021) and it shows some support. For the influence of motivations on job performance Herzberg’s two factors theory of motivation separated job variables into two groups; hygiene factors and monitors. They made use of a sample of 692 subjects to test the validity of the two factor theory. And it was discovered that at higher occupational level “motivators” or intrinsic and extrinsic job factors were more valued than lower occupational levels “hygiene factor”. In this work they concluded that an organization that satisfies both intrinsic and extrinsic factors of workers got the best out of them.

4. Presentation of Data

The data for analysis were derived from the respondents contained in the questionnaire administered. The questionnaires were administered to the sampled zonal office which served as a representative of the Apapa based Security Company, Lagos.

A total of 200 questionnaires were distributed. Out of the 200 questionnaires issued, only 170 were dully filled and returned to the researcher by the respondents and 30 were not returned which represents 15% of the questionnaires not returned. Therefore, the 170 questionnaires which were fully filled and returned to the researcher were used for the presentation and analysis of this research study. The table below represents the demographic characteristics of the study population.

Table 1. Demographic Characteristics of sample population (n=170)

Variables	Group	N	%
Gender	male	119	70.0
	female	51	30.0
Age (years)	21-30	61	35.6
	31-50	86	50.6
	>50	23	15.5
	total	170	100.0
Marital status	single	100	59.0
	married	70	41.0
Education	WASCE/GCE	30	18.0
	OND/NCE	30	18.0
	BSc/HND	60	35.0
	MSc/PhD	50	29.0
Staff Category	Top management /HR	10	5.9
	Administrative Officers	40	23.5
	Field Staff	70	41.2
	Other staff	50	29.4

Data Interpretation and Analysis of General Question

Table 2: Perception of Safety and Security Rewards by Employees of an Lagos-based Security Company

n= 170	Agree	Strongly Agree	Disagree	Strongly Disagree
There is a significant relationship between fair reward system and improved employees' performance	80 47%	60 35%	20 12%	10 6%
There is no significant relationship between fair reward system and improved employees' performance	60 35%	70 41%	30 18%	10 6%
The impact of compensation and reward system improve the performance of employees in an organization	75 44%	55 32%	25 15%	15 9%
The compensation and reward of employees affects their performance in the organization.	65 38.2%	45 26.5%	35 20.6%	25 14.7%
Motivation is based on monetary system only	100 58.8%	30 17.6%	25 14.8%	15 8.8%
Employees are compensated after a particular job done for the benefit of the organization.	65 38.2%	45 26.5%	35 20.6%	25 14.7%
Company's reward system is fairly related to employee's input performance in an organization.	85 21	20 12	65 38	50 29

Source: Field Survey, 2022

5. Test of Hypotheses

Hypothesis 1

H₀: There is no significant relationship between fair reward system and improved employees' performance in Apapa Security Company, Lagos.

H₁: There is a significant relationship between fair reward system and improved employees' performance in Apapa Security Company, Lagos.

In testing hypothesis 1, data on table 2 was used.

Using the correlation formular

$$r = \frac{N(\sum xy) - (\sum x)(\sum y)}{\sqrt{N(\sum x^2) - (\sum x)^2} \sqrt{N(\sum y^2) - (\sum y)^2}} \text{ (Equation 1)}$$

Where:

- r = Degree of relationship
- n = Number of observation
- ∑ = Summation of distribution
- x = Independent variable
- y = Dependent variable

Decision: In the calculation above, since 0.97 is close to +1 the null hypothesis is rejected and accepts the alternative hypothesis which states that there is a significant relationship between fair reward system and improved employees' performance in Apapa based Security Company, Lagos.

Table 3: Results for relationship between fair reward system and improved employee performance

Responses	X	Y	XY	X ²	Y ²
Agreed	5	80	400	25	6400
Strongly Agree	4	60	240	16	3600
Disagreed	3	20	60	9	400
Strongly Disagreed	2	10	20	4	100
Total	14	170	720	54	10.500

r = 0.97

Hypothesis 2

- H₀: There is no significant relationship between fair reward system and improved organizational performance (increased productivity and efficiency) in Apapa based Security Company, Lagos.
 H₁: There is a significant relationship between fair reward system and improved organizational performance (increased productivity and efficiency) in Apapa based Security Company, Lagos.
 In testing hypothesis 2, data on table 2 and Equation 1 was used.

Decision: In the calculation above, since 0.89 is close to +1. Therefore, null hypothesis is rejected and accepts the alternative hypothesis which states that there is a significant relationship between fair reward system and improved organizational performance (increased productivity and efficiency) in Apapa based Security Company, Lagos.

Table 4: Results for relationship between fair reward system and improved organizational performance

Responses	X	Y	XY	X ²	Y ²
Agreed	5	60	300	25	3600
Strongly Agree	4	70	280	16	4900
Disagreed	3	30	90	9	900
Strongly Disagreed	2	10	20	4	100
Total	14	170	690	54	9500
r = 0.89					

6. Conclusion

This research examined the effect of organizational reward system and employee productivity. However, the two hypotheses tested show that there is a relationship between fair reward system and improved employee/organizational performance (increased productivity and efficiency) in Apapa based Security Company, Lagos, it assumes that employees expect fairness when being rewarded for work done and people becoming unmotivated, reduce their input or seek change improvement, whenever they feel their inputs are not being fairly rewarded. The main trust of this research is based on three principles:

- 1) People develop beliefs about what is fair reward for one’s job contribution and exchange.
- 2) People compare their exchange with employer to exchange with other-insiders and outsiders called references.
- 3) If an employee believes his treatment is inequitable compared to others, he or she will be motivated to do something about it such as seeking justice.

Recommendations

With regards to the findings of this study and conclusion proffered. It becomes imperative that certain recommendations should be made to serve as a guide for practical actions.

- 1) The Apapa- based Security Company, Lagos should develop reward policies and practices that support the achievement of organizational goal.
- 2) They should provide rewards that attract, retain and motivate employees and help develop high performance culture.
- 3) Maintain competitive rates of pay.
- 4) Reward people according to their contribution to the company.
- 5) Recognize the value of everyone who makes an effective contribution to the company not just exceptional performers.

Contribution to Knowledge

This study contributed to knowledge in the following ways.

The research study provides available collection of ideas, fact and figures that can be of great importance to other researchers, entrepreneurs, organizations and lecturers and students in comprehending the effects and relationship that exist between workplace motivation and employee/organizational productivity.

Findings from this research also vindicates claims or arguments that extrinsic motivational factors (employee rewards training and promotion etc) are considered to be more significant than intrinsic motivational factors.

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