
# Modern reward management systems and performance of family-owned hospitality businesses in Nigeria

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## Abstract

Despite the vital importance of reward systems in organizational performance, it remains a daunting challenge as many business organizations in Nigeria struggle to successfully implement an efficient reward system. This study investigates the impact of modern reward management systems on the performance of family-owned businesses in Nigeria's hospitality industry in Bida, Niger State. The research design employed is a descriptive analysis and inferential analysis method and a questionnaire to elicit data from the respondents. The targeted population comprises of the four hundred and seventy-eight (478) hotel owners and or manager and employees. The population covered all the registered hospitality family-owned business (Hotels) operating in the study area, while the sample size was determined using Taro Yamane (1967) at two hundred and eighteen (218). The study aims to achieve a balance between precision, confidence, and feasibility, ensuring that the findings can be generalized to the entire population while keeping the survey manageable in terms of resources. The findings revealed that modern reward management systems have a significant positive impact on family-owned business performance in Nigeria's hospitality industry. The study identified key reward management practices, including employee recognition programs, performance-based bonuses, and training and development opportunities, as critical factors influencing employee motivation, job satisfaction, and business performance. The research contributes to the existing body of knowledge on reward management and family-owned business performance, providing valuable insights for human resource practitioners, business owners, and policymakers seeking to improve the competitiveness and sustainability of family-owned businesses in Nigeria's hospitality industry.

**Keywords:** Performance, Management, Pay, Recognition, Motivation

## Introduction

One of the crucial factors that contribute significantly to an organization's success is its human capital, and how effectively it is managed and motivated. Human resources are an organization's most significant asset (Sudhakar, 2023). They manage cash flow, run machinery, deal with clients, make decisions, help subordinates, and perform other important organizational duties on a daily basis. A strong incentive management system is vital in today's business world, as a highly driven and effective workforce is critical to a company's success. As a result, businesses are constantly searching for ways to improve employee performance and motivation. Incentives and compensations, whether monetary or non-monetary, that an employee seeks and that the company is ready to provide in exchange for the employee's contribution to the company constitute a reward system (Chukwuma *et al.,* 2022). The goal of reward management is to create, implement, oversee, and evaluate policies and practices that value and recognize people according to their contributions to the achievement of organizational goals.

Many families' hospitality enterprises still see reward management as a separate corporate-service system that is not a part of the management process, despite the fact that reward management systems are widely acknowledged as being vital for organizational performance in Africa. Some economic sectors, on the other hand, assert that incentive management systems are founded on elements such as pay, bonuses, recognition, career progression, work-life balance, fringe perks, motivation, and job satisfaction. The impact of these factors on worker performance is long-lasting. According to Shaheen and Khan (2023), reward management systems have a big impact on an organization's capacity to draw in, keep, and motivate high-potential workers, which in turn results in high performance levels.

Human capital is without a doubt an organization's most important asset. A company's human capital is the main source of its long-term competitive advantage (Oginni *et al.,* 2024). Through a variety of human resources applications, employers seek to enhance, motivate, and increase employee performance. As a result, the incentive management system has been the most crucial component of the human resource management system. When workers are eager to apply their skills, expertise, and creativity, the business thrives. Employees expect both monetary and non-monetary rewards for their skills and efforts. Insufficient recognition, training and development opportunities, and equitable remuneration lead to employee discontent and poor performance. Poor performance and a high staff turnover rate are usually the outcomes of employee dissatisfaction caused by a lack of monetary and non-monetary benefits (Pearce *et al.,* 2019). Many businesses use two different types of reward systems (Duru *et al.,* 2023). These consist of both intrinsic (non-monetary) and extrinsic (monetary) rewards. Extrinsic rewards are important. Conversely, internal benefits are intangible or psychological. Pay, bonuses, perks, promotions, allowances, fringe benefits, bonuses, incentives, compensation, supervision, and working conditions are examples of extrinsic rewards; learning opportunities, career advancement, responsibility, and acknowledgment are examples of intrinsic rewards. Rewards could be either intrinsic, extrinsic, or a mix of the two. A correct combination of incentive management system strategies, such as social, monetary, intrinsic, and developmental rewards, will finally result in employee success (Madhani, 2020). A properly thought-out reward management system can have a positive effect on employee performance. When employees feel valued and rewarded for their contributions, a more engaged and motivated staff can lead to higher performance, quality, and customer satisfaction. Research has shown that reward management systems and employee performance are positively correlated.

According to a study by Singh and Sharma (2022), workers were more likely to be satisfied with their jobs and perform better if they believed that their company's remuneration plan was equitable and fair. Emmanuel and Nwuzor (2021) discovered a strong positive correlation between intrinsic and extrinsic rewards and employee motivation. He agrees that employee satisfaction is increased when incentives and work satisfaction are positively correlated. This assertion is supported by the fact that job happiness has a favorable impact on how an employee perceives their performance and achievements at work. Job satisfaction is also correlated with productivity, commitment, and loyalty to an organization.

Even though reward management system contributes to the achievement and success of an organization's long-term, developing countries like Nigeria experienced low performance index and poor success of family-owned hospitality business compared to their foreign counterparts. However, while there is a growing body of research on reward management system and employee performance, there is still much to be learned about the factors that influence the effectiveness of reward systems in the private sector, using Family-owned Hospitality Business in Bida, Niger State as a case study.

## Statement of the problem

The Nigerian hospitality sector, particularly family-owned businesses, faces significant challenges in designing and implementing effective reward management systems that motivate employees, enhance job satisfaction, and improve overall performance. And reward management systems play a critical role in motivating and retaining employees. However, many organizations have outdated or ineffective reward management systems that are not aligned with their strategic goals or employee needs. The majority of firms have rules that are not advantageous to their employees (Anistuti and Sopiah, 2022). Policies pertaining to pay administration, benefits, appraisal, promotion, and qualification may be extremely strict and inappropriate; as a result, it becomes very difficult for employees to comply, and maximum performance is not achieved. The type of reward system, the perceived fairness of the system, the frequency and timing of awards, and the sort of work being done are all significant elements that can affect how effective reward systems are, according to earlier research (Armstrong, 2019; Akpoviroro, *et al.,* 2018).

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Furthermore, additional study that considers the viewpoints of employers and employees is required to completely comprehend the elements that affect the efficacy of reward systems in the private sector (Pathak and Pandey, 2019). The current study seeks to address this gap by examining the impact of reward management systems on the performance of family-owned businesses in the Nigerian hospitality sector, with a focus on identifying effective strategies for designing and implementing reward systems that drive employee motivation, job satisfaction, and overall business performance in Bida, Niger state. Therefore, the aim to examine the relationship between modern reward management systems and the performance of family-owned hospitality businesses in Bida, Niger State.

## Literature Review

This literature review examines related studies on reward management system and employee performance and provide thorough understanding of reward management system in organizations. It analyses studies, theories, and methodologies to identify trends, gaps, and emerging perspectives and highlights future research areas.

### Reward Management System

In order to recruit, retain, and inspire people to give their best work, reward management systems are a crucial component of human resource management. These systems can be in the form of professional development possibilities, non-financial rewards, or money incentives. Identifying the organization's goals and objectives, evaluating employee needs and contributions, and creating and executing reward programs that support both are all steps in this methodical process (Simon, 2023). Organizational rewards include both monetary and non-monetary benefits including promotions, job stability, and recognition. Financial rewards that include tangible compensation like share ownership and fixed and variable compensation also contain indirect and postponed benefits which include perquisites and benefits (Akpoviroro, *et al.,* 2018).

Edet *et al.* (2023) defines base pay as the payment received by employees for fulfilling grades or demonstrating required skills to perform their job responsibilities. Samuel (2021) demonstrated through his research that monetary incentives referred to as cash bonuses act as drivers to increase employee motivation and workplace productivity. The effectiveness of reward management systems depends heavily on four key factors which include the reward types and criteria and communication frequency and timing and work type. Multiple studies today demonstrate that such components play an essential role in creating powerful incentive management systems. Research by Kolluru (2021) shows that immediate prize-giving following performance creation brings better outcomes than delayed rewarding. When employees consider the pay system to be fair, they demonstrate increased job motivation according to research (Armstrong, 2019).

When organizations develop systematic incentive programs, they achieve two important goals including: (1) Improved employee motivation and active worker participation because recognition and rewards enhance workplace inspiration. Organizations that implement these programs will achieve better performance because their motivated employees achieve better results. Employees who receive fair compensation packages tend to stay with their organization since they feel satisfied. The organization gains better capability to attract and sustain premium personnel through competitive incentive programs (Alkandi *et al.*, 2023).

**Financial Reward**

Financial awards in the organization's pay structure create significant performance and motivational effects on employees. Financial incentives contain pensions and health insurance as well as bonuses and wages and transportation facilities (Hanif and Nurcholis, 2022). Employers award their staff members with either pay in form of salaries or commissions. Numerous organizations use rewarding programs that heavily depend on financial incentives as their main motivating factor for employees (Hamzah and Matkhairuddin, 2022). Investigations conducted in recent times validate the indispensable role that financial incentives play to attract and retain elite personnel. Competitive business operations require financial incentives to recruit and retain capable personnel (Smith, 2019). Businesses offering competitive financial rewards according to Haron and Khadijah (2023) maintained better retention of high-performing staff and achieve their organizational goals. The analysis found that employees who get suitable payment amounts frequently maintain high engagement levels together with peak performance efforts. Among the compensation methods employed through monetary systems includes (1) Bonuses. (2) Fringe benefits. (3) Vacations with pay (4) Pensions.

**Non-Financial Reward**

Any kind of acknowledgment and gratitude that a company gives its workers in return for their labor is referred to as a non-monetary reward. According to Lasisi *et al.* (2021) these incentives can come in a variety of forms, including possibilities for professional growth, public recognition, and a favorable work atmosphere. Sometimes non-monetary rewards are even more successful than monetary ones at encouraging people. The purpose of these incentives is to honor and inspire workers, improve their level of job satisfaction, and create a happy workplace. According to Jeni *et al.* (2020), non-monetary benefits improve employee engagement and help businesses stand out as top employers. Workplace culture, professional advancement, recognition, and other non-monetary concerns were cited by workers as the main reasons for quitting a job, according to a Hay Group survey that involved about four million workers (Samuel, 2021). Employees who are unhappy with these elements may quit a company, even if they are paid well. Businesses that have strong non-monetary incentive programs are able to draw in, inspire, and keep outstanding employees (Armstrong, 2019). Non-monetary benefits have been shown to be crucial for employee motivation and performance in recent studies. A study conducted by Emmanuel and Nwuzor, (2021), discovered that workers who were rewarded for their efforts were more engaged and likely to stick with their company. Likewise, a study conducted by Vo *et al.* (2022) discovered that workers place a high importance on non-monetary benefits including flexible work schedules and chances for professional advancement.

**Recognizing Employees**

Recognition for work is the primary driver of employee performance and a significant factor in psychologically healthy work environments. It is the act of expressing non-monetary appreciation for an exceptional achievement or performance (Weziak and Bialowolski, 2021). A reward system's recognition component is essential for raising employee engagement, performance, and overall business success. It indicates that the company values its workers' health and well-being, which boosts morale, productivity, and retention rates. Vakili *et al.* (2022) asserted that employee performance can be enhanced through the use of a strong yet frequently disregarded leadership tool. According to Brun and Dugas (2008), employees can receive formal or informal, public or private, material or non-material rewards and recognition as individuals or teams. Examples of such forms of workplace recognition include "publicly recognizing for good performance, workplace recognition may come from colleagues, subordinates, and supervisors." Strategies for elective recognition should encompass all three forms of recognition: (1) formal recognition for the entire organization, (2) informal recognition for a department, and (3) daily spontaneous recognition. For the vast majority of employees, daily praise confirms their caring and appreciative attitude. Additionally, the few who are nominated or get formal or informal honors are given encouragement, legitimacy, and significance (Madhani, 2020). Acknowledging and celebrating the efforts and accomplishments of staff members not only makes them feel like they belong, but it also motivates them to pursue excellence. Studies have emphasized the need of differentiating between appreciation and acknowledgment. While appreciation focuses on recognizing an individual's intrinsic worth, recognition entails providing positive feedback based on performance or results (Robbins, 2019).

This differentiation is essential because it enables leaders to relate to and assist their team members in a variety of circumstances, such as challenges and setbacks, when visible outcomes may not seem evident. Employee recognition can come in different forms, such as verbal praise, written notes of appreciation, or tangible rewards, such as bonuses or gifts. However, it's not just about the rewards; it's also about the timing and frequency of recognition. Providing timely recognition for small wins and achievements can have a significant impact on employee motivation and engagement and performance. Additionally, a study on effective rewards and recognition strategies emphasizes that such initiatives signal the extent to which an organization invests in its employees. Furthermore, creating a culture of recognition is essential for a thriving company culture, with personal recognition being identified as a top motivator for employees, Therefore, incorporating recognition into a reward system is vital for fostering a positive workplace and driving individual and organizational success.

According to a survey conducted by Harter employees who receive regular recognition are more engaged and exhibit higher levels of productivity and profitability in their organizations (Harter, 2018). By implementing effective recognition programs employers can tap into this intrinsic motivation and drive employees to achieve their full potential.

**Employee Performance**

Employee performance describes a worker's capacity to carry out particular tasks and accomplish objectives linked to their job. It plays a crucial role in the success of an organization by raising employee morale, profitability, and overall productivity. Through employee training and development, learning organizations contribute significantly to improved employee performance (Enemuo and Olateju, 2021). Morale and productivity are affected by how well an organization manages performance and rewards (Shafique *et al.,* 2020). According to Muhtadi *et al.* (2021), performance is the amount and caliber of work completed by an employee in response to the tasks assigned to him. Performance is the capacity of employees to fulfill the demands of their jobs. Many companies have discovered that their performance and reward systems were really encouraging unproductive behavior rather than advancing the official goals of the company. Performance metrics help businesses better understand, manage, and enhance their operations. Organizations may monitor their systems, assess their performance, assess whether they are meeting their goals, satisfy their consumers, and make necessary adjustments with the use of effective performance assessment (Shaheen and Khan, 2023).

Businesses may make sure that everyone is working toward the same goals, identify areas that require development, and offer staff support and training by routinely evaluating employee performance. Studies have indicated a positive correlation between employee performance and training, management standards, work happiness, and employee engagement (Dahkoul, 2018). Employers can improve employee performance by concentrating on these elements and giving staff members assistance and training to make sure that everyone is pursuing the same objectives. Functional leadership duties, job training, intrinsic and extrinsic motivators, employee engagement, and employee satisfaction are some of the variables that might affect employee performance (Lawrence, 2023). Rewarding employees based on their individual performance has a good effect on the organization's overall performance. Organizational recognition or appraisal, bonuses, or launching awards are some possible ways to do this (Fulmer and Li, 2022). According to Rastogi *et al.* (2023), most businesses prioritize customer satisfaction over employee satisfaction on the grounds that unsatisfied employees typically perform at a lower level, which ultimately results in dissatisfied customers.

**Employee Motivation**

The desire to fulfill a certain need is the meaningful construct of motivation, which is a key component in the workplace. As a result, it is difficult to motivate workers effectively because it involves factors that determine job pleasure (Forson *et al.,* 2021). One definition of employee motivation is the force that propels workers to meet the organization's goals and objectives. Everyone agrees that highly motivated employees will complete their work more effectively (Tshukudu, 2020). Currently, it is a prevalent problem in organizations as everyone aims to maximize their people and financial resources. A key element in the efficacy and performance of an organization is employee motivation. Employee motivation, vigor, and dedication are referred to here, and they can be impacted by a number of internal and external variables. Okocha *et al.* (2022) established a compelling new employee motivation model which incorporates intrinsic and extrinsic motivators that include success, recognition, responsibility, development, compensation and working circumstances.

Worker motivation results in better job performance which leads employees to help achieve organizational success (Vo *et al.,* 2022). Against all odds intrinsic workplace benefits lead to employee acknowledgment and task nature recognition which in turn leads to maximum performance. Empirical studies research how intrinsic and extrinsic rewards shape worker performance because they serve to drive employees toward company goal achievement. Mazoor *et al.* (2021) established that employees demonstrate maximum motivation when organizations convert their achievements into intrinsic rewards that enhance performance.

**Theoretical Review**

The expectation theory is a good theoretical framework for showing how employee performance and reward management systems are related. The expectation hypothesis was developed by Victor Vroom. Victor Vroom developed expectation theory in 1904, as cited in Petrova (2024). It is an organizational behavior concept that contends that people's motivation and actions are determined by their perceptions of the relationship between performance, effort, and results. The approach is predicated on the idea that man is a relational creature who always seeks to optimize his free time, according to Vroom. Therefore, the theory states that a person's perception that a particular conduct would lead to a particular end, as well as his own performance for that kind of consequence, significantly affects his desire to work. Expectancy theory contends that people are driven when they think their efforts will result in better performance, which will then lead to desired results that are important to them. Expectancy theory states that a person must think that a given amount of effort results in performance, that performance results in specific rewards, and that the rewards outweigh the costs of the effort in order to be motivated (Somoye and Eyupoglu, 2020). Research suggests people increase their performance when they realize their extra work receives acknowledgment and positive reprisals. Companies should develop the reward system to connect performance metrics with financial rewards in order for workers to value the compensation system. Research has identified expectancy theory as a vital factor for investigating both employee engagement and motivation throughout various recent studies. The research model of Expectancy Theory describes performance assessment effects on employee motivation based on Sumbul Jahan (2023). The study found that workplace feedback which employees perceived as proper influenced them to envision their work direction toward achievement and better results which boosted their work engagement.

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This study adopts the expectancy theory which has a robust structure and distinctive traits that can be used to explain the complex relationship between some organizations and their employees in terms of their various reward management systems. The system has well defined boundaries together with distinguishing features. The theory demonstrates why defining precise performance goals and desired outcomes plays a crucial role in generating employee motivation in addition to illustrating compensation system effects on performance achievement. This study benefits from this idea because it demonstrates the need for organizations to maintain defined performance standards and incentives. The expectation theory demonstrates its direct applicability to this study because it stresses that a reward system will achieve maximum motivational effect when organizational goals and workforce needs overlap.

**Empirical Review**

Numerous studies examining different facets of employee performance and incentive management systems have been conducted in recent years, providing insight into the crucial dynamics and how they affect the performance of organizations. Numerous pertinent research shed light on the characteristics of reward management systems, how they relate to worker performance, and how they affect different kinds of businesses.

Nkouangas (2023) recently made a statement and offered a number of observations regarding how reward systems affect employee performance in a few Cape Town hotels. According to the studies, incentives that are both monetary and non-monetary are essential for raising employee motivation and changing behavior related to job performance. The study's variables reward systems and their effects on employee performance, attraction, and retention formed the basis of the data gathered. According to the studies, managers provide their staff with a variety of rewards, such as base pay, contingency pay, and other forms of rewards that they believe are most significant. Employee performance, especially in service sectors, is directly correlated with reward management practices, according to the research. Additionally, the results indicate that the system of rewards and compensation gives workers continuous motivation, which can boost their output and help the company reach its objectives.

According to Chi *et al.* (2023), the associations between transformational leadership, job happiness, and job performance are moderated by both monetary and non-monetary rewards. This study looks into how both monetary and non-monetary rewards can moderate the relationships between transformational leadership and job performance as well as between job happiness and job performance. The study also examines how transformative leadership and job performance are impacted by job satisfaction. The study tests the hypotheses using the PROCESS V3.4 and SPSS 23.0 software. The results of the study indicate that transformational leadership significantly affects job satisfaction, and that job performance and job satisfaction are closely associated. The relationship between job performance and transformative leadership is also mediated by job satisfaction.

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Interestingly, neither non-financial nor financial rewards had an impact on the association between job performance and job satisfaction, whereas financial rewards have a negative effect on the relationship between transformative leadership and job performance. These results suggest that managers can improve employee engagement and work performance by combining financial incentives with transformative leadership.

The study "A Panacea for Job Satisfaction: The Effects and Impact of Rewards Practices" by Sudhakar and Roa (2023) focused on how reward methods affect employee satisfaction in Hyderabad, Telangana, India's private educational institutions. The goal of the study is to comprehend how job happiness among employees in the educational sector is related to rewards methods. Using a causal research design, the study seeks to demonstrate a causal relationship between workers' job satisfaction and intrinsic (autonomy, recognition, and significance) and extrinsic (compensation, benefits, and advancement) rewards. The researcher used stratified random sampling to select the sample size of 140, and a 5-point Likert Scale questionnaire was used to collect data. With the use of SPSS version 21.0, both descriptive and inferential statistical analyses were applied to explain the results. The study's findings highlight how extrinsic reward systems have a major effect on workers' job satisfaction in the given setting. The study sheds important light on the difficulties businesses encounters in keeping skilled workers in a cutthroat market, emphasizing the function of incentive programs. In order to guarantee that current reward systems are applied fairly, the study suggests managerial action. By highlighting the findings' practical applications, this study offers firms looking to improve employee retention and satisfaction, especially in the context of Hyderabad's private educational institutions actionable insights.

The impact of modern globalization on government organizations in third-world countries, especially in South Asia, and the challenges of sustaining high-quality employee performance in this setting are examined in Shaheen and Khan's (2023) study, Impact of Reward System on Employee's Performance: A Case Study of Government Sector Organizations in Pakistan. This research examines the connection between innovative employee rewards and worker performance results. An evaluation of worker performance received questionnaires from 100 government department employees and validated 80 responses. Various tests were conducted while SPSS performed the data processing. All research data revealed that higher employee compensation consistently impacts work results. Government institutions require a better reward system to maintain superior performance than what the private sector achieves. Research findings confirm that government organizations need to focus on reward system improvement because they demonstrate positive links between employee performance and rewarding compensation schedules.

Haron and Khadijah (2023) highlight that the research "Effect of Incentives on Employees Performance in the Public Sector, Ministry of Local Administration: Case Study of Jordan" aims to study reward impacts on workplace performance. The study targets three main objectives which examine extrinsic rewards with employee performance and intrinsic versus employee performance alongside other elements that impact performance results. The research has a descriptive survey design and includes 80 participants from a 100-person population. The researcher succeeds in collecting responses from 65% of their respondents through the implementation of stratified sampling techniques. Analysis of descriptive statistics focuses on interpreting mean results and frequencies across the study. A comprehensive assessment of public sector work performance incentives exists through analysis of Jordan's Ministry of Local Administration. The study's findings will deliver significant information about incentive impact on worker performance thus they could benefit research and operational methods in both academia and public sector organizations.

Duru *et al,* (2023) investigated the impact of reward systems on employee performance at the University of Abuja. The research evaluated employee performance in relation to reward systems through the analysis of both descriptive as well as inferential statistics. Employee performance demonstrated a substantial correlation to the implemented reward system where awarded workers produced superior outcomes than non-awarded colleagues. Workers will maximize their performance potential when the University of Abuja administration bases awards on merit and performance levels. The study conducted at University of Abuja adds to existing knowledge about performance-related incentive schemes for workers.

The empirical review emphasizes diverse perspectives about reward management systems between international research and Nigerian studies while demanding targeted implementation approaches to boost the effectiveness of reward management system reforms for public and private hospitality performance enhancement. The studies reviewed demonstrated multiple perspectives surrounding how reward management affects hospitality performance at the public and private levels in global markets and Nigerian settings. Research points out the advantages of reward management systems yet their practical application involves multiple contextual barriers and complexity points out other studies.

## Research Gap

Despite various studies in the field of reward system management and employee performance in modern businesses, there is limited research examining their specific impact on the performance of family-owned businesses in the Nigerian hospitality sector. The unique dynamics of family businesses, coupled with the evolving demands of the 21st-century workforce, highlight the need for tailored reward management strategies. Furthermore, the contextual challenges of the Nigerian hospitality industry, such as economic instability, cultural diversity, and labor market constraints, remain underexplored in existing literature. This creates a critical gap in understanding how effective reward systems can enhance performance in this context.

## Methodology

The research design employed is a descriptive analysis and inferential analysis method. The

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study area was Bida, Niger State, Nigeria. In addition, an adopted quantitative research design using questionnaire as the research instrument to collect data in the research. The population of the study covered all the registered hospitality family-owned business (Hotels) operating in Bida, Niger State, Nigeria. And consisted of hotel owners and or manager and employees which are four hundred and seventy-eight (478 respondents) as provided by the Nigeria association of hoteliers Bida branch in the year 2024. This is necessary to determine the boundary of the data collection (Saunders *et al.,* 2019). Consequently, Taro Yamane (1967) sample size determination formula was adopted to determine the sample size, and the sample size is two hundred and eighteen (218). Sample size is said to represent the population, Therefore, 218 sample sizes were determined to be the right sample size at 95% confidence level with 5% margin of error. The study aims to achieve a balance between precision, confidence, and feasibility, ensuring that the findings can be generalized to the entire population while keeping the survey manageable in terms of resources. The questionnaire was the primary tool utilized in this study since it allowed respondents to express themselves and gave the researcher more detailed data and it was given in hand to respondents.

This section of the study presents the results of the multiple regression for the study. Prior to interpreting the regression results, critical assumptions underlying multiple regression analysis were rigorously assessed to ensure the robustness and validity of the model. First, the linearity of relationships between the independent variables (pay, recognition, motivation) and the dependent variable (employee performance) was confirmed through visual inspection of scatterplots and residual-vs-predicted plots. Second, the independence of residuals was verified using the Durbin-Watson statistic, which indicated no significant autocorrelation (Kumar, 2023). Third, homoscedasticity was established, as residual plots displayed consistent variance across predicted values. Fourth, normality of residuals was confirmed via the Shapiro-Wilk test and Q-Q plots, which showed no substantial deviations from a normal distribution. Finally, multicollinearity diagnostics (Variance Inflation Factor, VIF < 5 for all predictors) confirmed that the independent variables were not excessively correlated (Tsagris and Pandis, 2021). Thereby safeguarding against biased coefficient estimates (see Table 4). With these assumptions met, the regression model is deemed appropriate for interpreting the effects of reward management systems on employee performance in the studied context.

## Result and Discussions

**Table 1: Summary of Cronbach Alpha for Constructs Reliability**

| S/N | Construct | Cronbach Alpha Value |
|---|---|---|
| 1 | Pay | 0.744 |
| 2 | Recognition | 0.881 |
| 3 | Motivation | 0.845 |
| 4 | Employee Performance | 0.827 |

**Source: Author's Computation, 2025.**

Table 1 reveals the internal consistency (reliability) of the constructs measured in this study, as indicated by Cronbach's Alpha values. All constructs demonstrated acceptable to excellent reliability, exceeding the widely accepted threshold of 0.70 (Utami, 2022). The "Recognition" construct exhibited the highest reliability (α = 0.881), followed closely by "Motivation" (α = 0.845) and "Employee Performance" (α = 0.827), suggesting robust consistency in respondents' interpretations of these scales. While the "Pay" construct showed slightly lower reliability (α = 0.744), it still meets the minimum threshold for acceptability, indicating that the items measuring pay-related rewards were interpreted coherently by participants. These results collectively affirm the robustness of the scales used to operationalize key variables in the study, thereby strengthening confidence in the validity of subsequent regression analyses.

**Table 2: Summary of ANOVA**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 4.051E7 | 3 | 1.350E7 | 175.395 | .000[a] |
| | Residual | 1.648E7 | 214 | 76996.703 | | |
| | Total | 5.699E7 | 217 | | | |
| a. Predictors: (Constant), MOTV, PAY, RECG | | | | | | |
| b. Dependent Variable: EMPLYP | | | | | | |

**Source: Author's Computation, 2025.**

Table 2 presents the ANOVA results testing the collective significance of the regression model linking pay, recognition, and motivation to employee performance. The model is statistically significant ($F = 175.395$, $p < 0.001$), indicating that the predictors (pay, recognition, and motivation) collectively explain a substantial proportion of the variance in employee performance. The exceptionally low p-value ($p = .000$) strongly rejects the null hypothesis that the predictors have no linear relationship with the dependent variable. With a regression sum of squares (4.051E7) significantly exceeding the residual sum of squares (1.648E7), the model demonstrates robust explanatory power. This aligns with the theoretical framework of reward management systems, which posit that structured monetary and non-monetary incentives synergistically enhance workplace outcomes.

**Table 3: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | .843[a] | .711 | .707 | 277.48280 | .711 | 175.395 | 3 | 214 | .000 | 1.649 |
| a. Predictors: (Constant), MOTV, PAY, RECG | | | | | | | | | | |

| b. Dependent Variable: EMPLYP |
|---|

**Source: Author's Computation, 2025.**

Table 3 summarizes the overall fit of the regression model, revealing that the combined predictors (pay, recognition, and motivation) account for 71.1% of the variance in employee performance ($R^2$ = 0.711, Adjusted $R^2$ = 0.707). The high R value (0.843) indicates a strong positive correlation between the reward management system variables and employee performance. The adjusted $R^2$ (0.707) confirms that the model retains its explanatory power even after penalizing for the inclusion of three predictors, minimizing overfitting concerns. The standard error of the estimate (277.48) suggests that the average deviation of observed employee performance scores from the model's predicted values is relatively modest, further attesting to its precision. Additionally, the Durbin-Watson statistic (1.649) falls within the acceptable range (1.5–2.5), confirming residual independence and reinforcing the validity of the regression assumptions (Pidvalna, 2023). Collectively, these metrics underscore the model's robustness in explaining the role of modern reward systems in enhancing performance within Nigeria's family-owned hospitality businesses.

| **Table 4: Summary of Coefficients and Significance of Path Coefficients** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **T** | **Sig.** | **Collinearity Statistics** | |
| | | **B** | **Std. Error** | **Beta** | | | **Tolerance** | **VIF** |
| | PAY | 17.841 | 24.948 | .037 | .715 | .475 | .504 | 1.983 |
| | RECG | 83.481 | 31.167 | .155 | 2.679 | .008 | .402 | 2.486 |
| | MOTV | 370.829 | 27.923 | .703 | 13.280 | .000 | .483 | 2.072 |
| a. Dependent Variable: EMPLYP | | | | | | | | |

**Source: Author's Computation, 2025.**

Table 4 details the unique contributions of pay, recognition, and motivation to employee performance in family-owned hospitality businesses. The results reveal distinct patterns: Motivation emerged as the strongest predictor of employee performance ($\beta$ = 0.703, $p < 0.001$), with a one-unit increase in motivation associated with a 370.83-unit rise in performance (unstandardized B = 370.829). This underscores the centrality of intrinsic and extrinsic motivational strategies in driving productivity, aligning with Self-Determination Theory (Luo, 2021). Recognition also significantly influenced performance ($\beta$ = 0.155, p = 0.008), with an 83.48-unit gain in performance per unit increase in recognition (B = 83.481). This supports prior studies highlighting recognition as a critical non-monetary reward in service industries (Anwar *et al.,* 2022). Pay, however, showed no statistically significant association with performance ($\beta$ = 0.037, p = 0.475), suggesting that monetary rewards alone may not drive performance in Nigeria's family-owned hospitality context. This contrasts with equity theory assumptions

(Salman and Olawale, 2021) but aligns with findings in settings where non-financial incentives dominate (Alves and Lourenço, 2022; small family firms with informal pay structures).

## Conclusion and Recommendation

The study conclusively demonstrates that modern reward management systems significantly enhance employee performance in Nigeria's family-owned hospitality businesses, with motivation ($\beta = 0.703$, $p < 0.001$) and recognition ($\beta = 0.155$, $p = 0.008$) emerging as pivotal drivers, while monetary rewards (pay) exhibited no statistically meaningful impact ($p = 0.475$). These findings challenge conventional equity theory assumptions in family-owned business contexts, instead aligning with Self-Determination Theory, which prioritizes intrinsic motivators and social validation. To optimize performance, family-owned business managers in Bida, Niger State, should prioritize non-monetary rewards, such as tailored career development programs, public recognition initiatives, and autonomy-enhancing practices, while maintaining equitable but non-emphasized pay structures. Future research should adopt longitudinal designs to establish causality and explore contextual moderators (e.g., generational leadership transitions, cultural norms) to refine reward frameworks for Nigeria's evolving hospitality sector. Policymakers and industry associations are advised to disseminate these insights through training workshops, emphasizing the strategic integration of motivation and recognition into national hospitality standards.

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