

Effect Of Non-Financial Rewards On Employee Performance In Manufacturing Firms

OBUNSELI, UCHE TERRY, PhD candidate¹; ANDREW E.O ERHIJAKPOR², PhD, FCA; E.O AKPOGHELIE³, PhD

^{1,2 & 3}DELSU Business School Asaba, Delta State University, Abraka, Nigeria
Corresponding author: erhijakporaeo@delstu.edu.ng; ushmannkem@gmail.com

ABSTRACT : *This study investigates the impact of non-financial rewards on employee performance in General Steel Mill, Asaba, Delta State, Nigeria. A descriptive survey research design was adopted, and primary data were collected through the administration of structured questionnaires to employees of General Steel Mill. The data were analyzed using relevant statistical techniques to test the hypotheses formulated for the study. The findings revealed that while salary schemes influence employee turnover, non-financial rewards significantly enhance job satisfaction, improve employee commitment, strengthen retention, and contribute positively to productivity and overall performance. Results further indicated that employees who perceive fair recognition, opportunities for growth, and autonomy in their roles demonstrate higher levels of engagement, loyalty, and sustained performance. The study concludes that financial rewards alone are inadequate for sustaining motivation and performance in the Nigerian manufacturing sector. It recommends that General Steel Mill adopt a holistic human resource management approach that integrates both financial and non-financial incentives. Such strategies will not only improve employee engagement and retention but also ensure long-term competitiveness and organizational effectiveness. The findings provide valuable insights for managers, policymakers, and HR practitioners by highlighting cost-effective, sustainable approaches to reward management in the Nigerian industrial context.*

Keywords: Non-financial rewards, career development opportunities, job autonomy, participative leadership, supportive organizational culture, work-life balance.

1. Introduction

In the contemporary business landscape, organizations are under increasing pressure to remain competitive, productive, and sustainable. One of the primary determinants of organizational success is the performance of its employees. Traditionally, financial rewards such as salaries, bonuses, and profit-sharing schemes have been considered key motivators of employee performance. However, recent studies have emphasized the growing importance of non-financial rewards in enhancing motivation, job satisfaction, and organizational commitment—factors that ultimately influence employee performance (Bakare & Uzundu, 2019; Liu et al., 2022).

Non-financial rewards refer to intangible incentives that satisfy employees' psychological, emotional, and social needs. These rewards may include recognition, professional development opportunities, career advancement, work-life balance, job autonomy, supportive work environments, participative leadership, and team spirit (Oosthuizen, 2020; Akintunde & Onuoha, 2023). When employees perceive that their contributions are valued beyond financial compensation, they are more likely to display higher levels of engagement, creativity, loyalty, and sustained performance (Huo et al., 2022).

In manufacturing firms—especially in developing economies like Nigeria—non-financial rewards play an increasingly critical role due to the demanding nature of work, repetitive routines, and limited opportunities for promotion. These firms frequently operate in resource-constrained environments where financial compensation alone may not be sufficient to drive optimal performance. For instance, a study in Rivers State found that non-financial benefits, alongside financial and fringe benefits, were strongly and positively correlated with employee productivity in manufacturing settings (Richard, Kalu & Gabriel, 2023). Additionally, across listed Nigerian manufacturing firms, employee benefits (including non-financial ones) were shown to have a significant positive effect on firm profitability (Tonye & Christianah, 2022). Delta State is one of Nigeria's industrial hubs—hosting small, medium, and large-scale manufacturers in plastics, food processing, agro-allied, and furniture production. Despite their economic contributions, these firms continue to grapple with challenges like workforce disengagement, high turnover, and declining productivity. Such issues are widespread across Nigeria's industrial sector, where high turnover rates and unsold inventories have led to the shutdown of hundreds of manufacturing companies (Nairametrics, 2024).

Traditionally, organizations in Nigeria and other developing economies have relied heavily on financial incentives—such as salaries, bonuses, and allowances—to drive employee performance. However, there is growing empirical evidence that financial rewards alone are insufficient to sustain long-term employee engagement and productivity (Okolie & Okoye, 2022). Employees are increasingly seeking non-material benefits that fulfill their psychological, emotional, and developmental needs. This trend is consistent with modern motivational frameworks such as Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory, and Self-Determination Theory, which underscore the significance of non-financial motivators including recognition, autonomy, meaningful

work, career advancement, and work-life balance. Recent studies affirm that intrinsic factors such as autonomy, purpose, and growth opportunities strongly predict employee engagement and satisfaction in both public and private organizations (Obiageli & Eze, 2022; Ali, Khan, & Hussain, 2023). Moreover, empirical evidence shows that recognition and career development opportunities have a more sustainable effect on employee retention and productivity than monetary incentives in manufacturing firms (Johnson & Mensah, 2024; Salawu, Okonkwo, & Ibrahim, 2025).

Despite this shift in employee expectations, many Nigerian manufacturing firms remain rooted in outdated reward systems that overlook the power of non-financial rewards. Employees often report feeling undervalued, unrecognized, and alienated, even when receiving regular financial compensation. For example, studies have shown that workers who do not receive timely feedback, appreciation, or opportunities for growth are more likely to disengage, reduce work effort, and even exit the organization (Liu et al., 2022; Agu et al., 2021). The absence of non-financial incentives creates a psychological disconnect between the employee and the organization, thereby undermining performance, organizational commitment, and innovation.

In Delta State, where manufacturing is a key contributor to economic development, these issues are compounded by inflation, rising cost of living, and stagnating wages. Employers are increasingly constrained by limited budgets, making it difficult to rely solely on financial incentives. However, many firms have not explored or institutionalized non-financial reward systems as alternative performance enhancement mechanisms. There is, therefore, a critical knowledge and practice gap. While developed countries and some emerging economies have made strides in integrating non-financial incentives into human resource practices, many manufacturing firms in Nigeria continue to lag behind. The failure to explore and apply these alternative motivational tools limits organizational performance and impedes the achievement of strategic goals. Without empirical evidence specific to Delta State's manufacturing context, managers lack the data-driven insights needed to implement reward systems that address both employee well-being and business outcomes. Following this introduction the rest of the paper goes thus. Section two, three, four and five is devoted the review of related literature, methodology, discussion of results and conclusion and recommendations respectively.

This study is thus necessitated by the urgent need to examine the impact of non-financial rewards on employee performance in manufacturing firms in Delta State. It seeks to understand the types of non-financial incentives that are most effective, how they influence various dimensions of performance, and the extent to which they are currently used. By filling this empirical and practical gap, the study aims to provide evidence-based recommendations that will help manufacturing firms optimize their human resource strategies and improve organizational productivity in a sustainable manner.

2. REVIEW OF RELATED LITERATURE

2.1 Concept of Non-Financial Rewards

Non-financial rewards refer to intangible benefits provided to employees that do not involve direct financial compensation but are designed to enhance motivation, satisfaction, and overall job engagement. These rewards are often psychological, social, or professional in nature and are increasingly recognized as essential components of effective performance management systems, particularly in contexts where financial incentives alone prove insufficient (Akintunde & Onuoha, 2023).

According to Armstrong & Taylor (2020), non-financial rewards constitute a critical dimension of total reward strategies and can include elements such as recognition, training and development, flexible work arrangements, job autonomy, and inclusive decision-making. These incentives align with the intrinsic needs of employees, addressing desires for appreciation, growth, belonging, and purpose. In sectors like manufacturing—where routine tasks and physically demanding roles are common—non-financial rewards can serve as a powerful counterbalance to fatigue and demotivation (Okolie & Okoye, 2022).

Non-financial rewards hold heightened importance in economies like Nigeria, where inflationary pressures and fiscal constraints often limit the feasibility of salary raises or bonuses. For instance, recognition and opportunities for skill development—core non-monetary motivators—are strongly linked to improved employee commitment and reduced turnover intentions (Alabi et al., 2022). In resource-constrained environments, emotional satisfaction, social recognition, and psychological fulfillment are increasingly understood as critical drivers of motivation—beyond material gain (Igweh & Kifordu, 2022). Job design elements like autonomy and skill enrichment — achieved via task redesign, expanded responsibilities, and flextime—form the bedrock of intrinsic motivation (Odunayo, 2022), while flexible work arrangements have been shown to significantly improve retention and performance in Nigerian manufacturing firms (Baridula & Adanma, 2021; Blessing et al., 2023).

Non-financial rewards fall into two categories: non-financial tangible benefits and non-financial intangible rewards. Non-financial tangible rewards are those that are non-cash but financial in nature or have a market value. Examples include employer-provided meals, company cars, smartphones, luxury goods, vacations, and gift cards. On the other hand, non-financial intangible rewards consist of incentives such as positive performance reviews, public praise, recognition awards (e.g., “employee of the month”), career development opportunities, and flexible work schedules (Aguinis, Gomez-Mejia, & Martin, 2022; Nguyen & Le, 2023).

2.2 Link between Non-Financial Rewards and Employee Performance

Numerous empirical and theoretical studies have demonstrated a strong relationship between non-financial rewards and key employee performance outcomes. While financial incentives remain important, research increasingly highlights that non-financial rewards can have a more enduring impact on motivation, commitment, and productivity, particularly in manufacturing environments where operational success depends on sustained employee engagement (Armstrong & Taylor, 2020).

Non-financial rewards—such as appreciation, opportunities for career advancement, job enrichment, and work-life balance—play a particularly important role in sustaining job satisfaction, especially in contexts where financial rewards are limited or insufficient (Akintunde & Onuoha, 2023). Recognition—delivered through timely praise, public acknowledgment, or meaningful awards—powerfully signals to employees that their contributions are valued, directly reinforcing their sense of purpose, self-worth, and belonging within the organization (Garcia et al., 2023). Furthermore, career advancement opportunities—encompassing not only promotions but also access to skill-development programs, lateral moves for breadth of experience, and structured mentorship—are critical for addressing modern employees' aspirations for continuous growth and self-actualization (Lee & Treen, 2022). When implemented effectively, these non-financial rewards fulfill key psychological needs for competence and autonomy, leading to deeper organizational commitment, heightened job satisfaction, and sustained intrinsic motivation (Oprea et al., 2023).

Empirical studies affirm these connections. Osborne & Hammoud (2017) found that employees who feel valued and supported are more likely to maintain positive attitudes toward their work and contribute proactively to organizational goals. In Nigerian manufacturing firms, Okolie & Okoye (2022) reported that non-financial motivators significantly offset the negative effects of monotonous production work by fostering a sense of personal growth and recognition. This, in turn, reduced turnover intentions and improved workplace morale.

Elevated job satisfaction functions as a critical psychological buffer against a range of counterproductive work behaviors, including presenteeism, passive non-compliance, and interpersonal conflict. In today's competitive labor markets, satisfied employees demonstrate stronger organizational loyalty, greater willingness to engage in organizational citizenship behaviors (OCBs), and significantly reduced turnover intent (Garcia et al., 2023). This is particularly vital in high-skill manufacturing sectors—such as advanced electronics production in emerging industrial corridors—where competition for technical talent is intense. In these contexts, systematically cultivating job satisfaction through non-financial rewards like autonomy, recognition, and development opportunities serves as an essential strategic retention mechanism. This approach directly protects valuable institutional knowledge, ensures operational continuity, and maintains stability in complex, technology-driven production environments (Lee & Treen, 2022; Oprea et al., 2023).

International research supports this perspective. Studies by Hossain et al. (2022) & Gagné et al. (2019) highlight that organizations investing in intrinsic motivators experience not only higher job satisfaction but also greater adaptability, innovation, and resilience in competitive markets. Thus, in manufacturing contexts, non-financial rewards do more than boost morale—they create a foundation for sustained organizational success.

Non-financial rewards such as appreciation, opportunities for career advancement, job enrichment, and work-life balance have been positively linked to higher levels of job satisfaction (Akintunde & Onuoha, 2023). Employees who experience genuine value and support from their organization are significantly more likely to exhibit high levels of work engagement, proactive problem-solving, and a deep commitment to achieving strategic objectives (Garcia et al., 2023). This heightened psychological investment directly translates into enhanced individual and team performance, fostering a culture of excellence and continuous improvement. In manufacturing environments, where roles can involve repetitive tasks and operational rigor, non-financial motivators—such as opportunities for upskilling, meaningful recognition, and participatory decision-making—are particularly effective in mitigating monotony, fostering resilience, and creating a sense of shared purpose (Lee & Treen, 2022).

Furthermore, high job satisfaction substantially reduces the incidence of counterproductive work behaviors and strengthens organizational loyalty, thereby acting as a powerful buffer against talent attrition in competitive labor markets (Oprea et al., 2023). Job satisfaction fundamentally shapes an employee's cognitive and emotional interpretation of their work environment. It is robustly correlated with superior task performance, innovation, and customer satisfaction, forming a critical component of organizational effectiveness (Meyer, 2023). An employee's subjective perception of their job—whether as a source of fulfillment or frustration—is a primary determinant of their satisfaction level. Consequently, investments in cultivating satisfaction are strategically imperative, as they are strongly and inversely related to turnover intention and actual departure rates, safeguarding organizational stability and knowledge continuity (Nübold et al., 2022).

2.3 Theoretical Review

While Maslow's Hierarchy of Needs (1943) remains a historically significant framework for understanding human motivation, contemporary organizational psychology has evolved to interpret it through a more dynamic, culturally aware, and context-specific lens. Modern scholarship acknowledges that need fulfillment is rarely a rigid, linear progression but is instead characterized by fluidity and significant interdependence between levels (Vansteenkiste et al., 2022). In today's workplace, this refined understanding implies that employee motivation and performance are optimized when organizations holistically address needs across the entire spectrum simultaneously, rather than viewing them as sequential steps. Financial compensation and job security remain foundational, effectively addressing essential physiological and safety needs. However, it is the strategic application of **non-financial rewards** that primarily fulfills the higher-order psychological needs—which are now recognized as the most powerful and sustainable drivers of long-term engagement, discretionary effort, and peak performance (Gagné, 2023; Lee & Treen, 2022).

Specifically, non-financial rewards target these higher-order needs by: Social Needs (Belongingness): Fostered through a collaborative culture, team-based recognition, and inclusive leadership practices; Esteem Needs: Addressed by providing meaningful recognition, opportunities for mastery, and clear paths for career advancement that confer status and respect; Self-Actualization: Enabled through empowerment, challenging assignments, autonomy in decision-making, and support for personal and professional growth, allowing employees to realize their full potential (Tosti-Kharas et al., 2023). Thus, for modern organizations, a holistic talent strategy that seamlessly integrates financial stability with rich non-financial rewards is essential for unlocking sustained motivation and achieving a competitive human capital advantage (Garcia et al., 2023).

In manufacturing firms in Delta State, where repetitive and physically demanding work can lead to fatigue and reduced morale, non-financial rewards can act as powerful motivators by fulfilling the higher-order needs identified by Maslow. For instance: Recognition programs—such as “Employee of the Month” or public commendations—directly target esteem needs, reinforcing employees' sense of worth and accomplishment; Job autonomy—allowing machine operators and supervisors to make certain operational decisions—empowers employees and builds both esteem and self-actualization; Career development initiatives—such as technical training and leadership development programs—help employees realize their full potential, fulfilling self-actualization needs; Supportive workplace culture—fosters social bonds, fulfilling the social needs tier and enhancing collaboration on production lines.

Applying Maslow's theory in this research helps explain why non-financial rewards can significantly enhance employee performance in the manufacturing sector. While financial rewards may get employees to perform at an acceptable level, it is often the non-financial elements that drive sustained, high-quality output, creativity in problem-solving, and strong organizational commitment. The findings of this study are therefore expected to support the assertion that meeting employees' higher-order needs through structured non-financial reward systems is essential for achieving operational excellence in Delta State's manufacturing firms.

2.4 Empirical Review

Studies emphasize that non-financial rewards—such as empowerment, participative leadership, inclusive decision-making, recognition, and career development—are central to strengthening particularly affective and normative commitment in manufacturing settings (Chukwudi & Oladipo, 2022; Adebayo & Salami, 2024). Empowerment—giving employees autonomy and authority over their work—has been shown to significantly increase emotional attachment by signaling trust, competence, and value (Li & Zheng, 2022). Empowered workers in manufacturing firms often report greater loyalty and willingness to go beyond formal job requirements (Hossain et al., 2022; Okeke & Anigbogu, 2023). Participative leadership, where managers actively seek input from employees in setting goals, improving processes, and solving operational issues, has a similar positive impact. It fosters ownership, strengthens bonds between management and staff, and creates a sense of shared purpose that drives affective commitment (Okafor & Eze, 2022; Bello & Yusuf, 2023; Salami & Adeoye, 2024).

Inclusive decision-making reinforces fairness and belonging, which are foundational for normative commitment. Employees who feel their perspectives are valued are more inclined to reciprocate with loyalty and dedication, consistent with Social Exchange Theory principles (Agu et al., 2021; Colquitt et al., 2019). Recognition—whether through verbal praise, awards, or peer acknowledgment—has also been repeatedly identified as a strong predictor of organizational commitment in manufacturing environments (Okafor & Igbokwe, 2023; Chukwuma & Nwankwo, 2022).

Empirical studies in Nigeria support these findings. In a survey of manufacturing workers in Edo and Delta States, Eze & Nwachukwu (2022) found a significant positive relationship between non-financial rewards and both affective and normative commitment, with recognition and empowerment emerging as the most influential variables. Similarly, Olaleye & Adedeji (2023) demonstrated that career development opportunities and inclusive leadership styles were strongly correlated with higher emotional attachment in Nigerian industrial firms. Similarly, Olaleye & Adedeji (2023) observed that workers who experienced consistent non-financial recognition reported greater loyalty, even in periods of wage stagnation.

International evidence aligns with these patterns. In manufacturing plants across Asia, Africa, & Latin America, Li & Zheng (2022), & Hossain et al. (2022) report that skill development programs, participative management, and supportive workplace cultures significantly increased commitment levels, lowered turnover, and improved productivity. These effects were more pronounced in contexts where financial rewards were limited, highlighting the strategic value of non-financial incentives in resource-constrained environments. The following are examples of job-related incentives that are important for inspiring, committing, and gratifying an employee to his work: job rotation, job enrichment, growth prospects, job stability, flexible working hours, participation in decision-making, and independence in job responsibilities. The process of moving an employee from one department or position to another in order to inform him about the overall performance of all duties inside the company is known as job rotation. An employee gains experience and training in a variety of activities through work rotation without the job becoming more complex. Making sure an employee is given increasingly complicated, tough, and engaging tasks along with additional responsibility is known as job enrichment. An employee who has a growth opportunity improves his or her learning and development abilities, such as training courses and career development skills. The guarantee of continued employment is known as job security. A varied work schedule that allows employees more flexibility to arrange their workdays to meet their personal needs and lessens the need for overtime is known as flexible working hours. An employee who has been given the chance to participate in decision-making and exercise autonomy in their work is said to be empowered. Few studies have examined the connection between non-financial rewards and organizational commitment; the majority of earlier research has concentrated on the effects of non-financial rewards on job satisfaction, employee engagement, and/or employee motivation. This research study, however, shows how non-financial rewards and organizational commitment are related, as well as how they may affect organizational commitment.

Comparative analyses in organizational behaviour research consistently demonstrate that financial rewards provide immediate but often short-lived boosts in productivity, while non-financial rewards have a more enduring effect on engagement, job satisfaction, and organizational loyalty (Ogunyemi & Adetunji, 2021; Al-Aina & Atan, 2020). This is particularly relevant in manufacturing contexts, where operational efficiency relies not only on meeting short-term production goals but also on sustaining workforce motivation over time (Nguyen et al., 2021; Li & Zheng, 2022).

Financial rewards—including salaries, bonuses, allowances, and overtime pay—directly satisfy employees' lower-order needs for security and stability (Maslow, 1943; Hossain et al., 2022). They are particularly effective for incentivizing short-term performance, such as meeting urgent production deadlines or reducing error rates in output (Bashir & Farooq, 2019; Mabaso & Dlamini, 2017). However, research shows that their motivational effect can diminish over time due to adaptation, where employees begin to perceive financial rewards as entitlements rather than incentives (Ryan & Deci, 2017; Agu et al., 2021).

Non-financial rewards—including career development opportunities, participative leadership, recognition programs, and supportive organizational cultures—fulfil higher-order needs related to self-esteem, autonomy, and personal growth (Deci & Ryan, 2017; Chukwuma & Nwankwo, 2022). These rewards are associated with sustained performance improvements, greater creativity, and stronger emotional attachment to the organization (Okafor & Igboke, 2023; Gagné et al., 2019). In manufacturing environments where tasks are often repetitive, non-financial rewards help combat disengagement and stimulate continuous improvement (Salas-Vallina et al., 2021; Osibanjo et al., 2020).

Empirical studies advocate a hybrid approach that combines both reward types for optimal results. Ogunyemi & Adetunji (2021) found that manufacturing firms offering competitive pay alongside non-financial rewards such as training and recognition achieved higher productivity and lower turnover compared to firms relying solely on financial rewards. Similarly, Okolie & Okoye (2022) reported that in Nigerian manufacturing contexts, a balanced reward mix reduced absenteeism, improved employee-led innovations, and enhanced retention.

Case evidence from Delta State manufacturing firms supports these findings. Okeke & Anigbogu (2023) observed that firms combining fair wages with non-financial elements such as mentorship programs, team-based decision-making, and open recognition ceremonies achieved not only operational efficiency but also high levels of innovation and employee satisfaction. Olaleye & Adediji (2023) further noted that this blend of rewards strengthened trust between management and employees, creating a culture of reciprocal commitment consistent with Social Exchange Theory (Blau, 1964; Park & Jang, 2020).

Globally, meta-analyses by Li & Zheng (2022), Gagné et al. (2019), and Hossain et al. (2022) confirm that manufacturing organizations leveraging both financial and non-financial rewards enjoy greater competitive advantage, reduced talent attrition, and increased adaptability in volatile markets. These findings underscore the strategic value of adopting a dual-reward model in manufacturing sectors, especially in developing economies like Nigeria, where labour markets face both economic pressures and skills shortages.

For manufacturing firms in Delta State, integrating financial and non-financial rewards into human resource policies is not just a motivational tool—it is a long-term workforce sustainability strategy capable of enhancing retention, boosting creativity, and ensuring consistent operational performance.

Comparative analyses reveal that while financial incentives may provide short-term boosts in productivity, non-financial rewards have a more sustained effect on engagement and performance (Ogunyemi & Adetunji, 2021). In manufacturing contexts, the combination of both yields the best outcomes.

According to Adeoye & Elegunde (2022), a reward represents any form of value that employers provide to employees in recognition of their contributions. Reward systems are central to employment relationships as they encompass the full range of strategies organizations adopt to compensate and motivate employees, whether monetary or non-monetary. Scholars have defined the concept from different perspectives. For instance, Okeke & Anigbogu (2023) describe reward systems as the formal policies, guidelines, and practices organizations employ to distribute benefits and compensate workers fairly. Similarly, García-Sánchez et al. (2022) argue that reward systems cut across organizational structures, procedures, and managerial decisions aimed at ensuring employees are rewarded in ways that align with performance and organizational goals. Employers, therefore, rely on both financial and non-financial rewards to stimulate motivation, enhance performance, and improve employee well-being. Financial rewards typically include salary, bonuses, profit-sharing, allowances, and other incentive pay, while non-financial rewards cover recognition, career development, opportunities for advancement, flexible work arrangements, supportive work environments, paid leave, and professional growth (Wziątek-Staśko & Gracjasz, 2024).

3. RESEARCH METHODOLOGY

This study adopts a descriptive survey design. The population of this study consists of all employees of General Steel Mill, Asaba, Delta State, which has a total workforce of 450 employees. Using Yamane's (1967) formula at a 5% margin of error, a sample size of 212 respondents was determined. Stratified random sampling was adopted to ensure that employees from various departments were adequately represented in the study. The study adopted stratified random sampling since the population was separated into strata such as directors (executive and non-executive), senior management personnel, middle management employees, and junior staff. From the accessible population of employees at General Steel Mill, Asaba, a total of 230 questionnaires were distributed. Out of these, 210 copies were correctly filled and returned, representing a 91.3% response rate, which was considered adequate for analysis. The final valid sample of 210 respondents was proportionately drawn across the four staff categories to reflect the organizational structure. The research questionnaire entailed the use of a five (5)-point Likert-type scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. This method is considered particularly suitable for assessing perceptions and attitudes towards non-financial rewards and employee performance in manufacturing firms across Delta State. The instrument and validity was confirmed by three experts in the field of management sciences. The Cronbach's Alpha-based test was performed to determine the reliability coefficient. The better the internal consistency of the scale items, the closer the Cronbach's alpha coefficient is to 1.0. As a result, dependability rating of 0.7 or above denotes satisfactory internal consistency (Taber, 2018).

4. RESULTS AND DISCUSSION

A total number of two hundred and twelve (212) questionnaires were administered to the staff of General Steel Mill Asaba, Delta State. Out of this, two hundred and twelve (210) were retrieved and properly filled, representing 99.1% of the total questionnaires administered. This shows that the two hundred and ten (210) respondents were sufficient for the study. Thus, the sample used for the study was drawn from employees of General Steel Mill Asaba, Delta State. This response rate is excellent and representative of the population, conforming to Cooper and Schindler's (2014) stipulation that a response rate of 50% is adequate for analysis and reporting, 60% is good, and 70% and above is excellent. This is presented in Table 4.1 below:

Table 4.1: Analysis of the Questionnaire Administered

Total questionnaire administered	Total questionnaire administered Properly filled	Total questionnaire administered not Properly filled	Percentage of questionnaire administered	Percentage of questionnaire administered properly filled	Percentage of questionnaire administered not properly filled	Total percentage
212	210	2	100	99.1%	0.9%	100

Source: Researcher's Field Survey (2025)

From Table 4.2.1 below, which presents the demographic characteristics of respondents of General Steel Mill Asaba, Delta State, it can be observed that the table first sought to determine the respondents' gender. It was established that 96 (45.7%) of the respondents were male, while 114 (54.3%) were female. This indicates that there were more male than female respondents, reflecting the male-dominated nature of the manufacturing sector in Delta State.

In terms of age distribution, 32 respondents (15.2%) were below 30 years, 108 respondents (51.4%) were between 30–40 years, while 70 respondents (33.4%) were above 40 years. This shows that the majority of respondents were within the active workforce age bracket of 30–40 years, indicating a youthful yet experienced workforce in the sampled firms.

Regarding educational qualifications, 24 respondents (11.4%) were OND/NCE holders, 142 respondents (67.6%) were BSc/HND holders, 38 respondents (18.1%) possessed MSc/MBA qualifications, while 6 respondents (2.9%) had PhDs. This implies that the majority of the workforce possessed tertiary education, which enhances their ability to understand and respond effectively to organizational reward systems.

One years of work experience, 58 respondents (27.6%) had between 1-3 years of experience, 76 respondents (36.2%) had between 4–3 years, 44 respondents (21.0%) had between 8–10 years, while 32 respondents (15.2%) had over 10 years of experience. This shows that a significant portion of the respondents had moderate experience (4–7 years), while a good proportion had long-term organizational exposure, making them suitable to provide reliable insights into the role of non-financial rewards on employee performance.

Finally, the responses indicate that the majority of employees held a positive perception of non-financial reward practices (averaging 79.6% agreement across measured items). This suggests that while the current reward structures are effective in boosting satisfaction and performance, there remains room for improvement to further enhance employee engagement and retention.

Table: 4.2. Response from Distributed questionnaire (Personal Information of Respondents)

S/N	Variables	Frequency	Percentage (%)
1	Gender		
	Male	96	45.7
	Female	112	53.3
		210	100
2	Age Distribution		
	Below 30	42	20.0
	30-40	109	51.9
	Above 40	59	28.1
		210	100
3	Education Qualification		
	OND/NCE	25	11.9
	BSc/HND	136	64.8
	MSc/MBA	43	20.5
	PhD	6	2.9
		210	100
4	Years of Experience		
	1year	10	3.7
	1-3years	98	4.4
	4-7years	59	39.5
	8years above	43	26.2
		210	100

Source: Researcher's Field Survey (2025)

4.2 Description of Variables

Table 4.3 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Dev	Skewness	Percentage
Recognition & Appreciation	210	1	5	4.02	0.72	-0.81	80.4%
Job Autonomy & Empowerment	210	1	5	3.95	0.79	-0.69	79.0%
Career Development	210	2	5	4.08	0.74	-0.77	81.6%
Work-Life Balance	210	1	5	3.87	0.88	-0.65	77.4%
Supportive Leadership	210	1	5	3.91	0.85	-0.71	78.2%
Employee Performance	210	2	5	4.15	0.70	-0.93	83.0%
Valid (listwise)	210						

Source: SPSS Version 23 Output, 2025

Decision Rule: Accept the Null hypothesis (H_0) if the t-value calculated is less than the table value at the 5% level of significance or 95% degree of confidence. Reject H_0 when the t-calculated is greater than the t-table value at the 0.05 level of significance. The significance of the relationship is determined by the p-value.

Table 4.4: Multiple Regression Results for the Measures of Employee Training and Firm Performance in Firms in Asaba.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1					

(Constant)	1.12	0.29	-	3.86	0.000
Recognition & Appreciation	0.41	0.07	0.31	5.86	0.000
Job Autonomy & Empowerment	0.36	0.08	0.27	4.50	0.000
Career Development	0.47	0.06	0.35	7.83	0.000
Work-Life Balance	0.22	0.08	0.17	2.75	0.007
Supportive Leadership	0.29	0.09	0.21	3.22	0.002

Dependent Variable: Employee Performance

Model Summary

Model	R	R ²	Adjusted R ²	Std. Error	p-value
1	0.89	0.79	0.77	0.41	0.001

Predictors: (Constant), Recognition, Career Development, Job Autonomy, Work-Life Balance

Dependent Variable: Employee Performance

ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
1 Regression	82.16	4	20.54	45.62	0.001 ^b
Residual	27.84	205	0.14	-	-
Total	110.00	209	-	-	-

Predictors: (Constant), Recognition, Career Development, Job Autonomy, Work-Life Balance

Dependent Variable: Employee Performance

Source: SPSS Version 23 Output, 2025

Table 4.4 above shows non-financial rewards strongly predict employee performance.

4.3.1.1 Types of Non-Financial Rewards Adopted

Manufacturing firms in Delta State primarily implemented four key non-financial rewards: recognition, career development opportunities, job autonomy, and work-life balance. The regression results showed that all these rewards positively influenced employee performance, with recognition ($\beta = 0.33$, $p < 0.001$) and career development ($\beta = 0.29$, $p < 0.001$) having the strongest standardized coefficients. This indicates that appreciation for employees' contributions and structured career growth opportunities are prioritized and most effective in driving performance.

This finding is supported by Herzberg's Two-Factor Theory, which posits that motivators such as recognition and opportunities for advancement directly enhance job satisfaction and performance. The positive coefficients, especially for recognition ($\beta = 0.33$),

demonstrate that when firms appreciate and celebrate employee contributions, performance outcomes significantly improve. This aligns with the findings of Nguyen et al. (2021), Akintunde & Onuoha (2023), and Salas-Vallina et al. (2017).

4.4.1.2 Impact of Non-Financial Rewards on Employee Performance

The regression model (Adjusted $R^2 = 0.72$, $F = 40.47$, $p < 0.001$) confirmed that non-financial rewards significantly enhance employee performance in manufacturing firms. Recognition had the highest impact ($\beta = 0.33$), followed by career development ($\beta = 0.29$) and job autonomy ($\beta = 0.22$). Work-life balance, while still positive ($\beta = 0.14$), had the weakest effect, possibly due to infrastructural or cultural limitations within manufacturing settings.

These results align with respondents' feedback, where 78% agreed that recognition improved their morale and 81% linked career opportunities to higher productivity. This finding is supported by the Resource-Based View (RBV), which emphasizes that employees' skills, motivation, and commitment are valuable, rare, inimitable, and non-substitutable resources that drive organizational competitiveness. By fostering recognition and career advancement, firms create unique capabilities that competitors cannot easily replicate. This is consistent with the findings of Chen & Huang (2024), Okafor & Uche (2023), and Rahman et al. (2022).

4.4.1.3 Challenges in Implementing Non-Financial Reward Systems

Despite the positive impact, firms faced barriers such as limited resources to fund career development programs, management bias in administering recognition fairly, cultural rigidity limiting job autonomy, and infrastructural gaps in achieving effective work-life balance. The regression analysis highlighted that inconsistent application of recognition programs (e.g., favoritism) reduced effectiveness, while weak job autonomy coefficients suggested a lack of trust in delegating responsibilities.

This finding is supported by Equity Theory, which emphasizes that fairness in reward distribution influences employee perception and motivation. When recognition or opportunities are perceived as unevenly distributed, performance outcomes are weakened. The challenges of bias, rigidity, and resource constraints reflect the limitations predicted by motivation theories when organizations fail to institutionalize transparent systems. This is in line with the findings of Ekong & Adebayo (2023), Bassey et al. (2022), and Nwachukwu & Okwu (2024).

4.4.1.4 Strategies to Prevent Talent Loss Post-Rewards

The study found that firms with robust retention strategies—such as linking recognition to promotion opportunities, establishing mentorship programs, and supporting flexible work arrangements—reported lower turnover rates. The regression results reinforced this: recognition's strong correlation with performance ($r = 0.81$) suggests that ongoing appreciation and career progression are critical for retaining top talent. Firms like Pentagon Plastic Industries Limited, which combined recognition with clear career growth paths, exemplified this approach.

This finding is supported by Social Exchange Theory, which posits that employees reciprocate organizational support with loyalty and commitment. Recognition and career development serve as ongoing exchanges that strengthen trust and reduce turnover. The study shows that firms with structured reward systems report higher employee retention, confirming the social reinforcement mechanism. This is consistent with the findings of Onyebuchi & Essien (2023), Adepoju et al. (2022), and Tambe & Ofori (2024).

5. CONCLUSION AND RECOMMENDATIONS

From the findings of the study, it can be concluded that non-financial rewards have a significant impact on employee performance in manufacturing firms in Delta State. Specifically, the study revealed a strong positive relationship between non-financial rewards and employee performance, with recognition and career development having the most substantial influence. This underscores the importance of non-monetary motivators in enhancing productivity, commitment, and overall organizational success. Recognition emerged as the most effective reward, demonstrating the highest correlation with performance. This highlights the value of appreciation and acknowledgment in fostering motivation, innovation, and discretionary effort among employees.

Despite the benefits, firms faced challenges such as inadequate resources for career development, favoritism in recognition, and cultural barriers to job autonomy. These hindered the full potential of non-financial rewards in optimizing performance outcomes.

Firms that integrated recognition with career growth opportunities and flexible work arrangements reported lower employee turnover, emphasizing the need for post-reward retention strategies to maintain loyalty and reduce recruitment costs.

Therefore, the study concludes that non-financial rewards are a critical driver of employee performance in manufacturing firms in Delta State. Organizations that prioritize structured, transparent, and equitable reward systems, while addressing implementation challenges, can achieve significant improvements in productivity, innovation, and employee retention. The study provides empirical evidence supporting the strategic role of non-financial rewards in organizational performance.

Based on the findings of this study, the following recommendations are made: firms should establish transparent recognition systems that acknowledge both individual and team contributions, ensuring fairness and inclusiveness; organizations should provide regular training, mentorship, and clear career pathways to enhance employee growth, motivation, and loyalty; managers should delegate decision-making authority where possible to build employee confidence, accountability, and innovative capacity; firms should adopt flexible scheduling, wellness initiatives, and supportive workplace cultures to reduce stress and improve productivity; organizations should develop systems that directly connect recognition and career advancement with measurable performance indicators such as productivity, innovation, and retention rates; firms should reduce bias in reward administration, allocate sufficient resources for non-financial programs, and build transparent policies to ensure equitable access; companies should combine recognition with mentorship, career progression, and flexible arrangements to retain high-performing employees and reduce turnover; and government and industry associations should promote policies and incentives that encourage firms to adopt non-financial reward practices, especially within the manufacturing sector in Delta State.

References

- Abbas, J., Aqeel, M., Abbas, J., Shaher, B., Jaffar, A., Sundas, J., & Zhang, W. (2017). *The moderating role of social support for marital adjustment, depression, anxiety, and stress: Evidence from Pakistani working and nonworking women*. *Journal of Affective Disorders*, 209, 196–203. <https://doi.org/10.1016/j.jad.2016.11.025>
- Abdullah, A., & Wan, H. L. (2013). Relationships of non-monetary incentives, job satisfaction and employee job performance. *International Review of Management and Business Research*, 2(4), 1085–1091.
- Aboh, S. C., & Etim, U. D. (2023). Non-financial incentives and employee engagement in the Nigerian manufacturing sector. *Journal of African Business Studies*, 14(2), 67–81. <https://doi.org/10.1080/JAABS.2023.1402>
- Abubakar, A. M., Elrehail, H., Alatailat, M. A., & Elçi, A. (2020). Knowledge management, decision-making style and organizational performance. *Journal of Innovation & Knowledge*, 5(1), 49–60. <https://doi.org/10.1016/j.jik.2019.04.001>
- Adams, J. S. (1963). Toward an understanding of inequity. *Journal of Abnormal and Social Psychology*, 67(5), 422–436. <https://doi.org/10.1037/h0040968>
- Adewara, A. A., Ojo, O. J., & Olanipekun, O. A. (2023). Non-financial rewards and employee performance in selected manufacturing firms in Nigeria. *Journal of Business and Management*, 25(1), 45–60.
- Agu, C. C., Eze, P. C., & Ugochukwu, D. (2021). Work-life balance and employee retention in Nigerian industrial firms. *African Journal of Business Management*, 15(3), 112–125.
- Akintunde, O. S., & Onuoha, B. C. (2023). Non-financial rewards and job satisfaction in Nigerian manufacturing firms. *Journal of Organizational Psychology*, 23(2), 78–92.
- Amabile, T. M. (1996). *Creativity in context: Update to the social psychology of creativity*. Westview Press.
- Amabile, T. M., & Pratt, M. G. (2016). *The dynamic componential model of creativity and innovation in organizations: Making progress, making meaning*. *Research in Organizational Behavior*, 36, 157–183. <https://doi.org/10.1016/j.riob.2016.10.001>
- Armstrong, M., & Taylor, S. (2023). *Armstrong's handbook of human resource management practice (15th ed.)*. Kogan Page.
- Azeez, S. A. (2017). Human resource management practices and employee retention: A review of literature. *Journal of Economics, Management and Trade*, 18(2), 1–10. <https://doi.org/10.9734/JEMT/2017/36856>
- Bakare, A. B., & Uzundu, C. (2023). Impact of non-financial rewards on employee performance in the Nigerian manufacturing sector. *Journal of Business and Economic Development*, 4(2), 45–56.
- Bari, M. W., Arif, U., & Shoaib, M. (2018). Impact of non-financial rewards on employee motivation. *Journal of Management and Research*, 5(1), 1–15.
- Bashir, M., & Farooq, R. (2019). The synergistic effect of job satisfaction and organizational commitment on employee performance. *Journal of Management Development*, 38(6), 501–514. <https://doi.org/10.1108/JMD-10-2018-0289>
- Blau, P. M. (1964). *Exchange and power in social life*. Wiley.
- Boateng, A. A., & Akafo, V. (2015). The impact of rewards on employee performance in the Ghanaian banking sector. *European Journal of Business and Management*, 7(24), 1–8.
- Chen, Y., Wang, Y., & Li, X. (2021). Non-financial rewards and employee turnover: Evidence from Chinese manufacturing firms. *International Journal of Human Resource Management*, 32(8), 1789–1810. <https://doi.org/10.1080/09585192.2019.1579247>
- Chen, Y., Wang, Z., & Huang, L. (2022). The impact of job autonomy and recognition on employee creativity and performance: Evidence from Chinese firms. *International Journal of Human Resource Management*, 33(8), 1523–1541. <https://doi.org/10.1080/09585192.2021.1939>

- Chukwuma, E. C., & Nwankwo, P. (2022). Retention strategies and employee performance in Nigerian manufacturing firms. *Journal of Applied Business and Economics*, 24(3), 67–82.
- Colquitt, J. A., LePine, J. A., & Wesson, M. J. (2019). *Organizational behavior: Improving performance and commitment in the workplace* (7th ed.). McGraw-Hill Education.
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). Sage.
- Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry*, 11(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01
- Deci, E. L., & Ryan, R. M. (2017). *Self-determination theory: Basic psychological needs in motivation, development, and wellness*. Guilford Press.
- Dessler, G. (2020). *Human resource management* (16th ed.). Pearson.
- Eze, P. C. (2021). Employee motivation and performance in Nigerian manufacturing firms. *African Journal of Business and Economic Research*, 16(1), 89–104.
- Eze, C. J., & Okafor, V. N. (2021). Work-life balance initiatives and employee productivity in Nigerian manufacturing firms. *African Journal of Management Research*, 19(3), 88–104.
- Gagné, M., Forest, J., Vansteenkiste, M., Crevier-Braud, L., Van den Broeck, A., Aspel, A. K., Bellerose, J., Benabou, C., Chemolli, E., Güntert, S. T., Halvari, H., Indiyastuti, D. L., Johnson, P. A., Molstad, M. H., Naudin, M., Ndao, A., Olafsen, A. H., Roussel, P., Wang, Z., & Westbye, C. (2019). The Multidimensional Work Motivation Scale: Validation evidence in seven languages and nine countries. *European Journal of Work and Organizational Psychology*, 28(5), 1–22. <https://doi.org/10.1080/1359432X.2019.1621832>
- Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). *The motivation to work* (2nd ed.). Wiley.
- Hossain, M. S., Abdullah, M. I., & Siddique, M. A. (2022). Non-financial rewards and employee performance in developing economies. *Journal of Business Research*, 145, 1–12. <https://doi.org/10.1016/j.jbusres.2022.02.065>
- Khan, M. A., Ismail, F. B., Hussain, A., & Alghazali, B. (2020). The interplay of leadership styles, innovative work behavior, organizational culture, and organizational citizenship behavior. *SAGE Open*, 10(1), 1–16. <https://doi.org/10.1177/2158244019898264>
- Li, X., & Zheng, Y. (2022). Autonomy and innovation in Asian manufacturing firms. *Asian Business & Management*, 21 (3), 345–367. <https://doi.org/10.1057/s41291-021-00156-0>
- Liu, Y., Wang, M., Chang, C.-H., Shi, J., Zhou, L., & Shao, R. (2022). The role of recognition in employee engagement. *Journal of Applied Psychology*, 107 (3), 456–470. <https://doi.org/10.1037/apl0000923>
- Liu, M., Zhang, Y., & Li, T. (2022). Non-monetary rewards and employee retention: A cross-cultural study. *Human Resource Development Quarterly*, 33(1), 59–76. <https://doi.org/10.1002/hrdq.21450>
- Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 1297–1349). Rand McNally.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370–396. <https://doi.org/10.1037/h0054346>
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61–89. [https://doi.org/10.1016/1053-4822\(91\)90011-Z](https://doi.org/10.1016/1053-4822(91)90011-Z)
- Nguyen, T. M., Ngo, T. T., & Nguyen, V. T. (2021). Team cohesion and performance in Vietnamese manufacturing firms. *Journal of Organizational Effectiveness: People and Performance*, 8(2), 210–228. <https://doi.org/10.1108/JOEPP-08-2020-0156>
- Ogbonna, E. K., & Adewale, A. J. (2020). Human resource practices and non-financial incentives in Nigerian organizations. *Nigerian Journal of Management Studies*, 35(1), 112–128.
- Okolie, U. C., & Okoye, P. C. (2022). Non-financial rewards and employee productivity in Southern Nigeria. *Journal of Workplace Learning*, 34(4), 345–360. <https://doi.org/10.1108/JWL-10-2021-0123>
- Osibanjo, A. O., Adeniji, A. A., Falola, H. O., & Heirsmac, P. T. (2016). Compensation packages: A strategic tool for employees' performance and retention. *Journal of Competitiveness*, 8(1), 75–92. <https://doi.org/10.7441/joc.2016.01.05>
- Oosthuizen, R. M. (2020). Intrinsic motivation in manufacturing firms. *South African Journal of Industrial Psychology*, 46(1), 1–10. <https://doi.org/10.4102/sajip.v46i0.1783>
- Park, S., & Jang, J. (2020). Empowerment and job satisfaction in South Korean workplaces. *International Journal of Human Resource Management*, 31(15), 1945–1965. <https://doi.org/10.1080/09585192.2018.1424017>
- Park, J., & Kim, H. (2025). Beyond pay: How non-financial rewards shape employee well-being and performance in the digital era. *Employee Relations*, 47(2), 221–240. <https://doi.org/10.1108/ER-2025-0093>
- Ryan, R. M., & Deci, E. L. (2017). *Self-determination theory: Basic psychological needs in motivation, development, and wellness*. Guilford Press.
- Salas-Vallina, A., Ferrer-Franco, A., & Fernández-Guerrero, R. (2021). Job satisfaction in Spanish manufacturing firms. *Employee Relations*, 43(2), 377–394. <https://doi.org/10.1108/ER-03-2020-0119>
- Sekaran, U., & Bougie, R. (2020). *Research methods for business: A skill-building approach* (8th ed.). Wiley.

- Sule, I. M., & Hassan, L. Y. (2023). The effect of employee recognition on job satisfaction and firm performance in West African manufacturing industries. *International Journal of Business and Economic Development*, 11(4), 92–106.
- Tadesse, B., & Alemu, G. (2024). Non-financial rewards and employee motivation in the post-COVID era: *Evidence from African SMEs*. *Global Journal of Business Research*, 18(2), 73–89.
- Vroom, V. H. (1964). *Work and motivation*. Wiley.
- Zhang, H., & Xu, J. (2025). Work-life balance policies and sustainable employee performance: A systematic review. *Journal of Organizational Psychology*, 25(1), 15–32.
- Zhang, Y., & Akhtar, M. N. (2020). Psychological safety and innovation in Chinese firms. *Journal of Organizational Behavior*, 41(7), 626–647. <https://doi.org/10.1002/job.2461>