

**Reward Management Practices and Employee Performance in Stanbic Investment Banking
& Trust Company Plc (IBTC) Bank in Oyo State**

Agnes Oluwatosin ALAMU
LCU/PG/005273

**Being a MSc Thesis Submitted to the Department of Management & Accounting, Faculty
of Management & Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria**

**In Partial Fulfilment of the Requirements for the Award of Master of Science Degree
(MSc) in Human Resource Management**

2025

Certification

This is to certify that **Agnes Oluwatosin ALAMU** with Matriculation number **LCU/PG/005273**, carried out this research work titled “**Reward Management Practice and Employee Performance in Stanbic Investment Banking & Trust Company Plc (IBTC) Bank**” in the Department of Management & Accounting in the Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, for the award of Master of Science Degree (MSc) in Human Resource Management and that this work had not been previously submitted.

Dr. A. F. Igbadumhe
Supervisor

Date

Dr. T.M. Akinbo
Head of Department

Date

Dedication

I dedicate this thesis to God Almighty.

Lead City University Ibadan DO NOT COPY

Acknowledgement

I would like to express my sincere gratitude to all the staff of Lead City University Library for providing me with the relevant academic materials, both printed and online from academic websites such as Google Scholar, Academia. edu and ResearchGate. I pray that this great citadel of learning will continue to attain excellence and growth.

I also express my deep gratitude to the administration of Lead City University, a hub of wisdom. The invaluable wealth of knowledge imparted by dedicated lecturers are immeasurable.

My profound gratitude goes to the Vice-chancellor of the institute, Professor K.A. Adeyemo. I also extend my heartfelt gratitude to Professor Afolakemi Olasumbo Oredein, the dedicated Provost of the Postgraduate College at Lead City University.

Words are inadequate to express the wonderful inputs and encouragement of my supervisor; Dr. A.F. Igbadumhe for the constructive criticisms, may the almighty God reward you bountifully. I also acknowledge the understanding Prof. Adejuwon, and the head of Department Dr. T.M. Akinbo, may God continuously bless your good works and prosper you. My sincere gratitude is extended to the Lecturers in the Department of Management & Accounting; Dr. J.O. Olaleye, Dr. O.O. Adepoju, Dr. A.B. Onamusi, Dr. O.J. Longe, Dr. T.A. Oreagba, Dr. O.J. Oladejo, Dr. O.I. Ibikunle, and every lecturer in the Department for their contribution towards the success of this thesis.

To my Parents, Mr & Mrs Pius Adewale Alamu, my siblings who has supported me so dearly, Mr John Alamu & Mrs Olajide Mary. God bless you all for your unwavering support.

My sincere appreciation also goes to my Boss at Stanbic IBTC Bank who has made this academic journey a smooth ride for me, Mr. Taiwo Olajumobi Aluko, I say God bless you for the needed cooperation and support.

“Even though the above institutions and persons have assisted in this research work, I alone stand responsible for the errors, if any found in this work”.

Lead City University Ibadan DO NOT COPY

Abstract

In today's competitive environment, an effective reward system is a strategic tool organizations can adopt to enhance employee performance and productivity. Many bank employees are dissatisfied with current reward systems, which fail to address evolving needs. This study investigated the impact of reward management practices on employee performance in Stanbic IBTC Bank, Oyo State, Nigeria. It drew on Vroom's Expectancy Theory, Herzberg's Two-Factor Theory, and Equity Theory of Motivation. A descriptive survey design was adopted, involving all 158 staff of Stanbic IBTC Bank branches in Oyo State. Multiple regression analysis using SPSS 23.0 and SmartPLS V4.0 tested the hypotheses and evaluated the effects of reward practices on various performance dimensions. The findings revealed that reward management practices significantly and positively influence employee efficiency, commitment, and creativity. Results showed that reward management had a positive impact on employee efficiency ($R^2 = 0.534$, $p = 0.000$), commitment ($R^2 = 0.542$, $p = 0.000$), and creativity ($R^2 = 0.581$, $p = 0.000$). However, despite the positive influence, the current reward structures appear inadequate to fully motivate employees for optimal performance. Based on these results, it is recommended that Stanbic IBTC Bank reevaluate its compensation policies. Introducing performance-based pay, competitive salaries, and tailored financial incentives aligned with employee efforts and organizational goals could enhance efficiency, commitment, creativity, and overall service delivery. These measures would help address employee dissatisfaction and support long-term organizational success.

Keywords: Reward management, Employee Performance, Compensation, Benefit, Work-life balance

Word Count: 230

Table of Contents

Content	Page
Title Page	i
Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	vi
Table of Contents	vii
List of Tables	xi
List of Figures	xii
Chapter One: Introduction	
1.1 Background to the Study	1
1.2 Statement of the Problem	5
1.3 Aim and Objectives of the Study	11
1.4 Research Questions	12
1.5 Hypotheses	12
1.6 Significance of the Study	13
1.7 Scope of the Study	13
1.8 Limitation of the Study	15
1.9 Operational Definition of Terms	16
1.10 Operationalisation of the Research Variables	17
Endnotes	20

Chapter Two: Literature Review

2.1	Conceptual Review	25
2.1.1	Employee Performance	25
2.1.1.1	Employee Efficiency	29
2.1.1.2	Employee Commitment	31
2.1.1.3	Employee Creativity	35
2.1.1.4	Quality Service Delivery	37
2.1.2	Reward Management System	45
2.1.2.1	Compensation	50
2.1.2.2	Benefit	56
2.1.2.3	Promotion	60
2.1.2.4	Work-Life Balance	64
2.2	Theoretical Framework	67
2.2.1	Vroom's Expectancy Theory	67
2.2.2	Herzberg's Two-Factor Theory	70
2.2.3	Equity Theory of Motivation	72
2.3	Review of Empirical Studies	74
2.3.1	Reward Management System and Employee Performance	75
2.3.2	Compensation and Employee Performance	76
2.3.2	The Relationship between Employee Benefit and Employee Performance	79
2.3.3	The Relationship between Job Promotion and Employee Performance	84
2.3.4	The Relationship between Work-Life Balance and Employee Performance	85

2.4	Conceptual Framework	93
2.5	Summary of Gaps in Literature Reviewed	93
	Endnotes	95

Chapter Three: Methodology

3.1	Research Design	118
3.2	Population of the Study	118
3.3	Sample and Sampling Technique	119
3.3.1	Sample Size Determination	120
3.4	Description of Research Instrument (s)	120
3.5	Validity of Research Instrument	121
3.5.1	Pilot Study	122
3.6	Reliability of Research Instrument	123
3.7	Method of Data Collection	124
3.8	Method of Data Analysis	125
3.8.1	Model Specification	126
	Endnotes	129

Chapter Four: Results and Discussion of Findings

4.1	Presentation of Data	130
4.2	Demographic Data Analysis	131
4.2.1	Answers to Research Questions	133
4.2.2	Test of Hypotheses	149
4.3	Discussion of Findings	188
	Endnotes	194

Chapter Five: Conclusion

5.1	Summary of Findings	196
5.2	Conclusion	198
5.3	Recommendations	200
5.4	Contributions to Knowledge	202
5.5	Suggestions for Further Studies	203
	Bibliography	205
	Appendix: Questionnaire	228
	Bio-data	234
	The University Compliance Certification	237

List of Tables

Table	Title	Page
3.1	List of all Staff Members in Stanbic IBTC Branches in Oyo State	115
3.3	KMO and Bartlett's Test of Sphericity for Dependent and Independent Variables	118
3.4	Internal Consistency Reliability Result	120
3.5	Summary of the Tool of Analysis	122
4.1	Demographic Characteristics of Respondent	127
4.2	Employee Compensation	129
4.3	Employee Benefit	131
4.4	Job Promotion	133
4.5	Work-Life Balance	135
4.6	Employee Efficiency	137
4.7	Employee Commitment	139
4.8	Employee Creativity	141
4.9	Quality Service Delivery	143
4.10	PLS-SEM Assessment Results of Reflective Measurement Models for Hypothesis One	147
4.11	Discriminant Validity for Hypothesis One	151
4.12	Summary of Regression Analysis for the Effect of Reward Management Strategies on Employee Efficiency in Stanbic IBTC, Oyo State	151
4.13	PLS-SEM Assessment Results of Reflective Measurement Models for Hypothesis Two	155
4.14	Discriminant Validity for Hypothesis Two	160
4.15	Summary of Regression Analysis for the Effect of Reward Management Strategies on Employee Commitment in Stanbic IBTC, Oyo State	161

4.16	PLS-SEM Assessment Results of Reflective Measurement Models for Hypothesis Three	165
4.17	Discriminant Validity for Hypothesis Three	169
4.18	Summary of Regression Analysis for the Effect of Reward Management Strategies on Employees' Creativity in Stanbic IBTC, Oyo State	170
4.19	PLS-SEM Assessment Results of Reflective Measurement Models for Hypothesis Four	174
4.20	Discriminant Validity for Hypothesis Four	178
4.21	Summary of Regression Analysis for the Effect of Reward Management Strategies on Quality Service Delivery in Stanbic IBTC, Oyo State	179

List of Figures

Figure	Title	Page
2.1	Conceptual Framework	90
4.1	Path coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and employee efficiency	149
4.2	T Statistics of the Path Coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and employee efficiency	150
4.3	Path coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and employee commitment	158
4.4	T Statistics of the Path Coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and Employee commitment	158
4.5	Path coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and Employees' Creativity	167
4.6	T Statistics of the Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and Employees' Creativity	168
4.7	Path coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and Quality Service Delivery	176
4.8	T Statistics of the Path Coefficient of Reward Management Strategies (Employee Compensation, Employee Benefits, Job Promotion and Work Life Balance) and Quality Service Delivery	177