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Variable Compensation and Organisational Performance of Bank Employees in Delta State

Eromafuru, Edward Godbless; Aruoren, Emmanuel Ejiroghene; Okogbe, Uwomano Justina

Department of Business Administration, Faculty of Management Sciences, Delta State University, Abraka

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ABSTRACT

The study examined the impact of bonuses on organizational performance; evaluated the impact of commissions on organizational performance; examined the impact of profit-sharing on organizational and assessed the impact of equity-based incentives on thr organizational performance of Bank Employees.. Descriptive survey design was adopted in this study. The target population was 280 which comprised of employees from five randomly selected banks in Delta State from which a sample size of 162 was selected. Questionnaire was used as instrument for data collection; descriptive and inferential statistics were used for data analysis and multiple regressions were used to test the hypotheses with the aid of SPSS 25 at a significant level of 0.05. The findings of the study revealed that, there is a significant relationship between: bonuses and organisational performance of bank employees; commissions and organisational performance; profit-sharing and organisational performance; no significant relationship between equity-based incentives and organisational performance of bank employees. It was recommended among others that organizations should engage and retain their staff; this will help to safe cost of training new employees and other extra expenses incur via recruits and training.

Keywords: Compensation, bonuses, commissions, profit-sharing and equity-based incentives

INTRODUCTION

Employees are organization's key resource; the success or failure of organizations center on the ability of the employers to attract, retain, and reward competent employees appropriately. Employee readmes to stay and work in an organisation depends on compensation packages from employers (Shaban, 2020). Variable compensation, also known as performance-based pay, is the compensation that fluctuates along employee' s performance and goals achieved. It is designed to motivate employees to contribute towards the organization's success. Variable compensation may be reinforced in various forms, such as stock options, profit sharing, or bonuses (Kimani, 2017). Miceli & Heneman (2000) have argued that variable pay plan is a function of the job characteristics and the organisational context in which the pay plan is located, The volatility and frailty of modern day industrial enterprises is exerting pressures on evolving organisations to maintain reward systems that align with dynamic company goals and objectives (Johnson, Friend, & Agrawal (2016). Variable compensation refers to the portion of an employee's total compensation based on their performance and achievement of specific objectives; it rewards or reinforces the employees for individually contribute to organization's success. Most organizations have compensation structure in which employees are eligible for two variable pay compensation based on performance metrics, in which case, employees may have a chance to earn bonuses from two different sources This allows a more comprehensive and balanced approach to reinforce employees performance (Adibah, 2019).

Organisational Performance is said to be successful when employees are doing what they are hired for and achieving results. According to You, Srinivasan, Pauwels and Joshi (2020), organisation performance is a reflection of the result achieve by organisation. This performance can be a success or failure based on how the organisation uses and manages its resources which include employees. Tran and Pham (2020) argued that organisational performance is the total sum of all individual employee performance in an organisation. High organisation performance is a as result of happy and satisfied employees (Arubayi, Eromafuru, and Egbule, 2020; Eromafuru, 2010). A good employee performance is necessary for a successful organisation performance, since the success of the organisation is dependent upon the employee's creativity, innovation, commitment and performance.

Compensation significantly affects employees and organization's performance. Compensation influences employees' standards of living and it shows how valued they are in their workplace. Kyaruzi (2017) argued that, via compensation, management gives proper refund to employees for their contributions to organizations' productivity; also, it has a positive control on the efficiency of employees and motivates them to perform better to achieve the specific organisational objective. It triggers happiness and satisfaction of workforce that limits absenteeism and confers stable workplace of morale, efficiency and cooperation among workers (Ijaya, 2019.) Organizations need to consider appropriate ways to reward employees to get desired results. Ekundayo (2018) argued that, the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system . Leapsome (2023) posited that the fundamental tasks in human resources management are compensation management. It is a complex task that occurs periodically, demand accuracy and must not be delayed. He further stated that there is a significant connection between compensation and organization performance; that compensation has a positive effects on organization performance.

Compensation varies base on location, country and standard of a company. For example, Nigerian employees are paid monthly and rewarded by seniority. Promotions are based on a mixture of experience and ability. Employees who change from one job to another is as a result of finding better pay. Raza (2018) revealed that 70% of employees who are interested in changing their job and workplace is based on low income in their current job. According to Shaban (2020), many organizations have not done much in managing compensation so that employee performance can be improved especially in the public sectors and that is why time to time labour union goes on strike as a tool to seek for bbetter pay, compensation, better working conditions and development (Aljazeera, 2017).

Currently in Nigeria, employees' salaries are still low despite the high cost of goods and services that is rampaging every crown and craning of the country. Has it seem in the country right now, employees minimum salary is not satisfactory to influence employees' performance base on the fact that living costs have continued to rise while employees income have remained the same (Tran & Pham, 2023). This is why Bernardin (2017) argued that there is a statistical significance relationship between employees compensation and organization performance. Compensation of employees increases commitment and increase employees' performance which increase organization productivity. For this reason, contemporary organizations adopted variable compensation so as to compensation their employee base on their performance and opt them to do more by allowing employees to earn additional pay base on their performance (Kyaruzi, 2017).

Organization use variable compensation to allow employees to earn additional pay based on their performance, so that the organizations can (1) determine the performance metrics on which variable compensation will be based. These metrics vary on the nature of the jobs; (2) align performance goals with the specific objective that employees are required to achieve in order to be eligible for the variable compensation (3) over a specific period, performances are measured, which may be monthly, quarterly, or yearly; (4) organization assesses each employee's performance against the established goals which is based on objective data like performance metrics; (5) organization measures the performance of all the eligible employees for variable compensation which include achievement performance and (6) organization communicate the amount credited to employee for variable compensation transparently (Kibiki, 2019). Unlike basic salary, variable compensation is a pay that is reinforced upon achieving a specific outcome; fluctuated depending on the company's performance; paid only when employees meet a target and it is determined by predefined formulas and percentages. Variable compensation is the portion of an employee's compensation that fluctuates based on performance. It is contingent upon achieving specific performance goals, targets, or metrics and can take the form of bonuses, commissions, profit-sharing, or equity-based incentives (Adibah, 2019).

Variable compensation makes allowances for differences in individual competence and contributions, work intensity and diversity, task and votality and complexity, and prevailing climate in which tasks and activities

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are executed. There are strong indications that reward practices that reflect individual performance and work context fare favourably among employees and are (variable reward) can be a powerful booster to morale and job satisfaction. Cash incentives can appeal to high-performing employees because they provide opportunities to earn more and get rewarded for working effectively and making valuable contributions (Leapsome, 2023; Eromafuru & Igiagbe, 2025). Conversely, there are counter claims, based on self determination theory, that financial rewards could decrease intrinsic motivation (Kuvaas, Buch, & Dysvik, 2020; Promberger & Marteau, 2013).

Fixed compensation such as monthly or annual salary is a stable, predetermined amount of money an employee receives regularly for doing a job in an organisation. It remains constant over a certain period and is not directly tied to individual or company performance but academic degree, certifications and experiences. This type of compensation deprive employee to do more than what are paid for, because a fixed payment has been made. It hinder employees and organizational performance, it discourage knowledge sharing and makes employees to have the mindset to look for a better offer. Organization that only offers a fixed compensation risk paying employees to be at their jobs instead of paying them to *do* their jobs; this can demotivate and unengaged employees (Kuvaas, et tal., 2020)

Variable compensation rewards employees based on their performances, not on the number of hours they spend at workplace; could take the form of bonuses, commissions, profit-sharing, or equity-based incentives.fluctuate and vary based on performance; and is contingent upon achieving specific objectives or targets.

In the modern day industrial reengineering, innovative organisations find opportunity to reward their employees by creating alignment between employees' daily tasks and company objectives, incentivize employees to perform at their utmost, keep organization competitively, retain employees and drive talent pool. With proper implementation and management of variable compensation, organisation is more likely to get desired outcomes and increase organization performance. Despite the numerous work carried out so far on the subject matter, the positive impact of variable compensation have not been felt by most employees, thus, triggered the need for this study.

Objectives of the Study

The specific objectives are to:

1. determine the impact of bonuses on organizational performance of bank employees.
2. evaluate the impact of commissions on organizational performance of bank employees.
3. examine the impact of profit-sharing on organizational performance of bank employees.
4. assess the impact of equity-based incentives on organizational performance of bank employees,

Research Questions

1. What is the impacts of bonuses on organizational performance of bank employees?
2. What is the impacts of commissions on organizational performance of bank employees?
3. What is the impacts of profit-sharing on organizational performance of bank employees?
4. What is the impacts of equity-based incentives on organizational performance of bank employees,

Hypotheses of the Study

Ho1: There is no significant relationship between bonuses and organisational performance of bank employees.

Ho2: There is no significant relationship between commissions and organisational performance of bank employees.

Ho3: There is no significant relationship between profit-sharing and organisational performance of bank employees.

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Ho4: There is no significant relationship between equity-based incentives and organisational performance of bank employees.

LITERATURE REVIEW

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Compensation

Compensation can be defined as the benefits that employee receives in the form of pay, wages and rewards like monetary exchange for the employees to increases Performance (Mortocchio, 2016). Armstrong (2016) define compensation management as effort organization puts in place for compensation structure which makes it possible for the organization to recognize employees with better performance and compensate them accordingly. This is to encourage and motivate employee to performers in order to improve organizational performance (Kyaruzi, 2017). Compensation is a tool used by management to further the existence of the company. Compensation may be adjusted according to business needs, goals, and available resources. Compensation is used to recruit and retain qualified employees, increase or maintain morale/satisfaction, reward and encourage peak performance, achieve internal and external equity, reduce turnover and encourage company loyalty and modify practices of unions via negotiations (Kibiki, 2019; Bernardin, 2017).

Variable Compensation

Variable compensation can be defined as a pay an organization gives employees base on their achievement in the organisation. Most times, it comes in addition to fixed base pay. This variable compensation is in various forms such as bonuses, commissions, stock options and profit-sharing. Ebele (2018) argued that variable pay comes in various types and forms such as bonus - a remuneration plan to reward extra effort outside the official agreed monthly, weekly or daily pay. Bonus is paid based on employee's successful job accomplishment and requires meeting set conditions, which organization defines in advance. Kyaruzi (2017) is of the view that these bonuses include (a) retention bonus – organizations offer these bonuses to encourage their staff to remain in the business (b) project bonus – this pay can come in a discretionary or non-discretionary form. Firms offer this bonus to staff for finishing a project (c) referral bonus – a staff member earns a referral bonus after referring an applicant the venture successfully hires. It can differ depending on the position level involved (d) sign-on bonus-prospective new hires receive this type of bonus as a motivation to accept an offer. Incentive is another form of variable compensation and uses specific performance targets to boost revenue. A firm establishes these goals in advance for the relevant performance period. As such, an employee gets payouts by meeting the set criteria. There are two types of incentive plans. These are (a) short-term incentive plans and depend on the realization of short-term performance objectives and (b) long-term incentive plans – organizations base this sales compensation plan on attaining performance objectives during a multi-year period. It generally lasts three to five years and aims to propel longer-term output and (3) Recognition: this plans feature broad guidelines before execution (Kibiki, 2019).

Indexes of Variable Compensation

The indexes of variable compensation considered in this study includes: bonus, commissions, profit-sharing and equity-based incentives. These are discussed below:

Bonus

Bonuses are payments that employers use to reward their employees' hard work and accomplishments. Bonuses are not directly proportional to the revenue an employee generates. Employers often decide whether to award employees bonuses using performance appraisal forms and individual objectives and key results. Employers can decide on payment bands for different levels of achievement. For example, could award someone 15% of their salary for meeting targets and 25% for exceeding them (Habtam, 2018).

Commissions

Commission is a kind of payment that employees receive based on how much revenue they generate for the

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organization. It is a percentage of their sales or other profits, However, Shaban (2020) opined that sometimes businesses use tiered commission structures where percentages change as employees reach higher sales targets. For example, a sales representative might make 2% on all sales up to ₦5,000 and 10% on sales above ₦5,000. Most commission-based jobs like marketing in the banking sectors, combine variable pay and a fixed salary. A marketer might earn variable pay of around ₦1,000 and a fixed pay of ₦30,000 (Bang, 2022; Qiao, Chen & Xu, 2023).

Profit-Sharing

This is when employers divide a percentage of organization's annual or quarterly profits between employees. This means that, each employee's bonus depends on the organization reaching its target revenue instead of individual performance. Employers can determine how much of their profit they want to share and how much each employee receives. For example, percentage can be based on role, performance, time employee has with organization (Collins, Marquardt & Niu, 2019).

Equity-Based Incentive

An equity incentive is offering employees shares in organizations where they work. According to Shi, Xiao and Wu (2020), these shares are awarded through stock options, stocks, warrants, or bonds. The equity incentive plan is to use a conciliatory policy to enhance supervision, maintain the convergence of interests between shareholders and managers, and simultaneously reduce conflicts. Collins, Marquardt & Niu (2019) argued that equity incentive plans play their role mainly in three aspects. These are (1) employee responsibilities are emphasized, and potential profits are shared with employees (2) equity incentive plan reduce organisation's human capital supervision cost. Previous research has found that equity incentives help to coordinate the interests of shareholders and managers; additionally, they are an effective alternative supervision mechanism in uncertain environment (3) core talent is reserved by granting equity (Collins et al., 2019).

Organisational Performance

Performance can be defines performance as number of production, standard of aggregate, time lines of production, job attendance ,efficiency and effectiveness of the work completed. In other words performance means the successful completion of tasks according to the standard set and measured by the direct line manager of the organization to previously set acceptable standards while utilizing available resource efficiently and effectively (Kimani, 2017).

The primary variables used in research and practice to represent the overall organizational performance construct can be categorized into several distinct groupings. The four primary categories of overall organizational performance variables frequently use include (1) financial measures, (2) operational measures, (3) market based measures, and (4) survival measures. In addition, (5) measures of economic value creation are popular in practice but are not frequently used in strategic management or entrepreneurship research. This study will focus on accounting measures and discuss it as follows (Gong et al., 2014).

Organisational Performance is defined as a measure of a company that may not only depend on the efficiency of the company itself but also on the market where it operates. In the financial sector, it is known as financial stability or financial health (Tran & Pham, 2020). Some financial measures are: revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, and stock prices, among others. One of the important factor to consider in order to evaluate performance of a company is the relative value of financial measures of company in relation to competitors within the same specific industry, because each industry is unique and making comparison across industries may provide bias interpretation about the performance of a company (You, Srinivasan, Pauwels & Joshi, 2020). According to Ekundayo (2018), any effective and successful business understands the importance of productivity in workplace. Being productive can help organization increase and utilize capacity of the human resources. Baldoni (2019) opined that most productive organizaiton have happy and healthy employees due to offering of compensation and bonuses (Kibiki, 2019).

Vatan, Ardali & Shahin (2022) defined organisational performance as how well a firm executes her duties and responsibilities. Many companies assess their employees' performance on an annual or quarterly basis to define certain areas that need improvement and to encourage further success in areas that are meeting or exceeding expectations in order to determine the overall organizational performance. Otoo (2019) ascertained that performance is a critical factor in organizational success, helping to also improve overall productivity, profitability, and employee morale. By assessing organizational performance regularly, companies can identify areas that need improvement, provide support and training to employees, and ensure that everyone is working towards the same goals. Sushil (2018) argued that organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Mohamud, Abdullahi & Bashir, (2019) reported that organizational performance, performance measurement systems, performance improvement, organizational engineering and Pluralistic stakeholder values. Richard, Devinney, Yip, and Johnson (2017) ascertained that organizational performance encompasses of three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Willy (2018) is of the view that specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. He further stated that in recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility, employee stewardship.

Bonuses and Organisational Performance

Bonuses are forms of commendation that employers consider to achieve a successful organization performance. Bonuses are given to employees who perform exceptionally well and work beyond their limitations. These bonuses act as a form of motivation for employees. The employees whose performance is better than other employees receive a bigger bonus than others. Bonuses are given for employee's loyalty, contribution and effort toward achievement of organisational goal. It helps the organizations to retain their employees. This ensures that employees get a feeling of attachment with their organization. According to (Ogbogu, F. O. & Olukowade (2022), the following are impact of bonuses on organisational performance.

Increase Employee Motivation: Organization increase employee motivation by providing bonuses may drive them to work harder and contribute more. It offers an incentive to employees to meet a required organization objective. It also enable organization to know the right time to give employees greater responsibility after a bonus since their levels of motivation and morale are higher (Moodley & Hove, 2018).

Lower Voluntary Turnover: Employees that receive bonuses are more likely to feel compensated and increase their commitment and loyalty to organization where they work. loyal employees are often pleased and less eager to explore other career possibilities; this saves organization time and cutting recruitment costs (Luzon, 2022).

Builds Team Collaboration: Bonuses Help to increase team collaboration. it helps employee s to know that every individual are important for better organization performance. this team collaboration plays a vital role in improving organization performance. offering bonuses to employees with a common goal for team to work toward, organization improves workplace communication (Wickramasinghe & Sajeevani, 2018)

Encourages Healthy Competition Within The Workforce: bonus create friendly competition among employees. The bonuses given to hardworking employee triggered other employees to improve their output to win same or higher bonuses. Bonuses boost employees' morale and identify top performers. It increases organization's efficiency in various ways: employ a combination of individual and team bonuses to create both team and individual healthy rivalry, which will benefit the organization (Neama & Haitham, 2020).

Commissions and Organization Performance

Commission is a pay to employees based on the number of products or services they sell in a given time period. Commission is designed to motivate employees and reward outstanding performance especially in marketing and sales in the banking industry. Commission can make up an employee's whole wage or be paid as an extra incentive on top of their base wage or salary. How often an employee is paid commission depends on the terms of their employment agreement. It aim at motivating, attracting and retaining employees in an organization to enhance better performance (Muchai, Makokha & Namusonge , 2018). Employees' take-home amount might vary from month to month which is a good thing for organization and employees as well (Xu, Zhang & Bai, 2019).

Employees are motivated and driven to succeed gain many benefits from a commission since they are in control of how much they can earn. Whether they already have a base wage or salary, the desire to earn more is a powerful motivator which leads to increase in organization performance (Kagan, Leider & Lovejoy, 2020). According to Adom (2018), employers easily use commission to monitor the performance of top salespeople and employees in the banking sector. Highly motivated salespeople can greatly increase profits for organization and develop long-term relationships with clients. A well-structured commission agreement ensures the employee will only receive the financial benefit subject to high performance. This structure assist in eliminating the burden of having to overpay less capable employees (Ogbogu & Olukowade, 2022).

Profit-Sharing and Organisational Performance

Profit sharing can lead to higher organisational productivity and thus to higher organisation profitability. By reducing shirking behavior, profit sharing may reduce supervision costs.it lessen compensation risks for employers by allowing greater flexibility in wages Moodley and Hove (2018) is of the view that profit sharing enhance employment stability by enabling organisations to adjust wages during downturns rather than lay off employees. Wickramasinghe and Sajeevani (2018) ascertained that among the numerous motives for adopting profit sharing, an important one is the belief that profit sharing increases organizational performance and boosts organisation productivity on average. They further opined that profit sharing affect organisation performance in three main ways: by making wages more flexible in response to the financial conditions of the organization by substituting profit sharing payments for fixed wages; by attracting, developing, and retaining higher quality employees; and by serving as an incentive mechanism for aligning the interests of employees with those of organisation. According to Moodley and Hove (2018), such alignment may prompt good employees' behaviors such as increased motivation and effort, enhanced cooperation with management, increased monitoring of workers' own and others' behavior, positive workgroup norms, and development of more efficient work approach.

Below are some of the benefits of profit-sharing to organization (Ryan, 2023):

Increased Productivity: One of the biggest advantages of profit sharing for employers is the increase in productivity that it can bring. When employees have a direct stake in the success of the company, they are more likely to work harder and be more productive. This can lead to higher profits and improved overall performance. It also aligned employee's goal to organisation's goal.

Cost Savings: Profit sharing also lead to cost savings for employers. By incentivizing employees with profit sharing, organization reduce the need for other forms of compensation, such as bonuses or salary increases. This can save organisation money in the long run and make it more financially stable. Organisation can use profit-sharing to reduce the cost of recruitment and training and employee turnover rates by providing a financial incentive for employees to stay with the company.

Improved Employee Retention: Profit sharing can also improve employee retention rates. When employees feel valued and appreciated, they are more likely to stay with the company for the long term. This can reduce turnover rates and save the company money in recruitment and training costs. Furthermore, profit sharing can help create a culture of loyalty among employees.

Equity-Based Incentives and Organisational Performance

Equity incentive is a long-term motivation which using organization's stock as an indicator for its employees. Equity incentive originated is an important means for organization to motivate employees (Luzon, 2022).

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According to Bang (2022) is of the view that equity incentive is an important long-term incentive; it improve organisation performance, enhance the competitiveness of organisations, and promote the long-term development of organisations.

Equity incentive can reduce turnover rate, have better talent retention effect and senior managers will reduce earnings management consciously (Qiao, Chen & Xu, 2023). They believed that equity incentive can stimulate organization innovation potential. Oiao et al., (2023) further stated that contemporary organisations incentivize their human capital by issuing stocks to their employees and expect to achieve greater expansion and enhance their core competitiveness in the industry. Consequently, the ownership of contemporary organisations are scattered and they are controlled by a large number of investors. Therefore, to coordinate the interests of principals and agents, reduce executive opportunism, alleviate the trust crisis between executives and shareholders, and resolve other issues brought about by the separation of ownership and management, some contemporary organizations are attempting to improve the executive compensation system. Herzberg's motivation–hygiene theory suggests that a basic salary can only serve as a hygiene factor in the salary system, and not as a motivator. Therefore, the equity incentive plan has been widely accepted and introduced in organizations to encourages management to reach certain performance standards (Muchai, Makokha & Namusonge, 2018).

The main effect of equity incentive on organization performance is to improve the performance of organisations. Xu , Zhang and Bai (2019), argued that the more employee owns, the more the interests of the employee and the employer tend to be the same, thus the agency cost can be reduced, effectively solve the principal-agent problem and improve organisation's performance. Ogbogu, & Olukowade (2022) opined that, the effects of equity-based incentives on organization performance are: equity incentive can solve the contradiction between the agent and business owners to an extent, making the two sides have the same goal, reduce agency costs. At the same time, the incentive effect is obviously different for different amount and amount of incentive. Equity incentives can triggered enthusiasm of employees and enhance the convergence of interests between employees and employers (Kagan, Leider & Lovejoy, 2020).

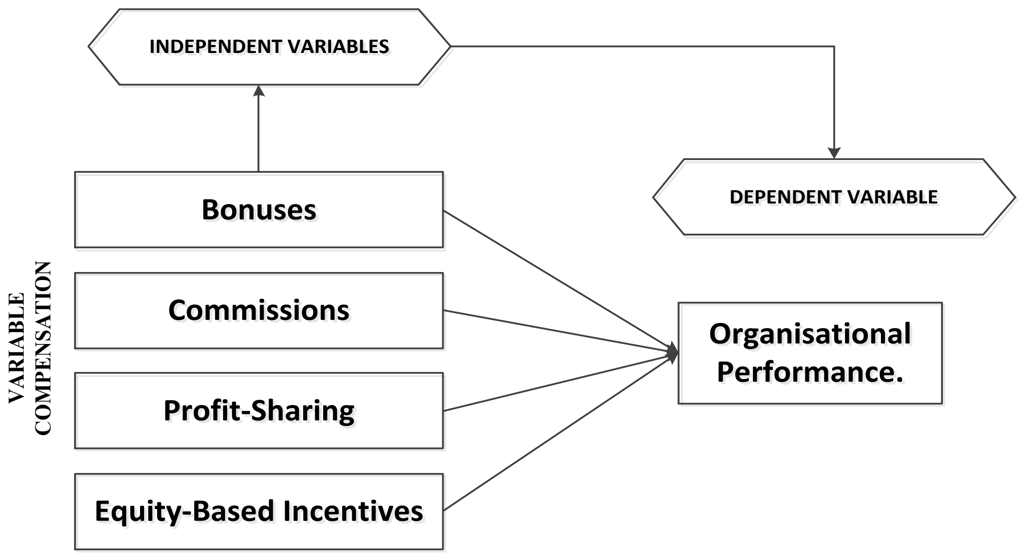

Fig. 1: Conceptual framework on Variable compensation and Orgernasaitonal Performnce (Researcher 2025)

Theoretical Review

Social Exchange Theory

This theory was developed by George Homans (1958). This theory is concerned with the concepts of understanding workplace dynamics. The social exchange theory thrives on the assumption that activities taken by the organization to encourage its employees leads to employee commitment to the organization. Based on the assumption of the theory, employees when they join the organization expect that the organization will provide good working conditions and good culture. The employee will then apply their knowledge and

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abilities to achieve organististional goal. The favorable exchange between the organization and its employees leads to an increased commitment to the organization. The social exchange theory is based on three principles which include; reciprocity, rationality and specificity which explains the relationship between employer. The rationality principle explains workforce association with the organization which will result to rewards and satisfaction of the needs and wants of the employees. The reciprocity principle reasons that social relationship is always reciprocated between the employer and the employee. The specificity principle theorizes that the reciprocity type is able to endure an exchange relationship between the organization and the employee (Mensah, 2019).

This study is anchored to the social exchange theory because it deals with what organisation do for employees to improve organisational performance. When organisation adopt a well-structured employees welfare system, employees will feel valued, be committed to give their best to achieve organisational goal.

The independents variables: bonuses, commissions, equity-base incentive and profit-sharing have a significant association with organisational performance. From Fig. 1 above, Organisations who adopts variable compensations Increase productivity, motive employee, enable employee retention, save cost, align employees and organization interest, indicate organization wellbeing, builds team collaboration, and increase organizational performance to mention but a few.

The Equity Theory

This theory was first was developed in 1963 by John Stacey The theory stated that what employees get from employment in form of employment benefits or reward is equal to the efforts or inputs they put in their work. According to Adams (1963) employees will compare their inputs and outputs to those colleagues who are in the same level. In cases where the employees perceive that there are inequalities, it may lead to an increase in absenteeism and to some extent resignation. The theory explains that what employees contribute in their work are classified as inputs which include commitment shown, the number of hours worked, the experience brought to the role, work responsibilities of employees, the work duties of employees, the loyalty of employee towards the organization and flexibility amongst other.

On the other hand, Adam proposed the out puts , outputs are the result an individual receives as a result of their inputs to the organization these include salaries, bonuses, incentives, allowances employee recognition, promotion, health insurance, retirement plans, overtime pay, and company car. Employees will perceive inequity when there is imbalance in the ratio between the inputs and outputs as compared to others in the same level. According to Adams (1963) some employees will perceive that they have been treated well if they perceive that their ratio of inputs to their outputs is fair and is equal to those around them or in the same level. If an employee perceives that their colleagues in the same level are treated better than him/her while they have put in the same efforts, it will lead into job dissatisfaction. The dissatisfaction will lead into demotivation of employees where he/she feels underappreciated by the organization.

The current study is anchored to this Equity theory because it assists management to understand and perceive what motivates employees. More also, the theory is applicable in this study because employees always expect better treatment and rewards in return to the efforts they put to their work in the banking industry. If this is not met, they become demotivated and their performance will be reduced. The Equity theory is applicable at every work place. That is an employee satisfaction at work is directly linked to the efforts he or she put and what exactly he or she is get out of it. The theory aims to strike a balance between employees input and output in workplace, if the employee is able to find his or her fight balance it would lead to a more productive relationship with the management.

Empirical Review

Shaban (2020) examined the influence of compensation on employees' performance in National Insurance Corporation (NIC) in Iringa. Methodology used was both quantitative and qualitative method; data was analyzed using statistical packages for social science. Finding of the study revealed that motivation programs have greater likelihood of increasing employees' morale, retention rate and performance. It was concluded that compensation has been useful at NIC to improve employees' performance.

Kibiki (2019) determined the factors influencing employee compensation and its impacts on employees' performance, the location of the study was in Iringa Tanzania, Methodology used was quantitative data was analyzed through Statistical package for Social Sciences (SPSS) computer Software. Finding of the study revealed that there is a relationship between factors of employees' motivation, intrinsic factors, extrinsic factors and employees' performance. Also extrinsic factors are fundamental in influencing employees to strive at achieving the set goals by efficiently performance, it was concluded that compensation is an important factor on employee performance, it is important to know which factors motivate employee so that management can put more emphasis. It was further recommended that future research should also concentrate on several factors (extrinsic or intrinsic) so as to establish exactly the manner and extent in which the chosen factors do determine employee motivation.

Adibah (2019) examined the effect of compensation on employee performance, location of study held at XYZ College in Malaysia, Methodology used was quantitative and SPSS were used in data analysis. Major finding of the study revealed that compensation contributes to employee performance, also compensation has a significant positive effect on employee performance, It was concluded that, compensation increase level of performance for employees, also organization should focus on other factors on creating an environment which is supportive, caring characterized with good working conditions to allow employees to attain work and personal spheres of life. The study recommended that on the requirement to attain higher levels of employee performance through effective strategies for employee compensation and benefits, for example setting a real wage system in by referring to established wage structure by process and evaluate the information from labor market and internal policies of the organization.

Bang (2022) investigated the Effect of Equity Incentive on Corporate Performance in Chines. In the study, 30,867 samples of listed companies that have implemented stock option incentive from 2011 to 2019 were used as research samples, and the financial data from 2011 to 2019 were used to analyze the impact of implementing stock option incentive on corporate performance. The results show that compared with the non-implementation of the equity incentive plan companies, the implementation of the corporate performance of the Equity Incentive Plan is better before the implementation; the bigger the number of executive stock option is, the better the incentive effect; the nature of property right affects the effect of equity incentive, and the effect is more significant on non-state-owned enterprise.

Qiao, Chen and Xu (2023) aimed to understand the effects of equity incentive plans implemented by listed companies in China and the potential influence of the general characteristics of contracts on the effectiveness of equity incentive plans. Based on behavioral decision theory, the study adopted a multivariate linear regression model to analyze the 1695 equity incentive plans implemented in Chinese listed companies between 2010 and 2018 with their two-year lagged performance data. The empirical results show that the operational performance of companies after implementing equity incentive plans shows a trend of polarization. In the 95% confidence interval, the effect of restrictive stock incentive and exercise-constrained variables is not significant, while the validity period has a significant positive correlation and incentive intensity has a significantly negative correlation with the company's operational performance. Furthermore, the negative effects mentioned above become more obvious with a longer plan implementation period. Based on these conclusions, we suggest that companies could adopt equity incentive plans with a relatively longer validity period and more reasonable incentive intensity. Additionally, it would be better for companies to select non-restricted stocks as incentive tools if there is no obvious preference.

Ogbogu, & Olukowade (2022) investigated the impact of incentives on workers' performance in Ekiti State. The study's population was 115 employees in Ekiti State, which also determined the sample size. Tables and percentages were used extensively in the treatment and analysis of data obtained. The obtained data was displayed in a table and examined using percentages. Chi-Square was used to test the hypotheses. The findings revealed that workers' pay has no substantial influence on organizational performance and that salaries and wages have no effect on organizational performance. The study indicated that other drivers of worker performance should be investigated in order to achieve a balance of elements that would instill adequate desire to go the extra mile to complete corporate duties. According to the study, management should objectively plan, formulate, and implement pay strategies in order to improve the achievement of overall organizational goals while obtaining the best contributive and supporting impacts from organizational personnel.

METHODS

Descriptive survey design was adopted to investigate the effects of bonuses, commissions, profit-sharing and equity-based incentives on organization performance. The study adopted a descriptive survey design because the researcher considered it as the best design to elicit information from the respondents on the subject matter. The target population of the study is 280 which comprised of employees (managers, cashers, tellers, cleaners, securities and marketers) from five randomly selected banks in Warri, Delta State. The sample used in this seminar work is 162. This sample size was determined using the Krejcie and Morgan Table for sample size calculation from the population of 280 (See Appendix B).

This study adopted ballot sampling techniques to select the 5 banks. The names of all banks in Warri, Delta State were written on pieces of paper, squeezed, put in a basket and shuffled. The 5 banks were picked one after the other without replacement. Questionnaire was used as "instrument for data collection". The questionnaire was developed using 4-point scale. Questionnaire was used as instrument for data collection, designed in two sections; A and B and constructed based on the modified Likert 4-point scale of Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD). The researcher personally administered copies of the questionnaires to the respondents after due permission from the managers of each bank.. This was done after explaining the purpose of the exercise to the respondents and establishing a rapport, most especially with the employees that were used. 162 copies of the questionnaire were distributed but 159 were retrieved due to improper filling of some copies of the questionnaire, which shows 98% retrieval rate. Collected data was summarized into frequency tables. "Descriptive and inferential statistics were employed. Simple percentage and mean was used to answer the research questions while multiple regressions were used to test the hypotheses in SPSS 25 at a significant level of 0.05".

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 \ldots\ldots\ldots\ldots + \beta_nXn$

$OP = \beta_0 + \beta_1BO + \beta_2CO + \beta_3PS + \beta_3EI$

OP = Organisational Performance is Dependent Variable

BO, CO, PS and EI "(bonus, commission, profit sharing and Equity-Base Incentive)" are Independent Variables

RESULTS AND DISCUSSION

Research questions were answered using simple percentage, frequency tables and mean While the hypotheses were tested using multiple regressions via SPSS 25 at 0.05 significant level. 123 copies of the questionnaire were distributed but 120 were retrieved, which shows 98% retrieval rate.

Answering of research questions

Research Question 1: What are the impacts of bonuses on organization performance of bank employees in Delta State**?**

Table 1: Impacts of Bonuses on Organization Performance of Bank Employees

S/N	Question items	Mean	STDEV	Remark
1.	Increase Employee Motivation	3.19	0.89	Agreed
2.	Lower employee voluntary turnover	3.06	1.00	Agreed
3.	Builds Team Collaboration	3.04	0.84	Agreed

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4.	Encourages healthy competition within workforce	2.87	0.95	Agreed
5.	Increase organizational performance	3.18	0.96	Agreed
Grand Total		3.07	0.93	Agreed

Researchers' Fieldwork, 2024 N= 120

The means response of the respondents to items 1 – 5 as shown in Table 3 are: 3.19, 3.06, 3.04, 2.87 and 3.18 respectively; with a grand mean and standard deviation of 3.07±0.93. This implies that, the impact of bonuses on organizational performance include: increase employee motivation**,** lower employee voluntary turnover, builds team collaboration**,** encourages healthy competition within workforce and increase organizational performance

Research Question 2: What are the impacts of commissions on organization performance of bank employees in Delta State?

Table 2: Impacts of Commissions on Organization Performance of Bank Employees

S/N	Statement/Items	Mean	Std	Remark
6.	Motivate, attract and retain employees in an organization to enhance better organaisational performance	2.99	1.04	Agree
7.	Indicate how well organization is doing and where to improvement.	3.08	1.02	Agree
8.	Eliminate the burden of having to overpay less-capable employees	2.94	1.09	Agree
9.	Increase profits for the organization	3.18	1.08	Agree
10.	Monitor employees' performance to determine those who are underperforming.	3.00	0.97	Agree
Grand Total		**3.04**	**1.04**	**Agree**

Researchers' Fieldwork, 2024 N= 120

The means response of the respondents to items 6 – 10 as shown in Table 2 are: 2.99, 3.08, 2.94, 3.18 and 3.00 respectively; with a grand mean and standard deviation of 3.04±1.04. This implies that, the impacts of commissions on organizational performance include: Motivation, attraction and retention of employees; indicate how well organization is doing and where to improvement; Eliminate the burden of having to overpay less-capable employees; increase profits for the organization and monitor employees' performance to determine those who are underperforming.

Research Question Three:

What are the impacts of profit-sharing on organization performance of bank employees in Delta State?

Table 3: Impacts of Profit-Sharing on Organization Performance of Bank Employees

S/N	Statement-t/Items	Mean	Std	Remark
11.	Increased productivity	2.91	1.05	Agree
12.	Cost Savings	2.99	1.13	Agree
13.	Improved Employee Retention	2.81	1.09	Agree
14.	Make wages more flexible in response to the financial conditions of an organization	2.99	0.96	Agree

15.	Align the interests of employees with those of organisation	3.18	0.88	Agree
Grand Total		**2.98**	**1.02**	**Agree**

Researchers' Fieldwork, 2024 N= 120

The means response of the respondents to items 11 – 15 as shown in Table 3 are: 2.91, 2.99, 2.81, 2.99 and 3.18 respectively; with a grand mean and standard deviation of 2.98$\pm$1.02. This implies that, the impact of profit sharing on organizational performance include: increased productivity, cost savings, improved employee retention, make wages more flexible in response to the financial conditions of an organization and align the interests of employees with those of organization.

Research Question Four:

What are the impacts of equity-based incentives on organization performance of bank employees in Delta State?

Table 4: Impacts of Equity-Based Incentives on Organization Performance

S/N	Statement/Items	Mean	Std	Remark
16.	Equity incentive reduce turnover rate	3.38	0.82	Agree
17.	stimulate organization innovation	3.31	0.78	Agree
18.	resolve contradiction between agent and business owners	3.03	1.07	Agree
19.	reduce agency costs.	3.22	0.88	Agree
20.	Triggered enthusiasm of employees and enhance the convergence of interests between employees and employers	2.97	1.08	Agree
Grand Total		3.18	0.93	**Agree**

Researchers' Fieldwork, 2024 N= 120

The means response of the respondents to items 16 – 20 as shown in Table 4 are: 3.38, 3.31, 3.03, 3.22 and 2.97 respectively; with a grand mean and standard deviation of 3.18$\pm$0.93. This implies that, the impacts of equity-based incentives on organizational performance are: equity incentive reduce turnover rate; stimulate organization innovation, resolve contradiction between agent and business owners; reduce agency costs and triggered enthusiasm of employees and enhance the convergence of interests between employees and employers.

Test of Hypothesis

Table 5: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Durbin-Watson
1	.975[a]	.950	.948	.09672	.218

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.177	4	6.794	726.26	.000[b]
Residual	1.441	154	.009		
Total	28.617	158			

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Coefficients							
Unstandardized Coefficients			Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
(Constant)	2.863	.254		-11.255	.000		
BO	.040	.065	.045	0.613	.041	.061	6.508
CO	.874	.107	.569	8.143	.000	.067	4.946
PS	.809	.114	.352	7.092	.000	.133	7.534
EI	.072	.062	.047	1.164	.246	.198	5.055

a. Predictors: (Constant), EI, CO, PS, BO $p<0.05$ level of Significance

b. Dependent Variable: OP

The R value of 0.975 in the Model Summary (Table 5) represents the Pearson correlation. This implies that there is a strong and positive correlation across the variables since the value of R (0.975) tends to 1.

The R Square (R^2) value of 0.950 (Table 5) is known as the coefficient of determination. It shows the proportion of the variance in the dependent variable that can be explained by the independent variables. This implies that 95% of the variation in Organisational Performance (OP) can be explained by Bonuses (BO), Commissions (CO), Profit-Sharing (PS) and Equity-Based Incentives (EI).

The value of Sig (0.00) in Table 5 indicates that, the dependent variables combined has a statistically significant association with the independent variable.

Hypothesis 1:There is no significant relationship between bonuses and organisational performance of bank employees.

The Sig-value (0.041) of Bonuses (BO) in Table 5 indicates that, there is a significant relationship between bonuses and organisational performance of bank employees; since the Sig-value (0.041) is lesser than 0.05. Therefore, the null hypothesis which states that there was no significant relationship bonuses and organizational performance of bank employees, is rejected. This implies that there is a significant relationship between bonuses and organisational performance of bank employees.

For every additional effort of improving bonuses, organisational performance is expected to increase by coefficient of 0.040 (Table 5) assuming other independent variables remain constant.

Hypothesis 2: There is no significant relationship between commissions and organisational performance of bank employees.

The Sig-value (0.000) of Commissions (CO) in Table 5 indicates that, there is a significant relationship between commissions and organisational performance of bank employees; since the Sig-value (0.000) is lesser than 0.05. Therefore, the null hypothesis which states that there was no significant relationship commissions and organizational performance of bank employees, is rejected. This implies that there is a significant relationship between commissions and organisational performance of bank employees.

For every additional effort of improving commissions, organisational performance is expected to increase by coefficient of 0.874 (Table 5) assuming other independent variables remain constant.

Hypothesis 3: There is no significant relationship between profit-sharing and organisational performance of bank employees.

The Sig-value (0.000) of Profit-Sharing (PS) in Table 5 indicates that, there is a significant relationship between profit-sharing and organisational performance of bank employees; since the Sig-value (0.000) is lesser than 0.05. Therefore, the null hypothesis which states that there was no significant relationship profit-sharing and organisational performance of bank employees is rejected. This implies that there is a significant relationship between profit-sharing and organisational performance of bank employees.

For every additional effort of improving profit-sharing, organisational performance is expected to increase by coefficient of 0.809 (Table 5) assuming other independent variables remain constant.

Hypothesis 4: There is no significant relationship between equity-based incentives and organisational performance of bank employees.

The Sig-value (0.246) of Equity-Based Incentives (EI) in Table 5 indicates that, there is a significant relationship between equity-based incentives and organisational performance of bank employees; since the Sig-value (0.246) is lesser than 0.05. Therefore, the null hypothesis which states that there was no significant relationship equity-based incentives and organisational performance of bank employees, is accepted. This implies that there is no significant relationship between equity-based incentives and organizational performance of bank employees.

For every additional effort of improving equity-based incentives, organisational performance is expected to increase by insignificant coefficient of 0.072 (Table 5) assuming other independent variables remain constant.

FINDINGS

The analysis from the test of hypothesis 1 and the answer to research question 1 (Table 1) revealed that, there is a significant relationship between bonuses and organisational performance of bank employees. Bonuses increase employee motivation, lower employee voluntary turnover, builds team collaboration, encourages healthy competition within workforce and increase organizational performance. This finding agreed with the view of Ogbogu and Olukowade (2022), who said that bonuses increase employee motivation, lower voluntary turnover and builds team collaboration.

The analysis from the test of hypothesis 2 and the answer to research question 2 (Table2) revealed that, there is a significant relationship between commissions and organisational performance of bank employees. Commissions motivates attracts and retain employees; indicate how well organization is doing and where to improve; eliminate the burden of overpaying less-capable employees; increase profits for the organization and monitor employees' performance. This finding supported the finding of Ogbogu and Olukowade (2022). They are of the opinion that commissions assist in eliminating the burden of having to overpay less-capable employees. The finding is also in line with the view of Adom (2018) who said that employers use commission to monitor the performance of top salespeople to greatly increase profits for organization and develop long-term relationships with clients.

The analysis from the test of hypothesis 3 and the answer to research question 3 (Table3) revealed that, there is a significant relationship between profit-sharing and organisational performance of bank employees. Profit-sharing increased productivity, saves cost, improve employee retention, make wages more flexible in response to the financial conditions of an organization and align the interests of employees with those of organization. This finding is in line with the findings of Ryan (2023) revealed that profit-sharing increased productivity, cost savings and employee retention.

The analysis from the test of hypothesis 4 and the answer to research question 4 (Table 4) revealed that, there is no significant relationship between equity-based incentives and organisational performance of bank employees. Equity-based incentives may not reduce turnover rate; stimulate organization innovation, resolve contradiction between agent and business owners; reduce agency costs and triggered employees' enthusiasm and enhance the convergence of interests between employers and employees. However, this finding is in variance with the findings of Qiao et al. (2023) who argued that equity-based incentives reduce turnover rate, have better talent retention effect and senior managers will reduce earnings management consciously.

CONCLUSION

Variable compensation fluctuates based on employee's performance and goals achieved. It is designed to motivate employees to contribute towards organization's success. Base on the findings of the study, it is concluded that, there is a correlation between variable compensation and organizational performance. Variable compensation increase employee motivation, lower employee voluntary turnover, builds team collaboration, encourages healthy competition within workforce and increase organizational performance. Also, it motivates, attracts and retain employees; indicate how well organization is doing and where to improve; eliminate the burden of overpaying less-capable employees; increase profits for the organization and monitor employees' performance. More also, variable compensation increased productivity, saves cost, improve employee retention, make wages more flexible in response to the financial conditions of an organization and align the interests of employees with those of organization. It also reduce employees turnover rate; stimulate organization innovation, resolve contradiction between agent and business owners; reduce agency costs, triggered employees' enthusiasm and enhance the convergence of interests between employers and employees.

RECOMMENDATION

1. Organizations that have not adopted variable compensation should do so as to motivate employees and realize organization's growth objectives by providing more money than an employee's base pay. This will encourage employees to work better and harder to improve their outcomes with each reward.

2. Organization should engage and retain their staff; this will help to safe cost of training new employees and other extra expenses incur via recruits and training.

3. Organisation should sustained the provision of incentives to better employees' performance. This will boost organization performance and productivity.

4. Employees should put more effort to sustain organisational compensation and work harder to earn rewards. This will enhance employees wellbeing, engaged and happy.

Ethical Approval and Consent to Participate

This study was conducted in accordance with ethical research guidelines. Ethical approval was obtained from the appropriate institutional review board. All participants provided informed consent before taking part in the study.

Consent for Publication

The authors affirm that all participants consented to the publication of this study.

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