WORKING CONDITION AND PERFORMANCE BONUS ON EMPLOYEES’ PERFORMANCE AMONG SMALL AND MEDIUM ENTERPRISES IN DELTA STATE

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ABSTRACT

The study investigated the relationship between working condition and performance bonus on employees’ performance among small and medium enterprises in Delta State. The study adopted correlational design, while a multi stage sampling technique was used to arrive at a sample size of 387 respondents from a population of 12,503 employees of 78 registered bakeries in Delta State. The instrument for data collection was a researcher structured questionnaire tagged: “Performance Bonus and Working Condition on Employees’ Performance Questionnaire. “PBWCEPQ”. Pearson Product Moment Correlation was used to determine the relationship of the instrument and it yield a coefficient of 0.71. The method of data analysis includes the use of frequencies and percentages for research questions while Pearson Product Moment Correlation was used to test the hypotheses of the study at 0.05 level of significance. Findings of the study revealed that a significant relationship exist between working condition and employees job performance, also a significant relationship exist with performance bonus and employees job performance. The researcher recommends that Employers of labour must provide basic for employee and create a healthy work environment also, budgeting for performance bonus should be made mandatory by employers of labour and same should be maintained regularly to serve its purpose in the workplace amongst others.
Keywords: Working Condition, Performance Bonus, Employees’ Performance, Small and Medium Enterprises.

INTRODUCTION

Employees are considered as the most valuable resource and asset to an organization because they are the major driver of other resources (financial and material) that impacts on firms performance (Ezeani, 2013 & Oladele, 2013., Tarurhor, 2018., Tarurhor & Bagshaw, 2018., Luzon, 2022). Qualified and motivated employees create and deliver value out of other organizational resources. Dynamic and progressive organizations endeavour to attract and retain the right people for the right jobs at the right time through creating and sustaining their motivation in changing circumstances, hence Hynes (2008) spotted out that working environment encompassed the terms of physical as well as behavioural components. The physical components of the environment were classified as: (1) Comfort level- This includes ventilation, heating, natural lighting, artificial lighting, décor, cleanliness, overall comfort, physical security. (2) Office layout- This includes informal meeting areas, formal meeting areas, quite areas, privacy, personal storage, general storage, work area- circulation place. Subsequently Greenslade and Paddock (2007) opined that working conditions encompasses a range of issues from work load and scheduling to systems-wide issues like professional identity to scope of practice. For the purpose of this study, working conditions should be seen in the light of facilities that aid employees while at work for their convenience and comfort on their job performance, Physical facilities when provided and adequately maintained for optimal utilization makes work enjoyable and comfortable for workers. Employee working conditions is essential to customer satisfaction and job performance in an organization (Richard, Bianca, Michael & Ian 2013). The effect of poor workplace condition leads to attendance concerns, reduced job satisfaction, physical grievances, burnout and poor job performance (Gulliver, Towell & Peck, 2003). A poor workplace is most likely one of the fundamental reasons for the high staff turnover, poor satisfaction and performance (Tarurhor, 2021; Rossberg & Friss, 2004., Aruoren & Tarurhor, 2023). Factors of the workplace and satisfaction may likewise be helpful benchmarks for assessing future changes and advancements of work. Employees value work conditions and performance bonus as essential ingredients to their satisfaction and performance. According to Nemia (2020) Performance Based Bonus (PBB) is a new incentive given to employees based on their performance, It is an additionally pay given to an employee outside their basic pay for achieving specific target set by the enterprise. In the same vein Ezenwakwelu, Charity, and Ejim, (2018) see performance bonus may be awarded to each member of the team. Performance bonus is a financial reward and as such is subject to social insurance contributions and taxation. It is transferred to the employees’ personal salary account and is listed on the payslip accordingly. One can say performance bonus it’s a reward package outside one salary. The effect of working condition and performance bonus is on employee performance, if employees are well motivated by employers of labour there will be increase in productivity and employee performance (Aruoren, 2020, Tarurhor, 2021). Small and medium scale enterprise are surrounded will enormous challenges, so their ability to provide healthy and safe working condition and performance bonus benefits may not be realizable (Bashir., Abrra, Mehwish & Tania H, 2020). According to Ajala and Adediran K.B, (2005) ability of employees to achieve...
organizational goals more effectively and efficiently refers. It involves all aspects which directly or indirectly affect and relate to the work of the employees. For performance to be effective, employers should recognize the regiment desires and needs of the employees

**Statement of Problem**

Small and medium scale enterprise is a company that employs under 250 employees globally businesses today started off as small and medium enterprise. The survival and growth of SME is based on the quality of service they offer and the human resource of the SME are in charge of this responsibility. Hence, one may want to know how well human resources manager and management of SME are interested in employee’s satisfaction to ensure improved performance.

Employees of organizations are the greatest assets hence their welfare is germane for growth and survival of SMEs. Johnny and Nwonu (2014) work on working condition on Employees performance, Oti et al (2022) worked on Work environment employees performance in banking sector, Nemia (2020) investigation on Performance bonus on Job satisfaction and work performance, Ezenwakwu (2018) worked on work environment management on employees performance in tertiary institutions. Literature available since more on banking and education sector, there seem to be few studies on small and medium enterprises with regards to working condition on employees performance. Subsequently very few limited works have been reviewed in combining variables of working condition and wok bonus on employees performance in small and medium scale. The study therefore fill this gap in literature, to investigate on the relationship between working condition and performance bonus on employees performance among small and medium enterprise in Delta.

**Objectives of the Study**

The overall objective of the study was to assess the effects of reward management on employee’s performance among small and medium enterprises in Delta State.

The Specific Objectives are to:

i. Examine the effect of working condition on employees’ performance among SMEs in Delta State.

ii. Examine the effect of performance bonus on employees’ performance on SMEs in Delta State.

**Research Questions**

The following research questions are posed based on the objectives for the study

1 Examine the effect of working condition on employees’ performance among SMEs in Delta State.

2 Examine the effect of performance bonus on employees’ performance on SMEs in Delta State.

**Hypothesis**

The following null hypotheses were being posited for the study at 5% level of confidence.

Ho1: There is no significant relationship between working condition and employees’ performance among SMEs in Delta State.

Ho2: There is no significant relationship between performance bonus and employees’ performance among SMEs in Delta State.
METHODOLOGY

The design of the study is a correlational research design, the population for the study consist of 12,503 employee from 78 registered bakeries that are small and medium enterprises in Delta state. The researcher employed Multi stage sampling techniques involving the use of proportional stratified at first stage and systematic random sampling technique at second stage to arrive at a sample size of 387 respondents. The instrument for data collection was a researcher structured questionnaire tagged: “Performance Bonus and Working Condition on Employees’ Performance Questionnaire. “PBWCEPQ”. The instrument consisted of two sections, section A and B. Section A is on bio data while section B had two part. Part A measured on Performance Bonus on Employees’ Performance and part B measured on Working Condition on Employees’ Performance. Face validity of “PBWCEPQ” was determined by two experts in Measurement and Evaluation from Delta State University, Abraka. Pearson Product Moment Correlation was used to determine the reliability of the instrument and it yield a coefficient of 0.71. The method of data analysis includes the use of frequencies and percentages for research questions while Pearson Product Moment Correlation was used to test the hypotheses of the study at 0.05 level of significance.

RESULTS

Research Question 1:
Examine the effect of working condition on employees’ performance among SMEs in Delta State.

Table 1

<table>
<thead>
<tr>
<th>Bonus type</th>
<th>Frequency</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working tools and equipment</td>
<td>143</td>
<td>37</td>
</tr>
<tr>
<td>Working hours</td>
<td>116</td>
<td>30</td>
</tr>
<tr>
<td>Workplace /amenities</td>
<td>32</td>
<td>8.3</td>
</tr>
<tr>
<td>Workplace safety</td>
<td>59</td>
<td>15.2</td>
</tr>
<tr>
<td>Workplace security</td>
<td>37</td>
<td>9.5</td>
</tr>
<tr>
<td>Total</td>
<td>387</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field findings, 2023

As shown in Table 1, 37% of respondents strongly agreed that they are motivated to perform their better and consistently during the year when they are assured of good working condition, 30% agreed with that statement, 8.3% strongly disagreed, 15.2% disagreed and 9.5% are neutral. These findings show that majority (37%) of small and medium enterprises employees would improve that performance when assured good working condition than they are currently getting.

Research Question 2: Examine the effect of performance bonus on employees’ performance on SMEs in Delta State.

Table 2

<table>
<thead>
<tr>
<th>Bonus type</th>
<th>Frequency</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission bonus</td>
<td>181</td>
<td>46.8</td>
</tr>
<tr>
<td>Mission bonus</td>
<td>116</td>
<td>30</td>
</tr>
<tr>
<td>Profit sharing bonus</td>
<td>32</td>
<td>8.3</td>
</tr>
<tr>
<td>Gain sharing bonus</td>
<td>41</td>
<td>10.6</td>
</tr>
<tr>
<td>Spot bonus</td>
<td>17</td>
<td>4.3</td>
</tr>
</tbody>
</table>
As shown in Table 2, 46.8% of respondents strongly agreed that they are motivated to perform their better and consistently during the year when they are assured of getting the bonus, 30.7% agreed with that statement, 10.6% strongly disagreed, 8.3% disagreed and 4.3% are neutral. These findings show that majority (46.8%) of small and medium enterprises employees would improve that performance when assured of a better bonus than they are currently getting.

**Hypothesis**

The following null hypotheses were tested at 5% level of confidence.

- **Ho1**: There is no significant relationship between working condition and employees’ performance among SMEs in Delta State.

Table 3

*Pearson Product Moment Correlation on the relationships between Working Condition and Employees’ Performance among SMEs in Delta State.*

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>X</th>
<th>SD</th>
<th>Df</th>
<th>r</th>
<th>Sig</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working condition</td>
<td>387</td>
<td>35.60</td>
<td>3.23</td>
<td></td>
<td>.338</td>
<td>.001</td>
<td>Reject</td>
</tr>
<tr>
<td>Employees’ performance</td>
<td>387</td>
<td>15.90</td>
<td>1.95</td>
<td></td>
<td></td>
<td></td>
<td>Ho</td>
</tr>
</tbody>
</table>

Table 3 reveals that the r value of .338. at df = 386, where P < 0.05. This indicates that there is a significant relationship between working condition and employees’ performance among SMEs in Delta State. Hence the null hypothesis which states that there is no significant relationship between working condition and employees’ performance among SMEs in Delta State is therefore rejected.

- **Ho2**: There is no significant relationship between performance bonus and employees’ performance among SMEs in Delta State.

Table 4

*Pearson Product Moment Correlation on the relationships between Performance Bonus and Employees’ Performance among SMEs in Delta State.*

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>X</th>
<th>SD</th>
<th>Df</th>
<th>r</th>
<th>Sig</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance bonus</td>
<td>387</td>
<td>35.60</td>
<td>3.23</td>
<td></td>
<td>.185</td>
<td>.006</td>
<td>Reject</td>
</tr>
<tr>
<td>Employees’ performance</td>
<td>387</td>
<td>25.21</td>
<td>3.99</td>
<td></td>
<td></td>
<td></td>
<td>Ho</td>
</tr>
</tbody>
</table>

Table 4 reveals that the r value of .185. at df = 386, where P < 0.05. This indicates that there is a significant relationship between performance bonus and employees’ performance among SMEs in Delta State. Hence the null hypothesis which states that there is no significant relationship between performance bonus and employees’ performance among SMEs in Delta State is therefore rejected.
Discussion of Findings
The finding of the study reveals that working condition of small scale enterprise has a significant relationship on job performance where $r = 0.76, df = 386$ with $p = 0.01$, factors such as physical environment, length of working hours etc were germane to job performance. Secondly, the result of the study reveals that there was a significant relationship between performance of bonus and job performance of employee where $r = 0.62$ with $df = 386$, where $p = 0.03$, the findings of this study is in affirmation with the work done by Luzon (2022) found out that a positive relationship exist with performance-based bonus and employees’ productivity. Performance bonuses like profit shared bonus, commission bonus are boosters that makes employees to go extra mile in their innovation and creativity to grab the bonus. In same vein, the study of Nemia (2020) found out a significant relationship exist between performance bonus and job satisfaction between employees and management. Nemia discover that introduction of performance bases bonus in organization has led to elimination bias that arise as a result of nationalism, nepotism, religion, tribalism etc. Employee with performance based records go home with more money vice versa.

Recommendations
From the study so far, the following recommendations can be made

1. Employers of labour must provide basic for employee and create a healthy work environment.
2. Budgeting for performance bonus should be made mandatory by employers of labour and same should be maintained regularly to serve its purpose in the workplace.
3. Management must ensure that accessing performance bonus must be based strictly on merit to eliminate bias
4. Employers of labour must provide basic for employee and create a healthy work environment.
5. Employees should handle with care all working tools and equipment to increase their usefulness
6. Government at all levels should assist in monitoring and enforcing safety laws in the workplace to ensure compliance and a healthy workforce.
7. Environmental agencies should sanction and punish anyone found wanting among the employees and employers as healthy environment should be the concern of all.

Conclusion
Healthy working condition is not just the concern of employees but a crucial factor that every employer should give a priority to ensure increased and sustained performance. Nigerian employees should take their health safety more seriously. This is because a lot of resources are being wasted treating ailment while production suffers. The researchers therefore call on all stakeholders to collaborate for the better.

References
Nemia, M.G. (2020). The impact of performance based bonus in job satisfaction and work performance of employees in selected technological institution in Region 3


