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# EXTRINSIC REWARD SYSTEMS AND EMPLOYEE PERFORMANCE AMONG FREIGHT FORWARDING COMPANIES IN LAGOS STATE, NIGERIA

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**Abstract** *Extrinsic reward systems are essential elements that improve employee performance across all sectors globally. This study assessed the effects of extrinsic reward metrics on employee performance among freight forwarding firms in Lagos State. The study utilised a descriptive survey research design, incorporating dual sampling approaches of purposive and convenience sampling. Seventy-eight (78) copies of questionnaire were collected from chosen freight forwarders in Lagos State. The employed statistical approaches included basic frequency percentages and simple regression analysis. The statistical test showcased positive relationship between extrinsic reward metrics and employees' performance metrics at chosen freight forwarding enterprises in Lagos State. The study recommended that freight forwarding companies should enlighten their employees of the need to embrace insurance covers, enhance the bonuses given to their respective employees, and ensure pay rise when necessary for the stability and continued productivity of their employees. Freight forwarding businesses ought to advocate for policies that foster a healthy work-life balance.*

**Keywords** *Rewards, Extrinsic Reward, Employee Performance, Motivation*

## 1. Introduction

For many individuals, improving their quality of life is paramount, prompting them to seek work with organisations that provide superior incentives. Incentives are essential elements that motivate people to use their maximum efforts in producing innovative ideas that lead to improved company and service delivery (Ekudayo, 2018; Zhenjing et al., 2022). Manzoor et al. (2021) define reward as the aggregate of

monetary and non-monetary compensation or total remuneration provided to an employee in return for their labour or services rendered at their occupation. Liu and Liu (2022) noted that an effectively structured incentive system can encourage individuals to increase their effort, leading to enhanced productivity and superior work performance. Isimoya et al. (2018), Ibitomi et al. (2022), and Uzochukwu et al. (2023) have observed that reward systems are essential for enhancing competitiveness and cultivating positive employee attitudes inside the organisation.

However, the implementation of a comprehensive reward system by the business entity is essential for maximising employee performance. A reward system is crucial for the organisation as it plays a significant role in managing employee performance (Noorazem et al., 2021). The incentive system benefits not only employees but also serves as an effective mechanism to improve organisational performance. Ibitomi et al. (2022) assert that while reward systems significantly influence staff retention and motivation, they also assist businesses in attaining elevated performance levels. Consequently, organisations must implement programs, such as reward systems, to satisfy employees' demands and incentivize their performance. Reward encompasses all monetary, non-monetary, and social benefits that an organisation offers its employees; consequently, numerous factors influence employee performance, with motivation derived from rewards being paramount (Al Mamun & Khan, 2020; Enemuo & Olateju, 2021).

Rewards within an organisation can be categorised as extrinsic, intrinsic, or social. Extrinsic rewards are tangible incentives that exist outside the work or task executed by the employee. Extrinsic rewards may include income, incentives, bonuses, promotions, and job stability. Intrinsic rewards are intangible or psychological incentives, including as recognition, the fulfilment of new tasks, a supportive and considerate demeanour from the employer, and job rotation upon achieving objectives. Rewards encompass systems, programs, and practices that affect individuals' behaviours (Chukwuma et al., 2022; Ibitomi et al., 2022; Uzochukwu et al., 2023). Performance is as critical as the incentive system, as employees expect appropriate compensation when they attain high levels of performance (Noorazem et al., 2021). Zhenjing et al. (2022) defined employee performance as a metric reflecting financial or other results of the employee, directly linked to the organization's performance and success.

In Nigeria, as in other developing countries, the principal challenge confronting most businesses is the enhancement of staff productivity (Al Mamun & Khan, 2020). Employee performance directly influences business performance. If the majority of individuals perform inadequately, it will inevitably lead to subpar organisational performance, and conversely. Chukwuma et al. (2022) contended that insufficient rewards can impede initiatives to enhance organisational efficiency and result in a decline in performance quality. In extreme cases, it can intensify discontent, lead to elevated staff absenteeism, and augment job turnover rates. In many enterprises,

rewards are predominantly based on revenue and compensation. Conversely, another viewpoint on rewards relates to personal emotions or satisfaction, pleasure, or happiness, including admiration, recognition, status, engaging tasks, and training (Akafo & Boateng, 2015; Liu & Liu, 2022). Extrinsic rewards are essential factors that can affect individual success in the workplace.

Scholars had undertaken studies that were aimed at investigating the nexus between extrinsic reward and employee productivity. The impact of each or a combination of these components has been studied but a model that used all these components is rarely found. Also, a good number of these studies were carried out outside Nigeria and as such did not consider the peculiar situation of the Nigerian labour environment. There have also been differences in methodological approach adopted by researchers and findings have been varying too.Consequently, given that employee performance is vital to organisational operations and the establishment of reward systems ensures the achievement of organisational goals, it is essential to examine the effect of extrinsic incentive systems on employee performance from a sociological standpoint.

The aim of this study is to examine the effect of extrinsic reward system on employee performance among freight forwarding companies in Lagos State. The specific objectives are to examine the effects of pay rise on employee's productivity among freight forwarding companies in Lagos State; evaluate the effects of bonuses on employee's commitment among freight forwarding companies in Lagos State; and examine the effects of insurance cover on employee morale among freight forwarding companies in Lagos State

## 2 Literature Review

### 2.1 Conceptual Review

#### 2.1.1 Reward Systems

Okwuise et al. (2023) characterized reward as an event perceived by an individual as desirable, leading to enhanced performance and a sense of achievement; dependent on attaining a particular standard of excellence, experiencing pride in one's accomplishments, and feeling successful and competent. Ibitomi et al. (2022) assert that the appeal of a reward is influenced by two elements: the magnitude of the reward presented and the individual's personal assessment of the reward type. His reasoning posits that an individual's heightened appreciation for a specific reward, coupled with an increased quantity of that reward, amplifies the potential for motivation. The notion of reward, however differing among individuals, institutions, and society, holds universal significance.

Niguse and Getachew (2019) assert that the incentive system comprises multiple components, including policies, practices, processes, structures, systems, and procedures. The objective is to recognize and value the contributions of individuals to the business through financial and non-financial methods. According to Rue and Byars (2004), as cited by Enemuo and Olateju (2021), it is defined as a compilation of strategies for distributing both tangible and intangible rewards inside

a professional association. Uzochukwu et al. (2023) characterize reward systems as a collection of interrelated processes and practices that are executed effectively to manage rewards for the company and its personnel. The establishment of a reward system is essential for directing and encouraging employee behaviours to fit with the organization's objectives, ultimately leading to a substantial effect on the organization's success. Reward system can be classified into two: Extrinsic and Intrinsic reward systems.

**2.1.2 Extrinsic Reward system**

According to Manzoor et al. (2021), extrinsic rewards comprise the tangible rewards and benefits associated with a particular activity. Most times they are of a financial nature and have an element of objective measurement. Examples of extrinsic rewards include bonuses, promotions, corner offices, paid vacation trips, time off, high salaries. Munir et al. (2016) mentioned that some organizations offer flexible benefits plan without the management making a choice for employees. The authors reported that 'under the benefits plan employees are allowed to choose from varying options of banking time- off, gains sharing and skills-based pay'. Asides from the availability of external rewards, the use of choice provides a level of engagement that have also been shown to improve employee performance (Chukwuma et al. (2022).

The influence of extrinsic rewards will vary according to employee differences, types of reward (monetary and non-monetary) and situation. Therefore, extrinsic factors can become extrinsic motivators when they influence individuals positively (Izidor, 2016). Extrinsic rewards are understood in this study as available means of leveraging employee morale and motivation towards achievement of desired outcomes. When extrinsic rewards are used to recognise individual competence, these signals have potential to enhance individual motivation towards attainment of outcomes (Anjum et al., 2021). Extrinsic reward studies prove that salespeople prefer pay raises because they feel frustrated by their inability to obtain other rewards, but this behavior can be modified by applying a complete reward strategy. There are kinds of rewards: Extrinsic rewards: concrete rewards that employee receive the following: bonuses, salary, gifts, and promotion

**2.1.3 Employee Performance**

Sanderson et al. (2009) assert that employee performance is affected by multiple factors and is not independent. To optimize employee performance, firms must first concentrate on fundamental incentive criteria that motivate people to continuously provide high-quality work. The efficacy of human resource management is vital as it profoundly influences organizational success. Armstrong (2006) asserts that employees are motivated when they expect that a certain activity will lead to the attainment of a goal, which serves as a significant reward that satisfies their own needs. Consequently, individuals with strong motivation possess clearly defined goals and undertake actions they believe will facilitate the achievement of their goals. The efficacy of these activities mostly depends on the motivational process that

influences employees to have a positive disposition towards the organization and excel in their performance.

### 2.1.4. Extrinsic Reward system and Employee Performance Metrics

#### 2.1.4.1 Pay rise (Salary increase) and Employee Productivity

Salary (pay) is fixed amount of money or compensation paid to an employee by an employer in return of work done (Eneh, Chukwuma, & Gabriel, 2018). This means that income (pay) is the most obvious work incentive. The cost of living determined an employee's wage increase, which they considered entitlement without considering their own or the company's performance (Ldama & Nasiru, 2020). Khemissi and Chebbi (2022) state that efficiency pay models boost worker productivity with net wages. Workers actually work harder when paid more.

#### 2.1.4.2 Bonuses and Employees' Commitment

Work bonuses are awarded to employees for exceptional performance, significant contributions, or work results that exceed expectations (Francis et al., 2020). Work bonuses are financial rewards for exceptional performance or meeting goals. Annual or one-time project bonuses (PB) or performance bonuses might be provided periodically. However, financial rewards are monetary incentives that an employee receives for good performance to directly improve their financial well-being, such as bonuses, wage increases, and profit-sharing schemes, along with fringe benefits, transportation, medical, health, and life insurance, and vacation with meal facilities (Opio & Abal, 2022). Pay bonuses, fringe perks, transportation, medical, health, and life insurance, and vacation with paid meals are financial rewards (Millinga & Barongo, 2024).

#### 2.1.4.3 Insurance Coverage and Employees' Morale

Morale is a vital ingredient of organizational success because it reflects the attitudes and sentiments of organizational members towards the organization, its objectives and policies. These attitudes and sentiments largely affect productivity and the satisfaction of individuals. Morale is the total satisfaction a person derives from his job, his work-group, his boss, his organization and his environment (Ramana & Battu, 2022). Haji and Haji (2022) argue that health insurance, as part of the total reward package, is provided to employees in addition to remuneration to continue maintaining the quality of life for employees and providing a level of protection and financial security for workers.

### 2.2. Theoretical Review

#### 2.2.1 Expectancy Theory

This theory was formulated by Victor Vroom in 1964. The expectation hypothesis posits that individuals' performance is determined by a confluence of their abilities and motivation, or the decisions they make regarding their beliefs. Motivations vary among individuals but consistently include: (i) the expectation that their effort would result in a desired performance level; (ii) the idea that their performance will yield valued outcomes (instrumentality); and (iii) the valuation of a specific outcome

(valence). Consequently, motivation is defined as E x I x V, where E represents anticipation, I denotes instrumentality, and V signifies valence (Isaac et al., 2001 as quoted in Lookman et al., 2019). Expectancy theory posits that employees will invest effort to attain organizational objectives if they are presented with rewards that hold significant value for them. This theory associate's diligence and superior performance with anticipated benefits. This aligns with the concept of hedonism and the desire for pleasure, which in this instance is based on esteemed rewards.

The expectancy rewards theory posits that humans possess the capacity for choice and logical thought. A crucial aspect of expectancy theory pertains to the notion that the worth of any reward is subjective; one individual may prioritize social prestige, whereas another may choose money incentives. The valuation of rewards differs among individuals and may also fluctuate over time for the same individual (Grimard, 2018). Individual differences can render the workplace both intriguing and challenging for managers (Porter et al., 2003). Managers should thus endeavour to reassure their personnel that enhanced effort will result in improved performance, subsequently yielding valuable incentives.

**2.3 Empirical Review**

Alam et al. (2024) examined the influence of reward and punishment on employee performance within the pharmaceutical sector in Bangladesh. The research employed a quantitative methodology, utilising primary data collection for the year 2022. The sample population comprised all category 11'A pharmaceutical enterprises engaged in medicine production and listed on the Dhaka Stock Exchange. A standardised questionnaire was employed to interview 306 employees using a purposive sample strategy. The statistical software package for social sciences facilitated the data analysis. The study demonstrated that both extrinsic rewards and punishments had a substantial and favourable impact on employee performance in Bangladesh's pharmaceutical sector. Furthermore, intrinsic and social rewards were determined to have no significant effect. The study highlights the importance of establishing suitable reward and punishment systems to improve employee performance, benefiting Bangladesh's pharmaceutical sector.

Yakubu and Olori (2023) investigated the relationship between intrinsic rewards and employee engagement in fast-food companies in River State, Nigeria. A survey design was utilised with a sample size of 138 employees recruited from 12 designated fast-food establishments. A sample size of 103 was extracted from the overall population. Systematic sampling strategies were employed to distribute questionnaires to the chosen individuals for data collection. The collected data were evaluated using Spearman Rank Order Correlation to determine the existing dimensions of the variables of interest. The data indicated a significant and favourable relationship between intrinsic rewards and employee performance. The study revealed that intrinsic rewards, including autonomy and recognition, significantly influence organisational dynamics and enhance employee engagement.

Chantal et al. (2022) evaluated the correlation between intrinsic rewards and employee performance, specifically within non-profit companies in Rwanda. This study aimed to ascertain the relationship among the existing factors. It employed a correlational study design. The study utilised a questionnaire and an interview guide to collect essential data. The study utilised a range of statistical methods, encompassing both descriptive and inferential statistics. The results indicated that incentives had a positive and significant influence on employee performance.

Noko and Nwufor (2021) assessed the relationship between employee performance and organisational performance, emphasising employees' perceptions of intrinsic and extrinsic reward systems. The research utilised a structural equation modelling (PLS-SEM) approach to evaluate six hypotheses. A sample of four hundred (400) employees from Zenith Bank Plc was obtained using a structured questionnaire. The data indicated that both intrinsic and extrinsic rewards positively and significantly affect employee performance; however, extrinsic rewards proved to be more effective than intrinsic rewards. Subsequent findings indicated that three of the four factors—effective service delivery, quality of work, and customer ratings—exert a positive and significant influence on organisational performance, however time management failed to account for organisational performance. The study determined that rewards are essential for both employee and organisational performance.

Hassan and Govindhasamy (2020) examined the impact of extrinsic and intrinsic rewards on employee retention, specifically targeting Generation Y within Malaysian manufacturing firms. The research collected data using a structured questionnaire from a sample of 113 participants employed in manufacturing firms located in Seri Kembangan, Selangor. The research utilised a multiple regression technique for data analysis. Research indicated that both extrinsic and intrinsic rewards are determinants affecting the retention of Generation Y in manufacturing firms. The research demonstrated that both reward strategies substantially influenced employee retention.

## 3 Research Methods

In attainment of the objectives of this study, a descriptive survey research design was adopted. The justification for the adoption of this design was because it provides framework for quantitative or numeric description of trends, attitudes or opinions of a population by studying a sample of that population (Creswell & Creswell, 2018; Wilson, 2014). The study population comprised of five hundred and eight (508) registered freight forwarders in Nigeria (The Council for the Regulation of Freight Forwarding in Nigeria, CRFFN, 2023). The study further adopted a structured questionnaire cum double sampling techniques consisting of purposive and convenience. For the purposive sampling technique, the expertise of the selected participants was crucial while convenience sampling considered the availability, preparedness and accessibility of the participants. With

the help of Taro Yamane Formula of sample size, One Hundred and 110 was the sample size of this study. Seventy-eight (78) copies of retrieved questionnaire were useful for data analysis; out of the one hundred and twenty (110) copies of structured questionnaire distributed; making a 71 percent response rate.

Regarding the correctness of the survey instrument, congruent, logical, and criterion-related types of validity were adopted. While the congruent (construct) validity was carried out through variables explained from past literature, the logical (content) validity was employed via expert opinions, selected registered freight forwarders, and academia in business and management. Having distributed the research instrument, experts thoroughly examined it, came up with logical and reasonable suggestions, and thus gave advice that assisted in designing a questionnaire that accurately measured the variables. For criterion-related validity, research instrument was further scrutinised to ensure the appropriateness of the survey instrument. A Cronbach alpha (α) value was calculated for each of the dimensions to confirm their reliability. The results for all the constructs exceeded 0.7 values. This further indicated the reliability of the research instrument. These results statistically infer that the scale is valid for measuring intrinsic reward systems and employees' performance among registered freight forwarding companies in Lagos State. The study statistical interference were Friedman's rank and simple regression techniques for the analysis.

## 4. Results and Discussion of Findings

### 4.1. Descriptive Analysis of Participants Responses

**Table 4.1: Participants' Bio-Data Information**

| Variable | Response Label | Frequency | Percentages (%) |
|---|---|---|---|
| Gender | Male | 31 | 39.7 |
| | Female | 47 | 60.3 |
| Age | 18 but less than 30 | 00 | 0.0 |
| | 30 but less than 40 | 35 | 44.9 |
| | 40 but less than 50 | 20 | 25.6 |
| | 50 but less than 60 | 23 | 29.5 |
| Educational Qualification | BSc/HND | 44 | 50.0 |
| | Master's Degree | 10 | 18.8 |
| | Doctorate | 05 | 3.1 |

| | | | |
|---|---|---|---|
| | Professional certificate | 09 | 6.3 |
| | Others | 10 | 21.9 |
| Years of experience | Less than 5 years | 13 | 16.7 |
| | 5 years but less than 10 years | 31 | 39.7 |
| | 10 years but less than 15 years | 13 | 16.7 |
| | 15 years & above | 21 | 26.9 |

Source: *field survey (2025)*

The data presented in Table 4.1 provides insights into various demographic variables. These statistics offer an insight into the configuration of the surveyed population, allowing for valuable observations and implications. The gender distribution reveals it is highly skewed towards females, constituting 60.3 percent of the sample compared to 39.7 percent of females. This gender disparity might influence perspectives on various aspects, potentially affecting responses and attitudes towards the survey's subject matter. Regarding age demographics, the data illustrates high percentages with regard to those aged 30 but less than 40 years and 50 years but less than 60 years with 44.9 percent and 29.5 percent respectively. It was followed by those aged 40 but less than 50 amounted to 25.6 percent while a no percent was accounted for those aged 18 but less than 30 years. The responses from the participants are indications of the maturity encompassing their opinions regarding the subject matter. Educational qualifications showcase a notable distribution, with the majority (50 percent) holding a BSc/HND. This high percentage suggests a well-educated sample population, potentially indicating a higher level of expertise among respondents. For the years of experience of respondents, majority claimed to have more than five years of experience with a percentage of 39.7.

### 4.2 Test of Hypotheses

**$Ho_1$**: Pay rise does not have effects on employee's productivity among freight forwarding companies in Lagos State

**Table 4.2: Simple Regression Results for Pay Rise vs Employee Productivity**

**Table 4.2. Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .321[a] | .103 | .091 | .618 | .103 | 38.939 | 1 | 76 | .011 |

a. Predictors: (Constant), Pay Rise

b. Dependent Variable: Employee Productivity

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 21.208 | 1 | 21.208 | 38.939 | .011[b] |
| | Residual | 88.231 | 76 | .545 | | |
| | Total | 109.439 | 77 | | | |

a. Dependent Variable: Employee Productivity

c. Predictors: (Constant), Pay Rise

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 4.970 | .553 | | 8.985 | .000 | 3.878 | 6.062 |
| | Pay Rise | .105 | .017 | .321 | 6.240 | .011 | .071 | .138 |

a. Dependent Variable: Employee Productivity

**Source**: *Researcher's Computation, 2025*

From the Table 4.2 results of the regression analysis presented above, it is clear that there is positive relationship between pay rise and employee productivity. The model also shows the variations experienced by the dependent variable that could be explained by the independent variable (R square) which shows that pay rise is responsible for about 10.3 percent of variance in employee productivity. This means that 89.7 percent of the demand for motor insurance enjoyed among freight forwarders in Lagos State comes from other factors other than the predictor used in this model (*pay rise*). The generalisation of the results (Adjusted R square) indicates that true 9.1 percent of the variation in among freight forwarders in Lagos State comes from other factors other than the predictor used in this model is explained by pay rise.This result is almost close to reality as the difference between R Square and Adjusted R Square is not high. The standard error fit, which is a measure of the precision of the model, shows how wrong the statistical outcomes could be at 0.7 percent if one uses this model to make real life predictions. The above result is statistically significant as seen in the ANOVA table (*p-value = 0.000*) as it is greater than the 0.05 confidence interval used in this study. A value greater than 1

show that F-ratio yield an efficient model but 38.939 F-ratio indicates that this model is not very efficient.

**$Ho_2$**: Bonuses do not have effects on employee's commitment among freight forwarding companies in Lagos State

**Table 4.3: Simple Regression Results for Bonuses vs Employees' Commitment**

**Table 4.3. Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .351[a] | .123 | .116 | 3.44733 | .123 | 12.588 | 1 | 76 | .012 |

a. Predictors: (Constant), Bonuses

b. Dependent Variable: Employees' Commitment

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 129.598 | 1 | 129.598 | 12.588 | .012[b] |
| | Residual | 1244.059 | 76 | 11.884 | | |
| | Total | 1363.657 | 77 | | | |

a. Dependent Variable: Employees' Commitment

c. Predictors: (Constant), Bonuses

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 7.897 | 1.383 | | 5.709 | .000 | 5.154 | 10.640 |
| | Bonuses | .382 | .108 | .351 | 3.548 | .012 | .168 | .595 |

a. Dependent Variable: Employees' Commitment

**Source**: *Researcher's Computation, 2025*

From the Table 4.3 results of the regression analysis presented above, it is clear that there is positive relationship between bonuses and employees'

commitment. The model also shows the variations experienced by the dependent variable that could be explained by the independent variable (R square) which shows that bonuses is responsible for about 12.3 percent of variance in employees' commitment. This means that 87.7 percent of the employees' commitment enjoyed among freight forwarders in Lagos State comes from other factors other than the predictor used in this model (*bonuses*). The generalisation of the results (Adjusted R square) indicates that true 1 percent of the variation in employees' commitment is explained by bonuses. This result is almost close to reality as the difference between R Square and Adjusted R Square is not high. The standard error fit, which is a measure of the precision of the model, shows how wrong the statistical outcomes could be at 3.4 percent if one uses this model to make real life predictions. The above result is statistically significant as seen in the ANOVA table (*p-value = 0.001*) as it is less than the 0.05 confidence interval used in this study. A value greater than 1 show that F-ratio yield an efficient model but 12.588 F-ratio indicates that this model is not very efficient.

**Ho3**: Insurance cover does not have effect on employee morale among freight forwarding companies in Lagos State

**Table 4.4: Simple Regression Results for Insurance cover vs Employee Morale**

**Table 4.4. Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | . 510[a] | .260 | .250 | 1.827 | .260 | 26.717 | 1 | 76 | .000 |

d. Predictors: (Constant), Insurance cover

Dependent Variable: Employees' Morale

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 89.141 | 1 | 89.141 | 26.717 | .000[b] |
| | Residual | 253.577 | 76 | 3.337 | | |
| | Total | 342.718 | 77 | | | |

a. Dependent Variable: Employees' Morale

e. Predictors: (Constant), Insurance cover

| Coefficients[a] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 11.551 | 1.480 | | 7.803 | .000 | 8.603 | 14.500 |
| | Insurance cover | .395 | .076 | .510 | 5.169 | .000 | .243 | .547 |
| a. Dependent Variable: Employees' Morale | | | | | | | | |
| **Source**: *Researcher's Computation, 2025* | | | | | | | | |

From the Table 4.4 results of the regression analysis presented above, it is clear that there is positive relationship between insurance cover and employees' morale. The model also shows the variations experienced by the dependent variable that could be explained by the independent variable (R square) which shows that insurance cover is responsible for about 26 percent of variance in employees' morale. This means that 74 percent of the employee performance enjoyed among freight forwarders in Lagos State comes from other factors other than the predictor used in this model (*insurance cover*). The generalisation of the results (Adjusted R square) indicates that true 25.0 percent of the variation in employees' morale is explained by insurance cover. This result is almost close to reality as the difference between R Square and Adjusted R Square is not high. The standard error fit, which is a measure of the precision of the model, shows how wrong the statistical outcomes could be at 2 percent if one uses this model to make real life predictions. The above result is statistically significant as seen in the ANOVA table (*p-value = 0.000*) as it is less than the 0.05 confidence interval used in this study. A value greater than 1 show that F-ratio yield an efficient model but 26.717 F-ratio indicates that this model is not very efficient.

## 5 Conclusion and Recommendations

The study's findings demonstrate the importance of extrinsic reward schemes on employee performance among freight forwarders in Lagos State. The results confirmed the relationships among pay rise and employee productivity; bonuses and employee commitment; and insurance cover and employee morale. Theses sub-metrics of extrinsic reward and employee performance showed positive relationships among themselves. It is therefore important that freight forwarding companies should take extrinsic reward serious in a bid to advance employees'' productivity, commitment, and morale.

Based on the findings of this study, recommendations should emphasise the establishment of a system that routinely acknowledges employees' contributions,

both publicly and privately. This may encompass acknowledgements during meetings, expressions of gratitude, and the promotion of accomplishments in corporate newsletters. Furthermore, freight forwarding companies should enlighten their employees of the need to embrace insurance covers, enhance the bonuses given to their respective employees, and ensure pay rise when necessary for the stability and continued productivity of their employees. Freight forwarding businesses ought to advocate for policies that foster a healthy work-life balance. This encompasses fair working hours, sufficient breaks, and assistance for employees' personal lives. It is essential to have a comprehensive communication strategy to tell employees about other extrinsic reward programs and their potential benefits.

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