COMPENSATION PACKAGES AND ACCESS BANK EMPLOYEES' JOB PERFORMANCE IN AKWA IBOM STATE, NIGERIA

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Abstract
This study investigated the influence of compensation packages on Access Bank employees' job performance in Akwa Ibom State, Nigeria. Anchored on Herzberg's Two-Factor and Vroom's Expectancy theories. The descriptive research design was adopted. The population comprised 142 banking professionals, from which a sample of 105 was selected using a stratified random sampling technique. Data were collected via a validated "Compensation Packages and Employees' Job Performance Questionnaire" (CPEJPQ), with Cronbach's alpha reliability co-efficient value of 0.73. Results revealed that monetary compensation (e.g., Financial incentives and welfare) and non-financial compensation (e.g., recognition and career development) significantly influenced job performance; with non-monetary rewards showing a stronger impact on long-term commitment. The authors conclude that while financial stability prevents dissatisfaction, psychological motivators drive superior service delivery. It was recommended, among others, that Access Bank Managers should endeavor to prioritize merit-based promotion and recognition schemes.

Keywords: *Banking Sector, Business Education, Compensation Packages, Job Performance.*

Introduction

Given the realities of the 21st- century global economy, the success of any corporate entity is intrinsically tied to the quality and dedication of its human capital. Commercial banks, especially in a volatile economy like Nigeria's, depend heavily on high employee productivity to maintain competitive advantage, drive profitability and ensure customer loyalty. However, the Nigerian banking sector has faced significant challenges, including high turnover rates, unrealistic performance targets, and declining employee morale, often attributed to perceived inequities in reward systems (Ebieme & Bassey, 2026).

Compensation packages, which encompass both financial incentives (such as, salaries, bonuses and commissions) and non-financial rewards (such as, health insurance, career development and recognition), serve as critical strategic tools for motivating and retaining talent. Theoretical frameworks such as Herzberg's Two-Factor Theory (1959) suggest that while financial "hygiene" factors prevent dissatisfaction, "motivators" like professional recognition and career growth are essential for driving high-level job performance. Similarly, Vroom's Expectancy Theory (1964) highlights that employees are motivated to excel when they perceive a clear link between their effort, performance and desirable rewards.

In Akwa Ibom State, Access Bank is as a major financial player with a significant workforce presence. Despite its Tier-1 status, there remains a persistent question regarding how its compensation strategies effectively translate into superior job performance among its staff. This inquiry is particularly vital for the field of Business Education. There appear to be a gap between the university instruction and industry expectations in Nigeria, where the current curriculum often fails to equip students with a realistic understanding of industrial reward systems and workforce management.

Scholars in Business Education argued that for vocational programmes to remain relevant, the curriculum must be periodically enriched with empirical data from the industry (e.g., Bassey & Ebieme, 2026). Therefore, analyzing the influence of compensation packages on employees' job performance in Access Bank, especially in Akwa Ibom State in Nigeria would provide the empirical evidence to update Business Education modules (curriculum), ensuring that future graduates are not only employable but also grounded in the realities of 21st-century human resource management.

Statement of the Problem

Despite the critical role of the banking sector in Nigeria's economic stability, commercial banks in Akwa Ibom State, including Access Bank, continue to grapple with challenges related to fluctuating employees' performance, high turnover rates, and declining job commitment and satisfaction. Most recent empirical evidence reveals that despite massive personnel spending-with eight major Nigerian banks spending over N4.61 million on salaries and operations in 2024-cost pressures from inflation and naira devaluation persistently undermine the effectiveness of traditional reward systems. The problem is further compounded by a perceived lack of transparency and equity in the distribution of non-monetary rewards and career advancement opportunities. Many banking professionals in the state report that existing packages do not sufficiently address their psychological and safety needs, leading to increased workplace stress and a "brain drain" of skilled talent.

Importantly, within the academic domain, there appears to be a significant mismatch between these rapidly evolving industry compensation strategies and the Business Education curriculum in Nigerian Universities. While the banking sector now emphasizes performance-incentive programmes and tech-driven reward systems, the curriculum remains largely outdated, failing to equip graduates with the practical understanding of contemporary industrial reward mechanisms. If this problem is not addressed soon, the banking sector in Akwa Ibom State may face a long-term erosion of service quality, while the Department of Business Education may be risking the production of graduates whose skills are obsolete. This study, therefore, examined the influence of compensation packages on Access Bank employees' job performance in Akwa Ibom State.

Purpose of the Study

The central aim of this study is to determine the influence of compensation packages on Access Bank employees' job performance in Akwa Ibom State, Nigeria. Specific aims were to determine:

1. the influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.
2. the influence of non-monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Research Questions

The following research questions were raised to guide the study.

Research Question 1: What is the influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria?

Research Question 2: What is the influence of non-monetary compensation on Access Bank employees' performance in Akwa Ibom State, Nigeria?

Research Hypotheses

The following null hypotheses were tested at a 0.05 level of significance.

Research Hypothesis 1: There is no significant influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Research Hypothesis 2: There is no significant influence of non-monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Literature Review

Compensation Packages

Armstrong and Taylor (2023) viewed compensation as a strategic system that includes not just "pay" but also the "work experience". They added that it is seen as a combination of direct financial rewards (salary/bonuses) and indirect rewards (pension/insurance), alongside intrinsic rewards such as recognition and personal growth. In the banking sector, compensation is described through two types of exchanges: Transactional Rewards: These are tangle and cash-based (example, the monthly salary from access Bank). They address the "hygiene" needs of the employee. Relational Rewards: These are intangible and focus on the relationship between the bank and the employees (example, job security and career development). These are the "Motivators" that drive high-level performance (Adediran & Bassey, 2023; Herzberg, 1959). In the context of Business Education, compensation is divided into monetary and non-monetary. Monetary compensation is viewed as the baseline for external equity, that is, the degree to which a bank's pay compares with other competitors in the market. While it is essential for attracting talent, many scholars argue that it is less effective than non-monetary rewards for long-term employee retention (Bernard, 2025). Non-monetary compensation (also called indirect, intrinsic or psychological rewards) refers to non-cash benefits provided to employees to enhance their quality of life, job satisfaction and professional growth (Adedrian & Bassey, 2023). While monetary pay addresses "hygiene" needs, non-monetary rewards are considered the true "motivators" that drive long-term commitment and high-level performance. Compensation packages (often referred to as total rewards) are described as the sum total of all financial and non-financial benefits provided by an organization to its employees in exchange for their time, skills and labour (Armstrong & Taylor, 2023; Ebieme & Udida, 2026). It can also be viewed as the integrated reward system consisting of monetary incentives (basic pay and allowances) and non-monetary incentives (recognition and health benefits) designed to influence the job performance of banking professionals. Thus, it is safe to say that compensation is a strategic tool for curriculum development. It should be taught in Business Education to ensure graduates can manage human capital effectively in the 21st –century economy.

Job performance

Job performance can be viewed as the total expected value to an organization of the discrete behavioural episodes that an individual caries over a specified period (Borman & Motowidlo, 1993). It is described as the behaviours and actions of employees that contribute to the attainment of the goals of an organization (Ebieme & Udida, 2026). Scholars generally breakdown job performance in three core areas: Task Performance: This refers to the core technical duties listed in a banking professional's job description, such as processing withdrawals, opening accounts or meeting loan targets (Campbell et al., 1990). Contextual Performance: Also known as organizational citizenship behaviour (OCB), this involves actions that support the social and psychological environment of the bank, like helping a colleague or being a good "team player" (Borman & Motowidlo, 1993). Adaptive Performance: This is the employee's ability to adjust to changes, such as new banking technologies (Fintech) or shifting Nigerian financial regulations (Armstong & Taylor, 2023; Campbell et al., 1990). Job performance is the "yardstick" used to measure the effectiveness of the Business Education Curriculum (Adediran & Bassey, 2023). If graduates are performing poorly in banks, it implies that the curriculum needs to be updated to better align with the skills and behaviours demanded by the industry (Olulube, 2025).

Theoretical Framework

This study relied on Two-Factor (Motivation –Hygiene) theory and Expectancy Theory. Herzberg (1959) argued that factors such as salary, bonuses, and working conditions (hygiene factors) do not necessarily motivate employees to perform high on the job, but their absence leads to extreme dissatisfaction. In the context of Access Bank, these monetary packages are the "entry stakes" required to keep banking professionals on the job. Motivators/Non-Monetary (Compensation): these are intrinsic factors such as recognition, career advancement, and the nature of the work itself. Herzberg posited that these are the true drivers of superior job performance. This theory justifies the split between monetary and non-monetary compensation. It allows the researchers to investigate whether Access Bank's financial incentives are merely preventing dissatisfaction or if their non-monetary rewards are truly driving the "extra-mile" performance required in modern banking.

Expectancy Theory provides the process-link between the reward and the effort. It is based on three mental components: Expectancy, Instrumentality, and Valence (Vroom, 1964). Expectancy: the belief that increased effort will lead to increased performance. Instrumentality: the belief that if an employee performs well, they will actually receive the promised compensation package. Valence: the value the employee personally places on the reward (example, does a banking professional in Uyo value a promotion more than a cash bonus?). This theory is crucial for Business Education curriculum implications. It suggests that for students to be successful, they must understand that compensation is not just about "paying people", but about managing the expectations and perceptions of the workforce to achieve organizational goals.

Methods

Research Design

This study adopted a descriptive survey design integrated within a Geographically Stratified Institutional Protocol (GSIP) framework. The descriptive survey design is justified because it allows for the collection of detailed, quantifiable data regarding the natural state of compensation packages (Creswell & Creswell, 2018).

Population and Sample

The population of the study was 142 employees. Cleaners, security men and auxiliary staff were not included in the study. The sample size was 105, determined using Taro Yamane Formula. Stratified random sampling technique was used. Furthermore, integrating a stratified approach is justified because the population is divided into district, naturally occurring layers across three senatorial districts. This guarantees that every district is proportionally sampled eliminating geographic bias and increasing the precision of predictive regression analysis (Saunders et al., 2019).

Instrument, Validation and Reliability

The instrument used for data collection was a structured questionnaire titled "Compensation Packages and Employees' Job Performance Questionnaire, validated by three experts in Business Management, Business Education and Measurement and Evaluation. Reliability was confirmed through a pilot test on ten (10) Access Bank employees outside the main study pool, yielding a Cronbach's alpha co-efficient value of 0.73. This was deemed high enough for the study and was supported by Nunnally and Bernstein (2000), who asserted that a reliability co-efficient of 0.50 should be accepted particularly at the early state of the research.

Data Collection

Three research assistants were deployed across the three Senatorial Districts. Research assistant 1 (Uyo central) – handled main branches within the Uyo Metropolis. Research assistant 2 handled branches in Ikot Ekpene and Abak, while research assistant 3 handled branches in Eket, Oron and Ikot Abasi, Simple random technique was used to administer the copies of the questionnaire during official working hours, having obtained permission from Branch Managers. In the copies of the questionnaire, the respondents responded by indicating their degree of agreement or disagreement to each statement by ticking along the column provided. Scoring of the instrument was graded as follows: Strongly Agree (A)-4, Agree (A)-3, Undecided (0), Disagree (D)-2, Strongly Disagree (SD)-1. Data collection followed a standardized "Two visit-drop and collet model". This was adopted because of the busy nature of banking professionals. 91 copies of the questionnaire out of 105 administered, representing 86.7% were returned in useable form.

Data Analysis

Descriptive and inferential statistics were used for data analysis. Simple linear regression was used to answer research questions and to test the null hypotheses formulated at .05 level of significance. In order to take decision as regard research questions, any r-value that fell between 0.10-0.39 was regarded as low, 0.40-0.59 moderate, 0.60-0.79 high and 0.80-0.99 very high. In terms of the hypotheses, whenever the p-value was less than .05 level of significance, the null hypotheses were rejected and also whenever the p-value is greater than the .05 level of significance, the null hypotheses were accepted. The findings were subsequently utilized to discuss practical implications for the Business Education Curriculum.

Result

Research Question 1: What is the influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria?

Table 1: Linear Regression of the Influence of Monetary Compensation on Access Bank Employees' Job Performance in Akwa Ibom State, Nigeria (N=91)

Variables	r	r^2	Adjusted r^2
Monetary compensation Employees' job performance	0.802	0.643	0.641

Table 1 shows a coefficient (r-value) of 0.802, indicating a very high positive relationship between monetary compensation and Access Bank employees' job performance in Akwa Ibom State, Nigeria. The coefficient of determination (r^2-value) of 0.643 also indicates that 64.3 percent of the variance in Access Bank employees' job performance in Akwa Ibom State, Nigeria is explained or predicted by monetary compensation. This means that there is influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Research Question 2: What is the influence of non-monetary compensation on Access Bank employees' performance in Akwa Ibom State, Nigeria?

Table 2: Linear Regression of the Influence of Non-Monetary Compensation on Access Bank Employees' Performance in Akwa Ibom State, Nigeria (N=91)

Variables	r	r^2	Adjusted r^2
Non-monetary compensation Employees' job performance	0.709	0.503	0.502

Table 2 shows a coefficient (r-value) of 0.709, indicating a high positive relationship between non-monetary compensation and Access Bank employees' job performance in Akwa Ibom State, Nigeria. The coefficient of determination (r^2-value) of 0.503 also indicates that 50.3 percent of the variance in Access Bank employees' job performance in Akwa Ibom State, Nigeria is explained or predicted by non-monetary compensation. The result implies that there is influence of non-monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Research Hypothesis 1: There is no significant influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Table 3: Linear Regression of the Influence of Monetary Compensation on Access Bank Employees' Job Performance in Akwa Ibom State, Nigeria (N=91)

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	6167.45	1	6167.45	94.35	$.00^b$
1	Residual	5817.99	89	65.37		
	Total	11985.44	90			

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.30	1.42		2.32	.02
	Monetary compensation	.91	.05	.79	20.12	.00

Table 3 shows the F-ratio of 94.35 with the probability level of significance of .00 at 1 and 89 degrees of freedom. This level of significance is less than .05 on which the decision is based. With this result, the null hypothesis was rejected. Table 3 also shows an unstandardized co-efficient (B) of 0.91, which indicates that for every one-unit increase in monetary compensation, Access Bank employees' job performance in Akwa Ibom State, Nigeria increases by 0.91 units. Furthermore, the t-value of 20.12 with a corresponding significance level of .00, which is also less than .05, reinforces that there is a significant influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Research Hypothesis 2: There is no significant influence of non-monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Table 4: Linear Regression of the Influence of Non-Monetary Compensation on Access Bank Employees' Job Performance in Akwa Ibom State, Nigeria (N=91)

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	4970.66	1	4970.66	63.06	$.00^b$
1	Residual	7014.78	89	78.82		
	Total	11985.44	90			

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.70	1.04		10.30	.00
	Non-monetary compensation	.54	.03	.71	17.00	.00

Table 4 shows the F-ratio of 63.06 with the probability level of significance of .00 at 1 and 89 degrees of freedom. This level of significance is less than .05 on which the decision is based. With this result, the null hypothesis was rejected. Table 4 also shows an unstandardized coefficient (B) of 0.54, which indicates that for every one-unit increase in non-monetary compensation, Access Bank employees' job performance in Akwa Ibom State, Nigeria increases by 0.54 units. Furthermore, the t-value of 17.00 with a corresponding significance level of .00, which is also less than .05, reinforces that there is a significant influence of non-monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria.

Discussions

The first objective of the study was to determine the influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria. The result of hypothesis one revealed a significant influence of monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria. The finding of the study supports a study by Bernard (2025) who found that performance incentive programmes, recognition, reward systems, and work-life balance frameworks each had significant positive effects on employees' performance.

The second objective of the study was to evaluate the influence of non-monetary compensation on Access Bank employees' job performance in Akwa Ibom State, Nigeria. The result of hypothesis two revealed a significant influence of non-monetary compensation on Access Bank employees' job performance. The finding supports a study by Ebito and Obialor (2024) who found that recognition (non-monetary rewards) had a significant positive effect on employees' performance. This implies that while financial stability prevents job satisfaction, intrinsic motivators such as career development and professional recognition are the true drivers of superior service delivery and Access Bank organizational commitment in Akwa Ibom State, Nigeria. Consequently, these industry realities necessitate a critical review of the Business Education curriculum to move beyond traditional administrative theories and integrate contemporary human capital management strategies, ensuring that graduates are pedagogically equipped to navigate the performance driven reward systems of the modern Nigerian economy.

Conclusion and Recommendations

Based on the findings of the study, it was concluded that compensation packages serve as the primary catalyst for employees' job performance within the banking sector of Akwa Ibom, State, Nigeria, validating the theoretical premise that a strategic blend of monetary incentive and non-monetary rewards are essential for optimizing workforce productivity. Based on the findings and conclusion of the study, the following recommendations are made:

1. Access Bank Management should endeavor to review and align its monetary compensation periodically; including salaries, performance bonuses, and welfare packages with current inflationary trends in Nigeria to sustain employees' subsistence and minimize job dissatisfaction.
2. To drive superior performance, Access Bank should endeavor to strengthen its non-monetary reward systems by institutionalizing transparent professional recognition programmes and providing clear, accessible career development pathways that satisfy the higher- order psychological needs of employees.
3. The Department of Business Education should endeavor to update its Human Resources and Office Management modules to move beyond traditional wage theories, incorporating case studies on performance, contingent reward systems and tech-driven incentive models currently used in the Nigerian banking sector.

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