EFFECT OF NON-FINANCIAL COMPENSATION ON EMPLOYEE PERFORMANCE IN SMALL AND MEDIUM ENTERPRISES IN ZAMFARA STATE

¹HASSAN, Abdul Sabur, ²M.M. Khalifa PhD & ³HASSAN Umar Umar PhD

^{1,2&3}Department of Business Administration, Nasarawa State University, Keffi.

Abstract

The practice of placing limited emphasis on non-financial rewards, potentially undermining employee motivation, engagement, and productivity and this necessitated this study examine effect of non-monetary compensation of recognition and carrier development and how they affect employee performance in SMEs Zamfara state. Survey design was adopted wherein questionnaire were distributed to 302 employees of registered SMEs in Zamfara state. a multistage sampling technique was adopted and the data were analyzed using Partial Least Squares Structural Equation Modell (PLS-SEM). The study found that recognition and carrier development have positive and significant effect on employee performance. Study recommends that recognition should be timely, specific, and aligned with performance outcomes to reinforce desired behaviors effectively and SMEs should prioritize career development by providing ongoing training, mentorship, and clear opportunities for advancement.

Keywords: non-financial, employee, motivation, recognition, carrier development

INTRODUCTION

Non-financial compensation refers to the rewards and benefits employees receive that do not involve direct monetary payments but significantly enhance motivation, job satisfaction, and performance. Globally, organizations are increasingly focusing on non-financial incentives such as recognition, career development like opportunities for growth, flexible work schedules, a supportive work environment, and work-life balance to attract and retain talent. These elements satisfy employees' intrinsic needs and contribute to a sense of belonging and purpose in the workplace. Recent studies highlight those non-financial rewards can be more effective than monetary compensation in sustaining long-term employee engagement and loyalty (Imran et al., 2023).

In the Nigerian context, non-financial compensation plays a vital role in enhancing employee motivation, satisfaction, and retention, especially in sectors where financial resources may be limited. Nigerian organizations increasingly rely on non-monetary incentives such as public recognition, career advancement opportunities, employee training, flexible work conditions, and a respectful work environment to boost morale and performance. Given the socio-economic challenges and high unemployment rates, employees often value job security, supportive leadership, and professional development as key motivators. Studies show that in Nigeria, non-financial rewards are particularly effective in fostering commitment and productivity, especially among younger and mid-level employees (Akinyele & Olamide, 2023).

Non-financial compensation refers to the range of intangible rewards and benefits provided to employees that do not involve direct monetary payment but are essential for fostering motivation, loyalty, and job satisfaction. These rewards address employees' intrinsic needs and include elements such as recognition, opportunities for personal and professional growth, work-life balance, job security, supportive leadership, and a positive organizational culture. Unlike financial incentives, non-financial compensation strengthens employees' emotional connection to their roles and employers, often leading to improved performance and reduced turnover. According to Kassa and Tekle (2023), non-financial rewards significantly influence employee engagement by satisfying psychological needs such as autonomy, competence, and relatedness, which are central to sustained workplace motivation

Non-financial compensation encompasses all rewards given to employees that are not monetary but contribute significantly to job satisfaction, motivation, and organizational commitment. These include career development opportunities, recognition, autonomy, positive work environments, and flexible

working conditions. Such incentives play a crucial role in fulfilling employees' psychological and social needs, which monetary rewards alone often fail to address. Non-financial compensation is especially important in modern organizations seeking to build a committed and productive workforce without relying solely on salary increases. As noted by Ahmed, et al., (2023), non-financial rewards like recognition and career development are positively correlated with increased employee engagement and retention, especially in resource-constrained environments.

Employee recognition refers to the acknowledgment and appreciation of an employee's efforts, achievements, behaviors, or contributions to the organization. It can take many forms formal or informal, public or private and includes verbal praise, awards, certificates, performance-based promotions, or peer-to-peer appreciation. The core idea is to make employees feel valued and respected, which in turn boosts morale, motivation, and loyalty. Recognition is a key element of non-financial compensation, as it fulfills the psychological need for appreciation and belonging within the workplace (Armstrong & Taylor, 2023). According to Odukah (2023), effective recognition practices significantly improve employee satisfaction and commitment, particularly when aligned with organizational values and individual goals. It can be delivered through various channels such as verbal praise, written commendations, awards ceremonies, or digital platforms, and may come from supervisors, peers, or leadership. When done consistently and meaningfully, employee recognition promotes a culture of appreciation, increases engagement, and drives performance.

Career development refers to the continuous process by which individuals plan and manage their learning, growth, and progression within a professional path. It involves acquiring new skills, gaining relevant experiences, setting career goals, and taking steps to achieve them, often with the support of training programs, mentoring, coaching, job rotations, or promotions provided by the organization. For employers, investing in career development helps build a skilled and motivated workforce, while for employees, it enhances job satisfaction, engagement, and long-term career success. As highlighted by Yusuf and Ibrahim (2023), career development not only supports individual advancement but also aligns employee capabilities with organizational goals, resulting in improved performance and retention. Career development is an ongoing process through which individuals enhance their skills, knowledge, and experiences to progress in their professional lives. It involves setting career goals and pursuing opportunities such as training, education, mentoring, job rotations, and promotions to achieve those goals. Both employees and organizations benefit from career development, employees gain personal growth and job satisfaction, while employers build a more capable, motivated, and loyal workforce. As noted by Yusuf and Ibrahim (2023), effective career development initiatives align individual aspirations with organizational objectives, leading to improved performance and retention.

Employee performance is a critical determinant of the growth and sustainability of Small and Medium Enterprises (SMEs), particularly in developing regions like Zamfara State, Nigeria. While financial compensation has traditionally been viewed as the primary motivator for employees, growing evidence like Akinyele and Olamide, (2023) Kassa and Tekle (2023), Ahmed, et al., (2023) suggests that non-financial compensation such as recognition and career development opportunities, play a significant role in enhancing performance. However, many SMEs in Zamfara State continue to place limited emphasis on non-financial rewards, potentially undermining employee motivation, engagement, and productivity. This neglect may stem from a lack of awareness, limited resources, or a narrow understanding of compensation strategies. Consequently, there is a pressing need to examine the effect of non-financial compensation using recognition and carrier development on employee performance in this context to provide empirical insights that can guide SME managers in adopting more holistic and effective human resource practices. To this end, the following null hypotheses were formulated to guide the study.

- i. H₀₁; Employee's recognition has no significant effect on employee performance in SMEs Zamfara state.
- ii. H0₂: Employee career development has no significant effect on employee performance in SMEs Zamfara state.

LITERATURE REVIEW

Non-Financial Compensation

Non-financial compensation refers to all forms of employee rewards that do not involve direct monetary payment but contribute significantly to motivation, engagement, and job satisfaction. These include elements such as recognition, career development opportunities, a supportive work environment, flexible work arrangements, and job enrichment. Unlike financial incentives, non-financial compensation satisfies employees' intrinsic needs, such as achievement, belonging, and purpose. As stated by Armstrong and Taylor (2023), non-financial rewards are essential in reinforcing desired employee behavior and building long-term organizational loyalty by addressing psychological and social motivators.

A well-structured non-financial compensation system helps organizations create a strong emotional connection with employees by addressing intrinsic motivators such as achievement, recognition, and career development. When employees feel appreciated and are provided with opportunities for growth and responsibility, they are more likely to exhibit increased commitment and productivity. Kassa and Tekle (2023) assert that non-financial rewards significantly enhance job performance and satisfaction, especially when they align with employees' personal values and career goals, highlighting their importance in sustainable human resource practices.

Ahmed et al., (2023) found that non-financial rewards contribute to higher retention and morale by addressing employees' emotional and developmental needs, making them indispensable for effective talent management, especially in small and medium-sized enterprises (SMEs). Empirical research supports the notion that non-financial compensation can produce longer-lasting motivation compared to monetary rewards, particularly in contexts where financial resources are limited. Non-financial elements like recognition and career development.

Recognition

Recognition in the workplace refers to the formal or informal act of acknowledging an employee's contributions, efforts, or achievements. It is a fundamental non-financial reward that satisfies employees' psychological needs for appreciation and validation. Recognition can take various forms, including verbal praise, awards, certificates, public acknowledgments, or peer-to-peer appreciation. According to Armstrong and Taylor (2023), effective recognition programs reinforce positive behaviors and help align individual performance with organizational goals, thereby enhancing motivation, morale, and job satisfaction.

The concept of recognition is grounded in motivational theories, particularly Maslow's hierarchy of needs and Herzberg's two-factor theory, which highlight the importance of esteem and acknowledgment in driving employee engagement. Recognition fulfills intrinsic motivators such as achievement, status, and belonging, all of which contribute to an individual's commitment to their role and organization. Odukah (2023) emphasizes that consistent and meaningful recognition leads to increased employee loyalty, productivity, and organizational citizenship behaviors, especially when it is timely, specific, and linked to individual or team accomplishments.

Career Development

Career development is a continuous process through which individuals assess their skills, interests, and values to plan and pursue their career goals. It involves understanding one's strengths and weaknesses, setting achievable professional objectives, and identifying the necessary steps to reach those goals. This process often begins with self-evaluation and moves into acquiring the education, training, and experiences needed to grow within a specific career path (Presti,et al, 2022).

Organizations play a significant role in facilitating career development by providing employees with opportunities for learning, mentorship, promotions, and job rotations. When companies invest in the growth of their workforce, it not only improves employee satisfaction but also strengthens organizational

performance (Eisheh, et al, 2024). Structured development programs help employees enhance their skills, adapt to changes, and take on greater responsibilities, making them more valuable assets to the business. Moreover, career development is closely linked to employee motivation and retention. When individuals see a clear path for growth and advancement within an organization, they are more likely to remain committed and perform at higher levels (Aziedjo, 2024). This contributes to a productive work environment where both employees and employers benefit employees from personal growth and career satisfaction, and employers from improved performance and reduced turnover.

Employee Performance

Employee performance refers to the degree to which an individual fulfills their job responsibilities and contributes to the organizational goals effectively and efficiently. It is a multidimensional concept that includes both qualitative and quantitative aspects of work output (Andreas, 2022). Performance can be observed through an employee's ability to meet deadlines, achieve targets, maintain quality standards, demonstrate professionalism, and collaborate with others. It reflects not only the results achieved but also the behaviors and efforts an employee exhibits in the course of their duties (Latham, 2023).

Employee performance is influenced by a combination of internal and external factors. Internal factors include an employee's motivation, skills, competencies, knowledge, experience, and attitude toward work. External factors involve the work environment, leadership style, and availability of resources, organizational culture, compensation systems, and support from management (Barasa, 2023). These elements either enable or hinder an employee's ability to perform at their best. For instance, even a highly skilled employee may underperform if they lack proper tools or clear direction from their supervisor.

Understanding employee performance conceptually is crucial for effective human resource management. It allows organizations to design performance appraisal systems, reward mechanisms, and training programs tailored to enhance productivity. Additionally, measuring and managing employee performance helps organizations identify high performers for promotion, support underperformers with development plans, and ensure that all employees align with the company's strategic objectives. In essence, employee performance serves as a key driver of organizational success, as it directly affects overall productivity, customer satisfaction, and competitive advantage (Sinambela, et al., 2022).

Recognition and Employee's Performance

Masri and Suliman (2019) conduct a study on talent management, employee recognition, and performance in research institutions. The study aims to examine the link of Talent Management and Employee Recognition to employee performance; this study was conducted on ten Research Institutes, operating in Qatar. The variables under study are talent management and employee recognition. The study utilized empirical survey research design, with a structured questionnaire administered on the sample drawn from the population of the study, using SPSS and multiple regression analysis to test the hypotheses. The study found that employee recognition has a significant effect on employee performance, thereby influencing organizational success.

Hussain et al. (2019) conducts a study titled "Impact of Employees' Recognition, Rewards, and Job Stress on Job Performance". The study aims to explore the effect of employee recognition on job performance, a survey research method was adopted for his research, with a structured questionnaire administered on the sample drawn from the population of the study, using SPSS and Smart PLS analyses and test the hypotheses. The study found that employee recognition and rewards have a significant and positive effect on employee performance, while job stress has a significant and negative effect. These findings suggest that organizations should priorities implementing effective recognition and reward systems to enhance employee performance and mitigate the negative impact of job stress.

Yang et al. (2022) investigates the impact of employee recognition on task performance and organizational citizenship behavior (OCB) through the mediating role of authentic pride and the moderating role of hubristic pride. This research work was carried out in China. The study aims to

explore the pathway of employee recognition on task performance and OCB. The study adopted survey method, using a cross-sectional sampling approach and adapting a structured questionnaires to analyses the data. Data were analyzed using descriptive statistical analysis and hypotheses testing using SPSS. The findings indicate that employee recognition has a significantly positive effect on task performance and OCB, with authentic pride mediating this relationship.

Masri and Suliman (2019) conduct a study on talent management, employee recognition, and performance in research institutions. The study aims to examine the link of Talent Management and Employee Recognition to employee performance; this study was conducted on ten Research Institutes, operating in Qatar. The variables under study are talent management and employee recognition. The study utilized empirical survey research design, with a structured questionnaire administered on the sample drawn from the population of the study, using SPSS and multiple regression analysis to test the hypotheses. The study found that employee recognition has a significant effect on employee performance, thereby influencing organizational success.

Hussain et al. (2019) conducts a study titled "Impact of Employees' Recognition, Rewards, and Job Stress on Job Performance". The study aims to explore the effect of employee recognition on job performance, a survey research method was adopted for his research, with a structured questionnaire administered on the sample drawn from the population of the study, using SPSS and Smart PLS analyses and test the hypotheses. The study found that employee recognition and rewards have a significant and positive effect on employee performance, while job stress has a significant and negative effect. These findings suggest that organizations should priorities implementing effective recognition and reward systems to enhance employee performance and mitigate the negative impact of job stress.

Yang et al. (2022) investigates the impact of employee recognition on task performance and organizational citizenship behavior (OCB) through the mediating role of authentic pride and the moderating role of hubristic pride. This research work was carried out in China. The study aims to explore the pathway of employee recognition on task performance and OCB. The study adopted survey method, using a cross-sectional sampling approach and adapting a structured questionnaires to analyses the data. Data were analyzed using descriptive statistical analysis and hypotheses testing using SPSS. The findings indicate that employee recognition has a significantly positive effect on task performance and OCB, with authentic pride mediating this relationship.

Carrier development and Employee Performance

Yusuf, (2025) examined the relationship between career development initiatives and employee performance in selected small and medium-sized enterprises (SMEs) in Zamfara State. It seeks to determine how training opportunities, promotion prospects, and mentorship programs influence employee productivity, motivation, and commitment. The study adopts a quantitative research design. Data will be collected through structured questionnaires administered to 200 employees across 10 randomly selected SMEs in Zamfara State. The questionnaire will assess career development variables (training, mentorship, promotion) and performance indicators (efficiency, goal achievement, job quality). Data were analyzed using descriptive statistics and regression analysis to determine the strength and significance of the relationship between career development and employee performance. The findings are expected to reveal a positive and statistically significant relationship between career development and employee performance.

Adeyemi (2022) explored the link between career development practices and employee performance in manufacturing companies located in Lagos State. The study aimed to assess how training programs, career counseling, and promotion opportunities contribute to improving employee output and job satisfaction. Using a descriptive survey design, the study collected data from 180 employees across five manufacturing firms. Structured questionnaires were distributed, and the data collected were analyzed using correlation and regression techniques. The findings showed a strong positive correlation between

career development and employee performance. Employees who participated in regular training and had clear advancement paths were more productive and engaged.

Ibrahim (2023) investigated how career development influences employee productivity in public institutions in Kaduna State. The study's objective was to determine whether career guidance, succession planning, and training schemes provided by public organizations had any measurable effect on employee output and job commitment. The study adopted a mixed method approach, combining quantitative surveys with in-depth interviews. Data were gathered from 120 civil servants in three major public organizations. The survey assessed access to training, career path clarity, and the availability of professional mentorship, while interviews provided qualitative insights into employee perceptions and motivations. Data were analyzed using SPSS for the quantitative part and thematic analysis for qualitative responses. The study found that career development significantly influenced employee productivity and morale in public institutions. Employees who were given career advancement opportunities were more committed, efficient, and accountable.

Musa (2024) carried out a study to assess how career growth opportunities affect employee performance in the hospitality industry, specifically focusing on hotels in Kano State. The aim was to analyze whether promotion opportunities, professional training, and employee empowerment contributed to job satisfaction and higher performance levels in a high-turnover sector. The study used a quantitative cross-sectional research design, collecting data from 150 hotel employees across ten hotels. A structured questionnaire captured data on career development variables and performance metrics such as customer service quality, task completion rates, and punctuality. The data were analyzed using multiple regression analysis to test the influence of each career development factor on performance outcomes. The results demonstrated a significant positive relationship between career growth and employee performance. Employees who perceived a chance for promotion and development were more dedicated, customer-focused, and likely to remain with their employers. The study concluded that hotels should establish career development policies to improve service delivery, reduce staff turnover, and build a loyal workforce.

Herzberg Two-Factor Theory of Motivation

The Herzberg Two-Factor Theory of Motivation, proposed by Frederick Herzberg in 1959, serves as an appropriate theoretical framework for this study. The theory classifies job-related factors into two categories: motivators and hygiene factors. Motivators, which are intrinsic in nature, include aspects such as recognition, career advancement, responsibility, and opportunities for personal growth. These factors are considered to directly enhance employee satisfaction and performance. In contrast, hygiene factors such as salary, job security, and working conditions are extrinsic and primarily serve to prevent dissatisfaction rather than promote motivation. Given that this study focuses on non-financial compensation particularly recognition and career development the emphasis on intrinsic motivators aligns closely with the tenets of Herzberg's theory.

The relevance of Herzberg's framework is particularly significant in the context of small and medium enterprises (SMEs) in Zamfara State, where financial resources may be limited and traditional monetary incentives may not be sustainable. Non-financial rewards, as emphasized in Herzberg's motivators, offer a cost-effective yet impactful means of enhancing employee engagement, satisfaction, and productivity. By focusing on intrinsic drivers such as recognition and structured career development, SMEs can foster a more motivated and committed workforce. Thus, Herzberg's Two-Factor Theory provides a robust conceptual foundation for examining the influence of non-financial compensation on employee performance within resource-constrained and underdeveloped business environments.

METHODOLOGY

This study adopted survey design. The population of the study consist of 48,767 employees working within 1236 registered SMEs in Zamfara state (MSMEs report, 2017). The study sample size of 397 employees was obtained using Taro Yamane formula calculated at 5% significance level. The study uses

multistage sampling technique. The study employed the use of structured questionnaire. Questionnaire items were adapted from previous works of Odukah, (2023), Kassa & Tekle (2023). and Ahmed, et al. (2023). The study employed Partial Least Square Structural Equation Model (PLS-SEM) to test the hypotheses.

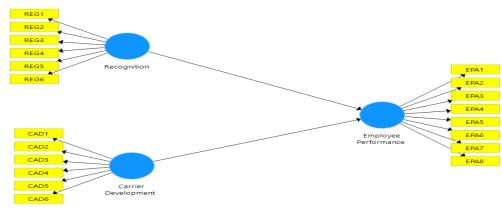
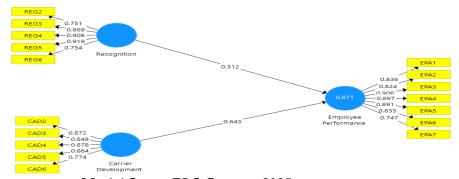


Fig.1: Theoretical Model on nonfinancial compensation and Employee Performance in SMEs Zamfara State

RESULTS AND DISCUSSION

Out of the three hundred and nighty seven (397) distributed questionnaires, 302 were properly filled and returned giving a response rate of 76%. Subsequently, all further analyses were done using 302 responses. *Assessment of Measurement Model*

In assessing the measurement model, the researcher began by assessing the item outer loadings. As a rule, loadings above 0.708 are recommended, as they indicate that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability (Hair, et al., 2019). Items with loading lower than 0.7 were deleted from the model as seen in figure 2 below. Fig 2: Indicator Loadings.



Source: Measurement Model Smart PLS Output, 2025

Table 4.2: Measurement Model Items

S/N	Variables	Factor Loadings	Cronbach Alpha	Composite Reliability	Average	No of Items
		0	1	,	Variance Extracted (AVE)	
1	Recognition	REG2 0.751	0.896	0.924	0.711	5
	(REG)	REG3 0.869				
		REG4 0.908				
		REG5 0.919				
		REG6 0.754				
2	Carrier	CAD2 0.872	0.902	0.927	0.719	5
	Development	CAD3 0.848				

	(CAD)	CAD4 CAD5 CAD6	0.864				
3	Employee	EPA1		0.935	0.948	0.722	7
	Performance (EPA)	EPA2 EPA3 EPA4 EPA5	0.906 0.897				
		EPA6	0.835				
		EPA7	0.747				

Source: Smart PLS Output, 2025

Composite reliability of Jöreskog's (1971) was applied to test for internal consistency of the study. All the values fall within the Hair et al. (2019) rating of good consistency. The Cronbach alpha value were above 0.60 which is the minimum threshold as recommended by Sekaran (2010). To test for the convergent validity, the average variance extracted (AVE) was used. All the latent variables showed values greater than 0.50 which indicates that the constructs explain at least 50 percent of the variance of its items.

Heterotrait-Monotrait Ratio (HTMT)

	0 1/2011	(===)		
	REG	CAD	EPA	
REG	0.819			
CAD	0.791 1.000			
EPA	0.894 0.862		1.000	

Source: SmartPLS Output, 2025

According to Henseler et al. (2015), the Fornell-Larcker criterion may not adequately assess discriminant validity, especially when indicator loadings differ only slightly, hence, they proposed the Heterotrait-Monotrait (HTMT) ratio as a more robust alternative, supported by Voorhees et al. (2016). Discriminant validity concerns arise when HTMT values exceed the threshold of 0.90. The HTMT values among the constructs are all below the 0.90 benchmark and even close to the stricter 0.85 criterion. These results confirm that discriminant validity is established, indicating that the constructs are empirically distinct and free from multicollinearity issues, thereby strengthening the reliability of the measurement model.

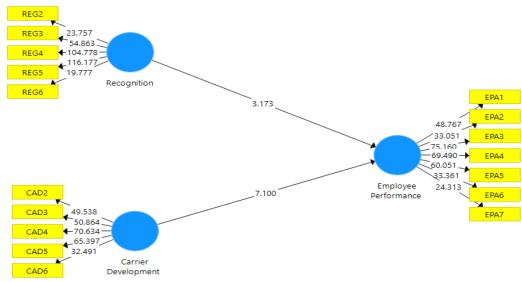
Model Goodness of Fit (GoF)

Sequel to the need to validate the PLS model, there is a need to assess the goodness of fit of the model as Hair, et al. (2017) suggested. This study used the standardized root mean square residual's (SRMR). The choice of this index was based on the fact that the SRMR provides the absolute fit measure where a value of zero indicates a perfect fit. The study adopted Hu and Bentler (1998) suggestion that a value of less than 0.08 represents a good fit while applying SRMR for model goodness of fit. The study result indicates an SRMR value of 0.079. This indicates the model is fit.

Assessing the Structural Model

Despite the performance of the measurement model assessment, the next step in evaluating PLS-SEM results is to assess the structural model. Standard assessment criteria, which were considered, include the path coefficient, t-values, p-values and coefficient of determination (R2). The bootstrapping procedure was conducted using a resample of 5000.

Fig. 3: Path Coefficients of the Regression Model.



Source: SmartPLS Output, 2025

R Square Table

	R2	R Square Adjusted
Employee Performance	0.871	0.870

Source: SmartPLS Output, 2025

The R-square value stood at 0.871 indicating that Non-Financial Compensation proxy by recognition and carrier development accounts for 87% variation in employee performance. The remaining 13% variation could be explained by other factors not included in the study. Based on Hair, et al., (2019), the R-square is considered moderate. The result of the path analysis is presented in the table below:

Table 4.4: Path Coefficients

Нур.	Variable	В	T-Value	P-Value	Decision
$H0_1$	Recognition -> Employee Performance	0.312	3.173	0.002	Rejected
$H0_2$	Carrier Development -> Employee Performance	0.643	7.100	0.000	Rejected

Source: SmartPLS Output, 2025

The results indicate that recognition significantly and positively influences employee performance, with a beta value of 0.312, a t-value of 3.173 (exceeding the critical value of 1.96, and a p-value of 0.002. This statistically significant relationship suggests that enhancing recognition strategies can lead to improved employee performance. The likely explanation for this finding is that recognition meets employees' intrinsic psychological needs such as feeling valued, respected, and motivated which in turn boosts their commitment and productivity. This finding is in agreement with that of Mensah and Asare (2022), Ahmad et al. (2023) and Alshammari et al. (2024) who found that recognition significantly boosts motivation, job satisfaction, and emphasized that recognition fulfills intrinsic psychological needs, such as self-esteem and belonging, which are essential for sustained engagement and productivity.

The result from the analysis indicates that career development has a strong positive and significant effect on employee performance, as reflected by a high beta value of 0.643, a t-value of 7.100 well above the critical threshold of 1.96, and a p-value of 0.000. These results confirm that career development initiatives greatly enhance employee performance. This impact is likely linked to the fact that opportunities for growth, learning, and advancement not only increase employees' competencies but also boost their motivation, job satisfaction, and commitment to organizational. This finding is in agreement with that

of Otoo et al. (2023), Ibrahim and Daniel (2023) and Zhang and Liu (2024) who found that career development positively influences employee performance by enhancing skills, motivation, job satisfaction and organizational commitment.

CONCLUSION AND RECOMMENDATIONS

The findings of this study reveal that both recognition and career development have significant and positive effects on employee performance in selected SMEs in Zamfara State. Recognition was shown to fulfill employees' intrinsic psychological needs, fostering motivation and commitment, while career development emerged as a stronger predictor of performance by enhancing employees' competencies and creating clear pathways for growth. These results affirm that non-monetary compensation strategies are vital in driving employee effectiveness, particularly in SMEs where financial incentives may be limited. Based on the study's findings, it is recommended that:

- i. SMEs should ensure that recognition are timely, specific, and aligned with performance outcomes to reinforce desired behaviors effectively. The culture of appreciation boosts employee morale, fosters engagement, and motivates staff to maintain high levels of productivity.
- ii. SMEs should prioritize career development by providing ongoing training, mentorship, and clear opportunities for advancement. Developing personalized career plans and offering internal promotion opportunities signal to employees that the organization is invested in their growth. Mentorship programs and skill-building workshops can further enhance employees' capabilities and confidence.

References

- Adeyemi, S. T. (2022). Career development and its impact on employee performance in the Nigerian manufacturing sector. International Journal of Human Resource Management, 9(2), 55–67.
- Ahmad, M., Hussain, M., & Shah, S. Z. A. (2023). The role of employee recognition in enhancing job performance: Evidence from small and medium enterprises. Journal of Human Resource Studies, 11(1), 45–58. https://doi.org/10.5296/jhrs.v11i1.19756
- Ahmed, U., Sarki, I. H., & Rahman, M. (2023). Exploring the role of non-financial rewards in enhancing employee engagement and retention. International Journal of Organizational Leadership, 12(1), 89–102. https://doi.org/10.33844/ijol.2023.12.1.089
- Akinyele, S. T., & Olamide, F. O. (2023). Effect of non-financial incentives on employee performance in selected Nigerian firms. African Journal of Business Management, 17(2), 58–67. https://doi.org/10.5897/AJBM2023.9332\
- Alshammari, H., Alqahtani, F., & Alghamdi, R. (2024). Psychological needs and employee motivation: The mediating role of recognition in the workplace. International Journal of Business and Management, 19(2), 22–33. https://doi.org/10.5539/ijbm.v19n2p22
- Andreas, D. (2022). Employee performance: The effect of motivation and job satisfaction. PRODUKTIF: Jurnal Kepegawaian dan Organisasi, 1(1), 28-35.
- Armstrong, M., & Taylor, S. (2023). *Armstrong's Handbook of Human Resource Management Practice* (16th ed.). Kogan Page.
- Armstrong, M., & Taylor, S. (2023). *Armstrong's Handbook of Human Resource Management Practice* (16th ed.). Kogan Page.
- Aziedjo, A. (2024). The Impact of Career Development on Employee Engagement and Retention. International Journal of Multidisciplinary Studies and Innovative Research, 12(2), 1776-1784.
- Barasa, L. (2023). An Empirical Study on the Influence of Internal and External Factors on Port Enterprise Employee Performance: A Case Study in Indonesia. Journal of ETA Maritime Science, 11(4).
- Eisheh, A. A., Deeb, S. S., Alshehab, A., Almasri, A. A., & Alawamreh, A. R. (2024). The Effective Of Job Rotation On Career Management The Technology–Organization–Environment Framework Perspective. Educational Administration: Theory and Practice, 30(4), 3333-3342.

- Herzberg, F. (1968). One More Time: How Do You Motivate Employees? Harvard Business Review, 46(1), 53–62.
- Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). The Motivation to Work. New York: John Wiley & Sons. Ibrahim, M., & Daniel, C. (2023). Career development practices and employee performance in Nigerian SMEs. African Journal of Management and Organization, 18(3), 75–89.
- Ibrahim, R. M. (2023). The role of career development in enhancing employee productivity in public institutions. African Journal of Public Administration, 6(1), 88–102.
- Imran, M., Tariq, A., & Latif, K. F. (2023). The impact of non-financial rewards on employee performance: A study of global business practices. International Journal of Human Resource Studies, 13(1), 45–60. https://doi.org/10.5296/ijhrs.v13i1.20456
- Kassa, B. A., & Tekle, A. G. (2023). The impact of non-financial rewards on employee motivation and performance: Evidence from emerging economies. Journal of Human Resource and Sustainability Studies, 11(2), 145–160. https://doi.org/10.4236/jhrss.2023.112010
- Kassa, B. A., & Tekle, A. G. (2023). The impact of non-financial rewards on employee motivation and performance: Evidence from emerging economies. Journal of Human Resource and Sustainability Studies, 11(2), 145–160. https://doi.org/10.4236/jhrss.2023.112010
- Latham, G. P. (2023). Motivate employee performance through goal setting. Principles of Organizational Behavior: The Handbook of Evidence-Based Management 3rd Edition, 83-111.
- Mensah, J. K., & Asare, J. (2022). Non-financial rewards and employee performance: The moderating role of work engagement. International Journal of Human Resource Management, 33(5), 888–906. https://doi.org/10.1080/09585192.2021.1889970
- Musa, H. A. (2024). Career growth and employee performance in the hospitality industry: A case of hotels in Kano State. Journal of Hospitality and Tourism Research in Africa, 5(3), 120–135.
- Odukah, M. (2023). The effect of employee recognition on job satisfaction and organizational commitment in the public sector. Journal of Human Resource and Leadership, 11(1), 34–47. https://doi.org/10.47689/jhrl.v11i1.345
- Otoo, F. E., Agyei, M. F., & Boateng, W. (2023). The impact of career development on employee performance: A study of selected SMEs in Ghana. Journal of African Business, 24(1), 109–125. https://doi.org/10.1080/15228916.2022.2031452
- Presti, A. L., Capone, V., Aversano, A., & Akkermans, J. (2022). Career competencies and career success: On the roles of employability activities and academic satisfaction during the school-to-work transition. Journal of Career Development, 49(1), 107-125.
- Sinambela, E. A., Darmawan, D., & Mendrika, V. (2022). Effectiveness of efforts to establish quality human resources in the organization. Journal of Marketing and Business Research (MARK), 2(1), 47-58.
- Yusuf, A. M. (2025). The effect of career development on employee performance in selected SMEs in Zamfara State, Nigeria. Unpublished manuscript.
- Yusuf, A. M., & Ibrahim, H. S. (2023). Career development and employee performance in contemporary workplaces:

 A strategic approach. International Journal of Human Capital and Development, 5(2), 78–91.

 https://doi.org/10.58297/ijhcd52378
- Zhang, Y., & Liu, H. (2024). Career development and job performance: The mediating role of employee engagement.

 Human Resource Development International, 27(1), 1–17.

 https://doi.org/10.1080/13678868.2023.2286

Recognition	SD	D	U	A SA
	1	2	3 4	1 5
My efforts at work are regularly recognized by my supervisor or manager.				
I feel valued and appreciated for the work I do.				
Recognition in my organization is fairly and consistently given to all deserving employees				
I am more motivated to perform well when my achievements are acknowledged.				
The recognition I receive at work boosts my job satisfaction.				
There are effective systems in place in my organization to reward and recognize outstanding performance.				

Carrier Development		
My organization provides opportunities for me to grow and advance in my career.	Ш	
I receive adequate training and development to improve my job performance.		
There is a clear path for career progression in my organization.		
I am encouraged to learn new skills that are relevant to my role and future responsibilities.		
My supervisor supports my career development goals.		
Career development programs in my organization have positively impacted my performance.		
Employee Performance		
I consistently meet the performance expectations of my job.		
I complete my tasks efficiently and on time.		
I take initiative to go beyond what is required in my role.		
I regularly contribute to achieving my team's or department's goals.		
I am able to adapt quickly to new tasks or changes in my work environment.		
I actively seek ways to improve my work performance.		
I maintain high standards of quality in my work.		
I am dependable and can be relied upon to complete assignments without close supervision.		