Global Journal of Human Resource Management
Vol.13, No.1, pp.35-53, 2025
Print ISSN: 2053-5686(Print),
Online ISSN: 2053-5694(Online)
Website: https://www.eajournals.org/
Publication of the European Centre for Research Training and Development-UK

Monetary Rewards and Employee Psychological Ownership Among Selected Hospitality Firms in FCT Abuja

[1]Atolagbe Elizabeth Bolaji, [2]Omonibo Blessing Dungha, [3]Oladunni Tolulope Adeyemo, [4]Nasamu Gambo (PhD)
[1,2,3,4]Department of Business Administration & Entrepreneurship, Nile University of Nigeria, Abuja Nigeria

doi: https://doi.org/10.37745/gjhrm.2013/vol13n13553 Published January 17, 2025

Citation: Bolaji A.E., Dungha O.B., Adeyemo O.T., and Gambo N. (2025) Monetary Rewards and Employee Psychological Ownership Among Selected Hospitality Firms in FCT Abuja, *Global Journal of Human Resource Management*, Vol.13, No.1, pp.35-53

Abstract: *The study investigates the impact of monetary rewards on psychological ownership in the hospitality industry within the Federal Capital Territory (FCT), Abuja. Specifically, it examines the influence of Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC) on employees' sense of ownership and commitment. Adopting Equity Theory as the theoretical framework, the study highlights the critical role of perceived fairness and reward structures in fostering psychological engagement. Using a cross-sectional survey design, data were collected from 137 participants across 15 hospitality firms and analyzed using multiple regression analysis in SPSS. The findings reveal that MFP and IPG significantly enhance psychological ownership, contributing 66.9% and 33.1% to its variance, respectively, while MRC demonstrates no statistically significant effect. These results underscore the importance of equitable and growth-oriented compensation systems in enhancing employee performance. The study concludes with recommendations for organizations to strengthen fairness in pay systems and institutionalize salary growth mechanisms, with limited emphasis on customization strategies in the Abuja context.*

Keywords: monetary fairness perception, incremental pay growth, monetary reward customization, psychological ownership

INTRODUCTION

The hospitality industry in the Federal Capital Territory (FCT), Abuja, plays a pivotal role in Nigeria's economic development, providing significant contributions through employment and revenue generation. At the heart of this sector's success lies the motivation and engagement of its workforce. Central to this motivation is the perceived value of monetary rewards provided by employers. Research underscores that monetary rewards are more than just financial transactions; they are psychological instruments that influence employees' emotional investment and their sense of ownership in the organization (Ahmed et al., 2022; Zhang & Kim, 2023; Musa et al., 2023). Key constructs such as monetary fairness perception, incremental pay growth, and monetary reward customization have emerged as crucial factors in fostering organizational attachment and enhancing employee performance.

Monetary fairness pay structures builds trust within the organization, alleviates dissatisfaction, and reduces turnover, an issue that is particularly prevalent in the hospitality sector (Ahmed et al., 2022; Odumosu et al., 2023). Similarly, incremental pay growth, which addresses long-term salary progression and career stability, fulfils employees' expectations for financial security and career development, especially in regions like Abuja where economic fluctuations intensify the importance of equitable adjustments (Jones et al., 2023; Bello et al., 2023). Monetary reward customization, which allows employees to influence how their financial incentives are structured, strengthens their sense of autonomy, fostering psychological ownership and improving job satisfaction (Zhao et al., 2022; Meira & Hancer, 2021).

The scarcity of effective monetary rewards in Nigeria's hospitality sector creates a pressing need to evaluate reward systems that can enhance both job satisfaction and psychological ownership. Psychological ownership (the feeling of belonging and responsibility for organizational outcomes) is increasingly recognized as a driver of employee performance and organizational success. Although global studies demonstrate the effectiveness of monetary rewards, limited research examines their direct impact on psychological ownership in Nigeria's socio-economic context (Srivastava & Singh, 2023; Zhao et al., 2022; Meira & Hancer, 2021; Al-Ghazali & Afsar, 2022; Abolnasser et al., 2023). Furthermore, existing studies often focus broadly on monetary rewards but fail to address the nuances of how specific dimensions such as fairness, growth, and customization influence psychological ownership independently. Notably, these studies rarely incorporate mediating or moderating variables, further narrowing their scope.

Globally, monetary rewards have been identified as critical levers of employee motivation, significantly influencing organizational commitment, loyalty, and productivity (Thibault Landry et al., 2020; Zhao et al., 2022; Srivastava & Singh, 2023; Meira & Hancer, 2021; Al-Ghazali & Afsar, 2022). For instance, monetary fairness perception has been shown to mitigate dissatisfaction and foster psychological ownership in various contexts, including Indian and Middle Eastern hospitality sectors (Srivastava & Singh, 2023; Meira & Hancer, 2021; Liu et al., 2020; Zhao et al., 2022). Similarly, incremental pay growth promotes sustained employee engagement by offering clear financial trajectories tied to performance, making it a vital strategy for retaining talent in dynamic industries like hospitality (Meira & Hancer, 2021; Zhao et al., 2022; Abolnasser et al., 2023). Furthermore, monetary reward customization, by aligning incentives with individual preferences, deepens employees' emotional connection to the organization and fosters innovation (Zhao et al., 2022; Srivastava & Singh, 2023; Thibault Landry et al., 2020).

Despite the critical role of monetary rewards in shaping employee outcomes, several gaps persist in existing research. First, most studies have focused on developed economies or regions with distinct socio-cultural and economic dynamics, making their findings less applicable to Nigeria. For example, research in Saudi Arabia highlights how transformational leadership coupled with monetary incentives enhances employee well-being (Abolnasser et al., 2023; Al-Ghazali & Afsar, 2022). Similarly, Indian studies have shown how inclusive leadership amplifies the effect of fairness in monetary rewards on psychological ownership (Srivastava & Singh, 2023). However, these insights fail to account for Abuja's unique challenges, including economic instability and a culturally diverse workforce, necessitating tailored solutions for the Nigerian context.

Second, while global studies explore monetary rewards as independent variables, they often examine them in isolation rather than as interconnected dimensions. For example, research by Zhao et al. (2022), Meira and Hancer (2021), and Liu et al. (2020) extensively examines monetary fairness perception but seldom explores its relationship with incremental pay growth or reward customization. Similarly, Srivastava and Singh's (2023) work focuses on the relationship between fairness and organizational citizenship behaviour without considering how fairness interacts with other dimensions to influence psychological ownership. This fragmented approach limits our understanding of the complex interplay between various monetary reward systems.

Third, few studies explicitly address psychological ownership as an outcome of monetary rewards. While researchers like Thibault Landry et al. (2020), Zhao et al. (2022), and Meira and Hancer (2021) demonstrate the impact of fairness and customization on employee engagement and performance, they fail to examine how these rewards cultivate a sense of ownership that drives long-term organizational investment. This omission is significant, given that psychological ownership plays a critical role in fostering discretionary behaviours, such as creativity and innovation, which are essential for success in competitive industries like hospitality. Moreover, the practical applicability of existing findings to Abuja's hospitality industry remains limited. The sector grapples with high turnover rates, inconsistent service quality, and resource constraints, challenges that demand innovative monetary reward strategies. While studies by Liu et al. (2020) and Srivastava and Singh (2023) provide useful insights into the effects of fairness and growth, they lack the specificity needed to address the socio-economic and cultural realities of Abuja's workforce. Effective monetary reward systems that align with employee expectations and organizational capacities are therefore critical but remain underdeveloped in Nigeria's hospitality context.

Existing studies rarely examine monetary rewards in the absence of mediating or moderating variables, leaving gaps in understanding their direct effects. Researchers like Zhao et al. (2022), Thibault Landry et al. (2020), and Meira and Hancer (2021) have explored how monetary rewards influence employee outcomes but often through the lens of additional variables, such as leadership style or organizational culture. While these studies offer valuable insights, they complicate the analysis of the direct relationship between monetary rewards and psychological ownership. A focused examination of this direct relationship is essential to develop practical, actionable strategies for organizations.

This study seeks to address these gaps by exploring the independent effects of monetary fairness perception, incremental pay growth, and monetary reward customization on psychological ownership in Abuja's hospitality sector. This research is anchored on the following objectives:

i. To examine the impact of monetary fairness perception on psychological ownership in selected hospitality firms in Abuja.
ii. To evaluate the impact of incremental pay growth on psychological ownership in selected hospitality firms in Abuja.
iii. To investigate the impact of monetary reward customization on psychological ownership in selected hospitality firms in Abuja.

To address these objectives, the following hypotheses have been formulated:
H0$_1$: Monetary Fairness Perception has no significantly impact on employee performance in selected hospitality firms in Abuja.
H0$_2$: Incremental Pay Growth has no significantly impact on employee performance in selected hospitality firms in Abuja.
H0$_3$: Monetary Reward Customisation has no significant impact on employee performance in selected hospitality firms in Abuja.

LITERATURE REVIEW

Conceptual Clarification

This study focuses on the relationship between monetary rewards and psychological ownership in the hospitality industry, with an emphasis on three key dimensions of monetary rewards: monetary fairness perception, incremental pay growth, and monetary reward customization.

Monetary Rewards

Monetary rewards represent the financial compensation employees receive in exchange for their contributions to organizational success. Beyond their economic value, monetary rewards have profound psychological implications, influencing perceptions of fairness, career growth, and autonomy. This study conceptualizes monetary rewards as a multi-dimensional construct encompassing monetary fairness perception, incremental pay growth, and monetary reward customization, each of which plays a distinct role in shaping employees' emotional and psychological connection to their organizations.

Monetary Fairness Perception

Monetary fairness perception refers to employees' evaluation of the equity and transparency of their compensation relative to their contributions and industry benchmarks. Fairness in monetary rewards builds trust, reduces resentment, and fosters a sense of inclusion within the organization (Ahmed et al., 2022; Odumosu et al., 2023). Studies have demonstrated that perceptions of fairness in pay significantly enhance psychological ownership, as employees feel recognized and valued for their efforts (Liu et al., 2020; Srivastava & Singh, 2023). For instance, in the Indian hospitality sector, employees who perceived their compensation as fair were more likely to exhibit organizational loyalty and a willingness to go above and beyond their defined roles (Zhao et al., 2022; Meira & Hancer, 2021). In this study, monetary fairness perception is examined as a critical component of monetary rewards that directly influences psychological ownership in Abuja's hospitality sector.

Incremental Pay Growth

Incremental pay growth pertains to the periodic progression of employees' salaries based on performance, tenure, or inflationary adjustments. This aspect of monetary rewards addresses employees' expectations for career advancement and financial security (Jones et al., 2023; Bello et al., 2023). Incremental pay growth not only reinforces employees' sense of progress within the organization but also strengthens their emotional attachment to their roles. For example, studies in the Middle East have shown that employees with consistent salary growth were more likely to exhibit resilience and innovation in challenging environments (Meira & Hancer, 2021; Abolnasser et al., 2023). By aligning financial rewards with employees' long-term aspirations, incremental pay growth fosters a deeper psychological connection to the organization. This study explores incremental pay growth as a dynamic mechanism for enhancing psychological ownership, particularly in Abuja's competitive hospitality landscape.

Monetary Reward Customization

Monetary reward customization allows employees to have input into the structure of their financial incentives, such as selecting between performance bonuses, profit-sharing schemes, or personalized benefit plans. Customization empowers employees by granting them autonomy in choosing rewards that align with their individual needs and priorities, thereby fostering a sense of ownership and control (Zhao et al., 2022; Thibault Landry et al., 2020). Research indicates that customized rewards drive motivation and engagement, particularly in industries where diverse employee demographics necessitate flexible compensation strategies (Meira & Hancer, 2021; Srivastava & Singh, 2023). For instance, studies in the hospitality sectors of Southeast Asia revealed that customized reward systems significantly improved employee satisfaction and reduced turnover rates (Abolnasser et al., 2023; Zhao et al., 2022). This study conceptualizes monetary reward customization as a transformative strategy for fostering psychological ownership in Nigeria's hospitality industry.

Psychological Ownership

Psychological ownership is defined as the emotional and cognitive connection employees feel toward their organization, characterized by a sense of responsibility and belonging (Thibault Landry et al., 2020; Zhao et al., 2022). Employees who experience psychological ownership are more likely to internalize organizational goals, engage in discretionary behaviors, and demonstrate long-term commitment (Meira & Hancer, 2021; Srivastava & Singh, 2023). Psychological ownership arises when employees perceive their contributions as meaningful and are provided with adequate recognition and autonomy. For example, studies have shown that fair compensation practices, consistent salary growth, and flexible reward systems significantly enhance employees' psychological ownership (Liu et al., 2020; Zhao et al., 2022). In the hospitality industry, psychological ownership is particularly critical, as it drives service quality, innovation, and team cohesion in high-pressure environments (Abolnasser et al., 2023; Meira & Hancer, 2021).

Theoretical Review

This study adopts Equity Theory, which postulates that individuals assess the fairness of their inputs and outcomes relative to others, influencing their motivation and emotional connection to their organization. First introduced by Adams (1963), Equity Theory emphasizes that perceived fairness or unfairness in reward systems shapes employee attitudes and behaviors, particularly in fostering or diminishing their sense of ownership and engagement. In the context of this study, Equity Theory provides a robust framework for examining the impact of monetary fairness perception, incremental pay growth, and monetary reward customization on psychological ownership in Abuja's hospitality industry.

Equity Theory is particularly relevant to this study as it explains how employees' perceptions of justice in monetary rewards influence their motivation and commitment. When employees perceive that their compensation is equitable compared to their efforts, skills, and the rewards of peers, they are more likely to develop a psychological connection to the organization (Srivastava & Singh, 2023; Liu et al., 2020; Meira & Hancer, 2021). Conversely, perceived inequity can lead to dissatisfaction, reduced productivity, and diminished organizational loyalty (Zhao et al., 2022; Ahmed et al., 2022). This theoretical lens is vital for understanding the mechanisms through which monetary reward systems shape psychological ownership in dynamic and resource-constrained settings like Nigeria's hospitality sector.

Monetary Fairness Perception aligns directly with Equity Theory's core tenets, as it examines employees' evaluations of whether their compensation is fair relative to their contributions and industry standards. Fairness is crucial for fostering trust and reducing turnover intentions, particularly in the hospitality industry, where employees often compare their compensation with peers in similarly demanding roles (Srivastava & Singh, 2023; Zhao et al., 2022). This study operationalizes fairness perception as a determinant of psychological ownership, exploring how perceptions of equitable compensation enhance employees' emotional investment and commitment.

Incremental Pay Growth also finds grounding in Equity Theory, particularly in its emphasis on ongoing justice over time. Employees not only evaluate the fairness of current rewards but also assess whether pay structures acknowledge their long-term contributions through salary increments or promotions (Meira & Hancer, 2021; Al-Ghazali & Afsar, 2022). Incremental pay growth addresses employees' expectations for career progression and financial stability, strengthening their sense of inclusion and fairness within the organization (Jones et al., 2023; Bello et al., 2023). Equity Theory thus provides a theoretical basis for exploring how salary growth fosters psychological ownership, particularly in regions like Abuja, where economic volatility amplifies the importance of consistent financial rewards.

Monetary Reward Customization further extends Equity Theory's application by emphasizing the alignment of compensation structures with individual employee needs and preferences. Customization allows employees to perceive a higher degree of fairness by offering rewards that resonate with their personal goals and priorities (Zhao et al., 2022; Thibault Landry et al., 2020). For example, employees who can choose between performance bonuses, profit-sharing plans, or customized benefit packages are more likely to feel valued and empowered, reinforcing their psychological ownership (Meira & Hancer, 2021; Srivastava & Singh, 2023). This dimension highlights the importance of perceived fairness not just in absolute terms but also in how well rewards are tailored to individual expectations.

This theoretical framework aligns with the study's focus on examining the direct impact of monetary rewards on psychological ownership. Unlike prior studies that incorporate mediating or moderating variables, this research uses Equity Theory to highlight the intrinsic fairness perceptions that drive emotional and behavioral outcomes. By anchoring the study in this theory, it underscores the need for organizations to design reward systems that address employees' justice perceptions, thereby fostering deeper psychological engagement and commitment.

Empirical Review

The relationship between monetary rewards and psychological ownership has been the focus of numerous studies across various organizational contexts. Monetary fairness perception, which reflects employees' evaluations of the equity and transparency of their compensation, is a key determinant of psychological ownership. Studies have consistently shown that perceived fairness in compensation reduces turnover intentions and fosters trust in organizational leadership. For example, Liu et al. (2020) found that when employees perceive their pay as fair relative to their contributions, they are more likely to exhibit higher levels of engagement and commitment to

Global Journal of Human Resource Management
Vol.13, No.1, pp.35-53, 2025
Print ISSN: 2053-5686(Print),
Online ISSN: 2053-5694(Online)
Website: https://www.eajournals.org/
Publication of the European Centre for Research Training and Development-UK

organizational goals. Similarly, Srivastava and Singh (2023) demonstrated that fairness in pay structures significantly enhances emotional investment in the organization, particularly in the service sector, where employees frequently compare their rewards with those of their peers.

However, while these studies emphasize the universal importance of fairness, they are primarily derived from contexts in developed economies, offering limited insights into regions like Abuja, where resource constraints and economic instability amplify perceptions of inequity. Zhao et al. (2022) further argued that fairness perceptions are critical in mitigating workplace dissatisfaction, yet their findings focus predominantly on Asian hospitality settings, leaving a gap in understanding how cultural and economic factors influence fairness in Nigeria. Al-Ghazali and Afsar (2022) corroborated these findings in Middle Eastern contexts, but their study also stops short of addressing localized challenges specific to African economies.

Incremental pay growth, defined as periodic increases in salary based on performance or tenure, has been identified as a powerful motivator for fostering long-term organizational commitment. Meira and Hancer (2021) found that employees who experience consistent pay progression are more likely to feel valued and invested in their roles, strengthening their psychological connection to the organization. Similarly, Abolnasser et al. (2023) highlighted that incremental pay structures drive employee loyalty, particularly in industries characterised by high turnover rates.

While these studies underscore the critical role of pay growth in fostering psychological ownership, their focus often remains on developed or emerging economies. For instance, Bello et al. (2023) examined incremental pay growth in European hospitality firms but failed to address how this dynamic operates in economically volatile regions like Abuja. Moreover, Jones et al. (2023) demonstrated the effectiveness of salary progression in fostering trust and motivation, yet their findings did not explore the unique challenges of implementing such strategies in resource-constrained environments.

Monetary reward customization, which involves tailoring compensation structures to align with individual employee preferences, has been shown to significantly enhance psychological ownership by fostering a sense of autonomy and empowerment. Zhao et al. (2022) observed that employees who could influence their reward structures—whether through bonuses, profit-sharing, or personalized benefits—demonstrated higher levels of emotional investment in their organizations. Similarly, Thibault Landry et al. (2020) highlighted that customized rewards drive creativity and innovation, particularly in industries that require adaptive and motivated workforces. Despite these findings, research on reward customization is limited in sub-Saharan contexts. For instance, Meira and Hancer (2021) focused on customization in North American hospitality settings, where resource availability enables flexible compensation models. Srivastava and Singh (2023) explored similar dynamics in India but acknowledged that cultural and organizational constraints may affect the applicability of these findings in other regions. Abolnasser et al. (2023)

also noted the importance of aligning rewards with employee preferences, yet their research stops short of addressing the practical barriers to implementing customization in economies like Nigeria. While these studies provide valuable insights into the relationship between monetary rewards and psychological ownership, several gaps persist in the existing literature. Most research is conducted in developed or rapidly industrializing economies, with limited empirical evidence specific to Nigeria's hospitality sector. For instance, studies by Liu et al. (2020) and Srivastava and Singh (2023) offer generalized findings that fail to account for the unique socio-economic and cultural challenges of Abuja, such as high inflation rates and workforce diversity.

Existing research rarely examines the direct impact of monetary rewards on psychological ownership without the inclusion of mediating or moderating variables. While Zhao et al. (2022) and Thibault Landry et al. (2020) explore the relationship between rewards and employee outcomes, they often incorporate variables such as leadership style or organizational culture, complicating the analysis of direct effects. This study seeks to address this gap by focusing on the independent effects of monetary fairness perception, incremental pay growth, and reward customization on psychological ownership.

There is limited attention to the practical implementation of reward systems in resource-constrained environments. Studies like those by Meira and Hancer (2021) and Abolnasser et al. (2023) highlight the benefits of incremental pay growth and customization but do not address how organizations in regions like Abuja can overcome financial and logistical barriers to adopt such strategies effectively.

Research specific to Abuja's hospitality industry remains scarce, despite the sector's critical role in Nigeria's economy. For example, while Zhao et al. (2022) and Srivastava and Singh (2023) provide frameworks for analyzing monetary rewards, their findings do not consider the cultural and economic nuances of Abuja's workforce. Additionally, studies by Liu et al. (2020) and Bello et al. (2023) highlight the effectiveness of fairness and pay growth but fail to account for the operational challenges faced by organizations in Nigeria, such as inconsistent policy enforcement and limited access to financial resources.

Addressing these gaps requires a more localized approach to studying monetary rewards and their impact on psychological ownership. There is a need for empirical studies that directly link specific reward dimensions to psychological ownership.

METHODOLOGY

The study utilized a cross-sectional survey design to investigate the influence of monetary rewards on psychological ownership within the hospitality industry in Abuja. The target population comprised managers and supervisors from 15 hospitality firms in Abuja. These participants were selected because of their direct involvement in implementing reward systems and their ability to provide informed perspectives on psychological ownership. Abuja's hospitality sector includes an estimated 200 operational firms, of which 15 firms were purposively selected to ensure diverse representation across multinational hotels, boutique establishments, and locally-owned businesses (Federal Ministry of Tourism, 2023). A census sampling method was employed, incorporating all managers and supervisors in the selected firms. This ensured comprehensive data collection from the entire target population. The final sample included 146 participants, ensuring adequate representation for robust analysis.

The study included participants from 15 prominent hospitality firms in Abuja, strategically selected to ensure diversity and comprehensive representation of the sector. A total of 146 participants were drawn from these organizations, reflecting a balanced mix of multinational, boutique, and locally owned establishments. The distribution of participants was as follows: Transcorp Hilton Abuja had the highest representation with 20 participants, followed by Sheraton Abuja Hotel with 18 participants, and Fraser Suites Abuja with 15 participants. Nicon Luxury Hotel and Hawthorn Suites by Wyndham Abuja contributed 12 participants each, while Bolingo Hotels and Towers and Nordic Hotel Abuja provided 10 participants each.

Further, mid-sized establishments like Chelsea Hotel Abuja and Reiz Continental Hotel included 8 participants each, while Yanna Apartments by Khaliques, Hotel De Bently, and Summerset Continental Hotels contributed 6 participants each. Smaller firms, including Grand Pela Hotels and Suites, Sinclair Guest House, and Lake Chad Palace Hotel, added 5 participants each to the study.

This careful participant distribution across varying organizational sizes and ownership structures ensured a robust dataset that captured diverse perspectives within the hospitality sector in Abuja. The inclusion of both international and locally focused establishments added depth to the analysis, enabling the study to reflect the unique dynamics of the Abuja's hospitality industry comprehensively.

Variables and Measurement Instruments

The study measured three independent variables:

Monetary Fairness Perception: Assessed using validated items adapted from the **Compensation Satisfaction Questionnaire** (Heneman & Schwab, 1985).

Incremental Pay Growth: Evaluated through items examining periodic salary adjustments based on performance and tenure.

Monetary Reward Customization: Measured using items assessing employees' ability to personalize compensation packages.

The dependent variable, Psychological Ownership, was measured using the Psychological Ownership Questionnaire developed by Avey et al. (2009). This instrument captured employees' emotional and cognitive attachment to their organizations. All items utilized a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), ensuring standardization and comparability. Data was collected using structured questionnaires administered directly to participants. The instrument was divided into two sections:

Section A: Collected demographic and organizational data, such as age, gender, job role, and tenure.

Section B: Contained items measuring the independent and dependent variables.

The questionnaires were distributed and retrieved within two weeks to ensure timely and accurate data collection.

To ensure scientific rigor, the study validated its instruments through:

Content Validity: Reviewed by experts in organizational behaviour to ensure relevance and coverage of all constructs.

Construct Validity: Confirmed using exploratory factor analysis to ensure distinct measurement of variables.

Reliability: Assessed using Cronbach's alpha, with all scales achieving values above 0.85, indicating high internal consistency (Hair et al., 2010).

Data was analyzed using descriptive statistics to summarize demographics and organizational characteristics, and inferential statistics to examine variable relationships. Multiple regression analysis was employed to assess the predictive influence of the independent variables on psychological ownership. Hypotheses were tested at a 95% confidence level, with p-values ≤ 0.05 considered statistically significant.

Model Specification

The relationship between monetary rewards and psychological ownership was specified as:

$PO = \beta_0 + \beta_1(MFP) + \beta_2(IPG) + \beta_3(MRC) + \epsilon$

Where: **PO**: Psychological Ownership (dependent variable); **MFP**: Monetary Fairness Perception (independent variable); **IPG**: Incremental Pay Growth (independent variable); **MRC**: Monetary Reward Customization (independent variable); **β_0**: Intercept; **β_1, β_2, β_3**: Coefficients of the independent variables; **ϵ**: Error term

DATA ANALYSIS

A total of 146 questionnaires were distributed to participants across the selected hospitality firms, out of which 137 were duly completed and returned, representing a response rate of 93.8%.

Table 1 Descriptive Statistics

	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PO	137	2.1168	1.38832	1.927	.892	.207	-.641	.411
MFP	137	2.1898	1.46294	2.140	.794	.207	-.907	.411

IPG	137	2.0146	1.48515	2.206	1.068	.207	-.552	.411
MRC	137	2.7591	1.36944	1.875	.184	.207	-1.217	.411
Valid N (listwise)	137							

SOURCE: SPSS, 2024

Table 1 provides descriptive statistics for the study's key variables: Psychological Ownership (PO), Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC), based on responses from 137 participants.

The mean scores indicate the central tendency of participants' responses on a 5-point Likert scale. MRC had the highest mean (M = 2.76, SD = 1.37), suggesting relatively higher perceptions of reward customization among participants compared to other variables. PO had the lowest mean (M = 2.12, SD = 1.39), indicating lower levels of psychological ownership among employees. MFP (M = 2.19, SD = 1.46) and IPG (M = 2.01, SD = 1.49) displayed similar means, reflecting moderate perceptions of fairness and pay growth.

The standard deviation (SD) values show the dispersion of responses around the mean. IPG had the highest standard deviation (SD = 1.49), indicating the greatest variability in participants' perceptions of incremental pay growth, while MRC had the lowest (SD = 1.37), suggesting relatively more consistent views on reward customization.

The variance values, which reflect the squared dispersion, align with the standard deviations, with IPG showing the highest variance (2.21) and MRC the lowest (1.88).

Skewness and kurtosis provide insights into the distribution shape of the data. All variables had positive skewness, with IPG showing the highest skewness (0.89), indicating a slight clustering of responses toward the lower end of the scale. MRC displayed the lowest skewness (0.18), reflecting a more symmetrical distribution. The kurtosis values were negative for all variables, with MRC showing the most pronounced platykurtic distribution (-1.22), indicating a flatter distribution compared to a normal curve.

Table 2 Correlations

		PO	MFP	IPG	MRC
PO	Pearson Correlation	1	.927**	.851**	.386**
	Sig. (2-tailed)		.000	.000	.000
	N	137	137	137	137
MFP	Pearson Correlation	.927**	1	.774**	.302**
	Sig. (2-tailed)	.000		.000	.000
	N	137	137	137	137

IPG	Pearson Correlation	.851**	.774**	1	.540**
	Sig. (2-tailed)	.000	.000		.000
	N	137	137	137	137
MRC	Pearson Correlation	.386**	.302**	.540**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	137	137	137	137

**. Correlation is significant at the 0.01 level (2-tailed).

SOURCE: SPSS, 2024

Table 2 presents the Pearson correlation coefficients between the variables: Psychological Ownership (PO), Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC). All correlations are significant at the 0.01 level (2-tailed), indicating statistically robust relationships among the variables.

A very strong positive correlation is observed between PO and MFP ($r = .927$, $p < .001$), suggesting that perceptions of fairness in monetary rewards are highly associated with increased psychological ownership. Similarly, PO and IPG exhibit a strong positive relationship ($r = .851$, $p < .001$), indicating that incremental pay growth is also a key driver of psychological ownership. However, the correlation between PO and MRC is moderate ($r = .386$, $p < .001$), reflecting that while monetary reward customization positively influences psychological ownership, its effect is comparatively less pronounced than fairness and incremental pay growth.

The interrelationships among the independent variables further underscore their dynamics. MFP and IPG share a strong correlation ($r = .774$, $p < .001$), demonstrating alignment between fairness perceptions and incremental pay adjustments. Meanwhile, MFP and MRC display a weak positive correlation ($r = .302$, $p < .001$), highlighting a less significant connection between fairness and reward customization. Lastly, IPG and MRC exhibit a moderate positive correlation ($r = .540$, $p < .001$), indicating that incremental pay growth moderately aligns with the ability to customize rewards.

Table 3 Model Summary[b]

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.951[a]	.904	.902	.43542	.904	416.530	3	133	.000	1.702

a. Predictors: (Constant), MRC, MFP, IPG

b. Dependent Variable: PO

SOURCE: SPSS, 2024

Table 3 summarizes the results of the regression model assessing the influence of Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC) on Psychological Ownership (PO). The model demonstrates exceptional explanatory power, as indicated by an R value of .951, suggesting a very strong correlation between the predictors and the dependent variable. The R Square value of .904 indicates that 90.4% of the variance in psychological ownership is explained by the combined effects of MFP, IPG, and MRC. The Adjusted R Square of .902, which accounts for the number of predictors and sample size, confirms the robustness of the model. The Standard Error of the Estimate (0.43542) is relatively low, further supporting the model's precision in predicting psychological ownership.

The Change Statistics show that the R Square change is significant (Sig. F Change = .000), with an F-value of 416.530. This indicates that the model's predictors collectively contribute significantly to explaining the variance in PO. The degrees of freedom (df1 = 3, df2 = 133) confirm that three predictors were included in the analysis, with 133 residual degrees of freedom. The Durbin-Watson statistic of 1.702 falls within the acceptable range (1.5–2.5), indicating no significant autocorrelation in the residuals. This suggests that the assumptions of independence in the data are met, further validating the reliability of the model.

Table 4 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	236.915	3	78.972	416.530	.000[b]
	Residual	25.216	133	.190		
	Total	262.131	136			

a. Dependent Variable: PO
b. Predictors: (Constant), MRC, MFP, IPG
SOURCE: SPSS, 2024

Table 4 presents the ANOVA results for the regression model assessing the influence of Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC) on Psychological Ownership (PO). The analysis confirms that the model is statistically significant, with a p-value < .001 (F = 416.530, df = 3, 133). This indicates that the combined predictors—MFP, IPG, and MRC—explain a significant portion of the variance in PO. The Regression Sum of Squares (236.915) represents the variance in PO explained by the model, while the Residual Sum of Squares (25.216) reflects the variance not accounted for by the predictors. The Total Sum of Squares (262.131) indicates the overall variability in PO. The high proportion of variance explained by the regression model (approximately 90.4%, as reflected in the Model Summary) demonstrates the strong predictive power of the independent variables. The Mean Square for Regression (78.972), calculated by dividing the Regression Sum of Squares by the degrees of freedom for the regression (df = 3), is substantially larger than the Mean Square for

Residual (0.190), highlighting the model's explanatory strength. The large F-value (416.530) confirms the significant contribution of the predictors in explaining PO.

Table 5 Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.088	.094		.944	.347
	MFP	.635	.041	.669	15.379	.000
	IPG	.309	.046	.331	6.717	.000
	MRC	.005	.033	.005	.162	.871

a. Dependent Variable: PO
SOURCE: SPSS, 2024

Table 5 presents the coefficients of the regression model, which examines the predictive impact of Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC) on Psychological Ownership (PO). The results highlight the relative contributions of each predictor to the dependent variable.

The constant (B = 0.088, $p = .347$) is not statistically significant, indicating that in the absence of the predictors, the baseline level of psychological ownership is not meaningful.

MFP demonstrates the strongest predictive influence on PO, with an unstandardized coefficient (B = 0.635) and a highly significant t-value of 15.379 ($p < .001$). The standardized coefficient (Beta = .669) indicates that MFP contributes 66.9% of the variance in PO, making it the most influential predictor in the model. IPG also has a significant impact on PO, with an unstandardized coefficient (B = 0.309) and a t-value of 6.717 ($p < .001$). The standardized coefficient (Beta = .331) reveals that IPG accounts for 33.1% of the variance in PO, highlighting its substantial role in fostering psychological ownership. MRC, however, has a negligible and statistically insignificant effect on PO (B = 0.005, Beta = .005, t = 0.162, $p = .871$). This suggests that monetary reward customization does not contribute meaningfully to psychological ownership in this context.

Hypothesis Testing

The hypotheses outlined above were tested using the regression results presented in Table 5. The predictive effects of Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC) on Psychological Ownership (PO) are evaluated below.

H_{01}: Monetary Fairness Perception does not significantly impact employee performance in selected hospitality firms in Abuja.

The regression results show that MFP has a highly significant impact on PO, with an unstandardized coefficient of B = 0.635, a standardized coefficient of Beta = .669, and a t-value of 15.379 ($p < .001$). This means that for every unit increase in monetary fairness perception, psychological ownership increases by 0.635 units, making it the most influential predictor in the model. This demonstrates that MFP is a critical determinant of PO, contributing to 66.9% of its variance. Given the significance level of $p < .001$, H_{01} is rejected, indicating that monetary fairness perception significantly impacts employee performance.

H_{02}: Incremental Pay Growth does not significantly influence employee performance in selected hospitality firms in Abuja.

The results indicate that IPG also significantly influences PO, with an unstandardized coefficient of B = 0.309, a standardized coefficient of Beta = .331, and a t-value of 6.717 ($p < .001$). This indicates that for every unit increase in incremental pay growth, psychological ownership rises by 0.309 units, demonstrating its substantial role in fostering employee engagement and commitment. This shows that IPG contributes 33.1% of the variance in PO and plays a substantial role in fostering psychological ownership. With a significance level of $p < .001$, H_{02} is rejected, confirming that incremental pay growth significantly influences employee performance.

H_{03}: Monetary Reward Customization does not significantly influence employee performance in selected hospitality firms in Abuja.

The findings reveal that MRC has a negligible and statistically insignificant effect on PO, with an unstandardized coefficient of B = 0.005, a standardized coefficient of Beta = .005, and a t-value of 0.162 ($p = .871$). This implies that a one-unit increase in monetary reward customization leads to an almost imperceptible change of 0.005 units in psychological ownership. This indicates that MRC does not meaningfully contribute to psychological ownership in this context. As the p-value exceeds the threshold of significance ($p > .05$), H_{03} is accepted, suggesting that monetary reward customization does not significantly influence employee performance.

DISCUSSION OF THE FINDINGS

The findings of this study provide critical insights into the relationships between monetary fairness perception (MFP), incremental pay growth (IPG), and monetary reward customization (MRC) with psychological ownership (PO) in Abuja's hospitality industry. The regression analysis highlights MFP as the most significant predictor of psychological ownership, followed by IPG, while MRC has an insignificant effect. These results align with and extend existing theoretical and empirical literature.

The dominance of MFP as a predictor of psychological ownership aligns closely with the principles of Equity Theory (Adams, 1963). This theory posits that employees evaluate the fairness of their inputs and outcomes relative to others, with perceived fairness fostering trust and engagement. The significant influence of MFP (B = 0.635, Beta = .669, $p < .001$) demonstrates that fairness perceptions directly drive psychological ownership, as employees feel valued and recognized when their compensation reflects their efforts and contributions. This finding echoes

the work of Srivastava and Singh (2023) and Liu et al. (2020), who also identified fairness in compensation as a critical determinant of employee commitment and emotional investment.
Similarly, the substantial role of IPG (B = 0.309, Beta = .331, $p < .001$) in fostering psychological ownership underscores the importance of equity in ongoing reward systems. As predicted by Equity Theory, employees assess not only current compensation but also how well salary progression acknowledges their long-term contributions (Meira & Hancer, 2021; Al-Ghazali & Afsar, 2022). The findings support previous studies that highlight the motivational impact of incremental pay growth on employee loyalty and organizational commitment (Bello et al., 2023; Jones et al., 2023). These results suggest that consistent pay increments are particularly critical in dynamic and resource-constrained environments like Abuja, where economic instability heightens employees' sensitivity to perceived fairness over time.

In contrast, the negligible effect of MRC (B = 0.005, Beta = .005, $p = .871$) suggests that reward customization may be less relevant in fostering psychological ownership within Abuja's hospitality sector. While Equity Theory emphasizes the importance of aligning rewards with individual preferences, its practical application may be limited in contexts where economic and organizational constraints restrict the flexibility of reward systems. This finding diverges from studies in developed economies, such as those by Zhao et al. (2022) and Thibault Landry et al. (2020), where customization was shown to enhance employee empowerment and engagement. The disparity highlights the need for further research into the contextual factors that moderate the effectiveness of customization strategies in sub-Saharan settings.

The results affirm the empirical significance of fairness and growth-oriented reward structures in fostering psychological ownership. The strong influence of MFP mirrors the findings of Liu et al. (2020) and Zhao et al. (2022), who demonstrated that fairness perceptions mitigate dissatisfaction and enhance organizational loyalty. Similarly, the impact of IPG aligns with Meira and Hancer (2021), who observed that pay growth strengthens employees' psychological connection to their roles by acknowledging their career progression.

However, the limited effect of MRC challenges prior research that identified customization as a key driver of employee engagement (Thibault Landry et al., 2020; Srivastava & Singh, 2023). This finding underscores the importance of adapting global reward practices to local contexts. In Abuja, financial and logistical constraints may limit the feasibility of customization, reducing its perceived relevance among employees. Furthermore, cultural factors may influence employee expectations, prioritizing fairness and stability over personalized rewards in economically volatile environments.

The study's findings emphasize the critical role of equity-driven reward systems in shaping psychological ownership. Organizations in Abuja's hospitality sector should prioritize transparent and equitable compensation structures, ensuring that monetary rewards reflect employees' contributions and align with industry standards. Incremental pay growth should also be institutionalized as a long-term strategy to enhance employee commitment, particularly in a workforce sensitive to economic fluctuations.

The insignificant role of MRC suggests that efforts to customize rewards may yield limited benefits in this context. Instead, organizations should focus on enhancing the perceived fairness and consistency of existing reward systems, addressing employees' immediate concerns about equity and stability.

This study highlights the primacy of fairness and growth-oriented reward systems in fostering psychological ownership within Abuja's hospitality industry. By grounding the analysis in Equity Theory and contextualizing the findings with empirical literature, the research underscores the need for equity-driven compensation strategies that address the unique economic and cultural dynamics of the region. While customization may be effective in other contexts, its limited impact in this study points to the importance of aligning reward practices with local realities, ultimately contributing to sustainable organizational success.

CONCLUSION AND RECOMMENDATION

This study examined the influence of Monetary Fairness Perception (MFP), Incremental Pay Growth (IPG), and Monetary Reward Customization (MRC) on Psychological Ownership (PO) in selected hospitality firms in Abuja. The findings demonstrate that MFP is the most significant predictor, with a unit increase leading to substantial improvements in psychological ownership, underscoring the importance of fairness in fostering employee engagement and organizational commitment. Similarly, IPG has a meaningful positive impact, reflecting the value of growth-oriented reward structures in motivating employees. However, MRC showed no statistically significant effect, suggesting limited relevance of customization strategies within the context of Abuja's hospitality industry. These results highlight the critical role of equity and growth in compensation systems for enhancing employee performance, particularly in resource-constrained and dynamic environments. Organizations should prioritize implementing transparent and equitable pay structures while institutionalizing consistent incremental salary growth to enhance psychological ownership and employee performance.

REFERENCES

Abolnasser, M., Al-Ghazali, B., & Afsar, B. (2023). Incremental pay growth and its role in fostering employee loyalty. *Journal of Middle Eastern Business Studies*, 45(3), 267–285.

Adams, J. S. (1963). Toward an understanding of inequity. *Journal of Abnormal and Social Psychology*, 67(5), 422–436. https://doi.org/10.1037/h0040968

Ahmed, F., Zafar, S., & Baig, U. (2022). The impact of monetary fairness on psychological ownership: Insights from emerging economies. *International Journal of Organisational Behaviour Studies*, 20(1), 43–62.

Al-Ghazali, B., & Afsar, B. (2022). Equity and its influence on employee well-being in resource-constrained economies. *International Journal of Organisational Studies*, 30(2), 112–128.

Avey, J. B., Avolio, B. J., Crossley, C. D., & Luthans, F. (2009). Psychological ownership: Theoretical extensions, measurement, and relation to work outcomes. *Journal of Organisational Behaviour*, 30(2), 173–191. https://doi.org/10.1002/job.583

Bello, T., Okafor, P., & Adewale, S. (2023). The role of salary progression in motivating employees in dynamic sectors. *European Journal of Business Management*, 49(1), 80–95.

Heneman, H. G., & Schwab, D. P. (1985). Pay satisfaction: Its multidimensional nature and measurement. *International Journal of Psychology*, 20(2), 129–140.

Jones, R., Brown, C., & Taylor, M. (2023). Financial rewards in unstable economies: A framework for salary progression. *Journal of Economic Studies*, 40(3), 224–239.

Liu, Y., Chen, Z., & Zhang, P. (2020). Fairness perceptions and their influence on employee engagement. *Journal of Organisational Psychology*, 15(1), 12–25.

Meira, J. D., & Hancer, M. (2021). Customisation of monetary rewards and its effects on employee satisfaction in hospitality. *International Journal of Hospitality Management*, 35(4), 320–335. https://doi.org/10.1016/j.ijhm.2020.102618

Musa, I., Akintoye, O., & Omolara, T. (2023). Financial incentives as psychological motivators in the Nigerian context. *African Journal of Business Studies*, 55(2), 144–159.

Odumosu, A., & Oyelade, T. (2023). Transparency in compensation systems and its role in employee retention. *Journal of African Management Studies*, 38(1), 67–85.

Srivastava, A., & Singh, S. (2023). Linking fairness perceptions to psychological ownership in the service sector: Evidence from India. *Journal of Service Industry Research*, 27(1), 88–105.

Thibault Landry, A., Jalbert, C., & Liden, R. (2020). Autonomy through customisation: A motivational perspective on tailored financial rewards. *Journal of Applied Psychology*, 105(2), 123–138. https://doi.org/10.1037/apl0000412

Zhao, Y., Kim, H., & Zhang, W. (2022). Investigating the dynamics of reward systems: A multi-dimensional approach to fairness, growth, and customisation. *Asia-Pacific Journal of Business Studies*, 39(4), 299–316. https://doi.org/10.1108/APJBS-2022-1034

Zhang, W., & Kim, J. (2023). The psychological implications of financial incentives in employee engagement: A meta-analytic review. *Global Journal of Psychological Studies*, 29(3), 201–220. https://doi.org/10.1016/j.gjps.2023.102612