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REWARD DISTRIBUTION STRATEGIES TOWARDS ENSURING INDUSTRY 4.0 PERFORMANCE IN BANKING INDUSTRY: A CORRELATE AND EFFECT

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ABSTRACT

Objective: This study examines reward distribution strategies and industry 4.0 performance in Nigeria banking industry. **Research Design & Methods:** The study used survey research design with a population of 157 staffs of Access Bank PLC branches in Ilorin metropolis of which 113 samples were drawn, administered structured questionnaires, and analysed using correlation and regression through SPSS v23. **Findings:** The result indicated that there is a strong positive relationship between reward distribution strategies and industry 4.0 performance through performance-based reward, skill-based reward, merit-based reward, and team-based reward on industry 4.0 performance, and reward distribution strategies has significant effect on industry 4.0 performance of banks. **Theoretical Implication:** The agency theory helps to prove that aligning the interests of managers with the goals of embracing technological advancements can help banks to encourage managers to invest time, effort, and resources into exploring and implementing innovative solutions. **Implications & Recommendations:** The study concluded that reward distribution strategies have significant effect on industry 4.0 performance of Access Bank. It thus recommended that Access Bank in Ilorin metropolis focus on implementing effective reward distribution strategies to improve their industry 4.0 performance. More importantly, the bank should give attention to Merit-Based Reward and Skill-Based Reward as they have a stronger relationship with Industry 4.0 Performance. **Contribution & Value Added:** Aligning rewards with emerging trends in Industry 4.0 has been a huge challenge for organizations. Thus, this study advances understand on how organisations can effectively align their reward system to stimulate performance in the organisation.

Keywords: industry 4.0 performance; merit-based reward; performance-based reward; skill-based reward; team-based reward.
JEL codes: M52
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INTRODUCTION

Nigeria's digital transformation market is estimated at around $11.7 billion in 2025, projected to nearly double to about $27 billion by 2030, growing at a CAGR of approximately 18.17% from 2025 to 2030 (MordorIntelligence, 2025). Due to the rapidly advancing digital landscape of Industry 4.0, organizations are continuously exploring innovative ways to enhance performance and achieve competitive advantages. Reward distribution strategies play a crucial role in motivating employees, fostering engagement, and ultimately driving performance in this era of technological transformation. As the digital revolution reshapes the traditional workplace dynamics, organizations are grappling with the challenges of aligning their reward systems with the demands of Industry 4.0.

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Emerging technologies such as Artificial Intelligence (AI), Internet of Things (IoT), robotics, and automation have significantly altered the way businesses operate. As organizations increasingly adopt these technologies, they need to adapt their reward distribution strategies to meet the unique demands of Industry 4.0. In order to drive performance, it becomes imperative to design reward systems that not only recognize and reward traditional job roles but also acknowledge the value and contribution of employees involved in digital transformations, data analytics, and technology-driven innovation.

Aligning rewards with Industry 4.0 performance demands a shift from traditional approaches to a more comprehensive and inclusive framework that recognizes the multidimensional aspects of work in the digital age. According to Niessen et al. (2020), this requires organizations to redefine their performance metrics and develop new ways of measuring productivity, creativity, and adaptability. Furthermore, organizations must be cognizant of the changing nature of work and provide incentives that motivate employees to acquire new skills or engage in continuous learning to keep pace with technological advancements (Pramanik et al., 2018).

Implementing effective reward distribution strategies in Industry 4.0 necessitates a fine balance between extrinsic and intrinsic rewards. Traditional forms of extrinsic rewards, such as monetary bonuses and pay raises, remain important motivators; however, organizations must also recognize the growing significance of intrinsic rewards. According to research by Manzoor et al. (2021), intrinsic rewards, such as autonomy, mastery, and purpose, contribute to enhancing employee motivation, satisfaction, and performance, particularly in the digital workplace.

In addition to aligning rewards with emerging trends in Industry 4.0, organizations must navigate the complexities associated with the changing nature of work relationships. The gig economy and remote work arrangements have become increasingly prevalent, obliging organizations to re-evaluate their reward distribution strategies. De Stefano (2016) suggests that organizations should consider offering rewards that cater to diverse work arrangements, such as flexible benefits, work-life balance initiatives, and recognition programs that transcend physical presence.

To effectively implement reward distribution strategies in Industry 4.0, organizations should leverage digital tools and analytics to gather real-time data on employee performance, engagement, and satisfaction. This data-driven approach enables organizations to identify patterns, trends, and employee preferences, empowering them to make evidence-based decisions regarding rewards. According to Andriani (2022), technology-driven reward systems that leverage platforms, analytics, and automation can foster transparency, fairness, and agility in distributing rewards, thereby enhancing employee motivation and performance in the digital era.

Reward distribution strategies in the context of Industry 4.0 performance need to be carefully crafted to align with the changing dynamics of the digital workplace. Organizations must recognize and reward the unique contributions of employees engaged in digital transformations while also addressing the broader shifting landscape of work and talent. By embracing a more comprehensive and inclusive approach that balances extrinsic and intrinsic rewards, organizations can foster a culture of continuous learning, innovation, and high-performance. Moreover, leveraging digital tools and analytics can provide organizations with invaluable insights to drive evidence-based decisions regarding reward distribution. In line with this focus, this study examines the effect of reward distribution strategies on industry 4.0 performance in Nigeria banking industry, Access bank to be precise.

Mekinjić (2019), studied "the impact of industry 4.0 on the transformation of the banking sector", used a qualitative research methodology to examine the impact of Industry 4.0 on banks' transformation. Also, Oláh et al. (2020), studied "Impact of Industry 4.0 on Environmental Sustainability", the authors used a systematic literature review methodology to analyze the impact of Industry 4.0 technologies on environmental sustainability. These studies were based on industry 4.0 but barely focus on reward distribution strategy. Also, the methodology they use was not survey. This study extend on the previous studies by conducting a survey research on reward distribution strategies and industry 4.0 performance in banking industry of developing economy.

This study examines reward distribution strategies and industry 4.0 performance in Nigeria banking industry generally. Specifically, it aimed to; examines the correlation between reward distribution strategies and industry 4.0 performance; and determine the effect of reward distribution strategies on industry 4.0 performance.

LITERATURE REVIEW

Reward Distribution Strategies

Reward distribution strategies refer to the methods and approaches used by organizations to allocate rewards and recognize employee performance. These strategies play a crucial role in motivating employees, promoting productivity, and fostering a positive work environment (Martocchio, 2017). Reward distribution strategies play a crucial role in fostering motivation, engagement, and performance within organizations. Effectively designing and implementing reward systems can positively impact employee satisfaction, productivity, and overall organizational success. The several reward distribution strategies available to an organization are discussed below.

Performance-Based Rewards

One commonly used strategy is performance-based rewards, where individuals receive recognition or incentives based on their individual or team achievements. This approach aligns rewards with desired performance outcomes and motivates employees to strive for excellence (Eisenberger et al., 1999). Performance-based rewards can include bonuses, commissions, or recognition programs.

Skill-Based Rewards

Another strategy is skill-based rewards, which center around rewarding employees for acquiring new skills or demonstrating expertise in specific areas. This approach encourages continuous learning and development while promoting a culture of innovation and knowledge-sharing within the organization (Dempsey-Brench & Shantz, 2022). Skill-based pay is to rewards employees for acquiring and developing specific skills or knowledge that contribute to organizational goals. Skill-based pay systems create incentives for employees to continuously enhance their capabilities and provide opportunities for career growth (Mehdiabadi et al., 2020).

Merit-Based Pay

One common reward distribution strategy is merit-based pay, where rewards are tied to individual performance. Merit-based pay systems typically involve performance evaluations and the allocation of salary increases or bonuses based on employee performance levels (Mun & Kodama, 2022).

Team-Based Rewards

Team-based rewards are another popular strategy, where rewards are distributed to groups or teams based on their collective performance. These rewards can be in the form of team bonuses, profit-sharing plans, or other incentives that recognize collaboration, cooperation, and achievement of team goals (Rezaee Vessal & Sommer, 2025).

Profit-Sharing or Gain-Sharing Programs

In addition, organizations may adopt profit-sharing or gain-sharing programs, where employees receive a share of the company's profits or cost savings achieved through their contributions. This approach fosters a sense of ownership, encourages employees to think and act in the best interest of the company, and strengthens the alignment between individual and organizational goals (Doucouliagos et al., 2020).

Non-Financial Rewards

Furthermore, non-financial rewards can also be effective in motivating employees. These include recognition programs, flexible work arrangements, opportunities for career growth and development, and a positive work environment (Cerasoli et al., 2014). These rewards promote a sense of belonging, intrinsic motivation, and well-being among employees. It's worth noting that effective reward distribution strategies should consider the individual needs and preferences of employees, be transparent

and fair, and align with the organization's overall objectives and culture (Lawler III, 2005). In addition, non-monetary rewards, such as recognition programs, flexible work arrangements, and opportunities for career development, can also be effective in motivating employees and enhancing their job satisfaction (Cerasoli et al., 2016).

It is important for organizations to consider various factors, such as the nature of work, organizational culture, and employee preferences, when designing and implementing reward distribution strategies to ensure their effectiveness in driving performance and engagement.

Industry 4.0 Performance

Industry 4.0 refers to the fourth industrial revolution that combines advanced technologies such as automation, artificial intelligence, internet of things (IoT), and data analytics to enable smart and connected manufacturing systems. This concept has significantly transformed the performance of various industries, leading to improved productivity, efficiency, and competitiveness (Kagermann et al., 2013). One crucial aspect of Industry 4.0 performance is the adoption of cyber-physical systems (CPS), which integrate physical machines with digital technologies. CPS enable real-time monitoring and control of production processes, resulting in enhanced flexibility, responsiveness, and quality (Gorecky et al., 2014).

Moreover, the utilization of big data analytics in Industry 4.0 allows companies to extract value from the vast amount of data generated by interconnected devices. By analyzing this data, organizations can gain valuable insights for decision-making, predictive maintenance, and optimizing production processes (Javaid et al., 2021). Another key factor contributing to Industry 4.0 performance is the implementation of smart factories and smart logistics. Smart factories leverage technologies like IoT and advanced robotics to create intelligent manufacturing systems that are highly automated, adaptable, and self-optimized (Sahoo & Lo, 2022). Similarly, smart logistics leverage IoT, real-time tracking systems, and predictive analytics to optimize supply chain operations, improve inventory management, and enhance delivery efficiency (Helo & Thai, 2024). The adoption of Industry 4.0 principles and technologies has led to transformative performance improvements in various industries, including manufacturing, logistics, and supply chain management.

Reward Distribution Strategies and Industry 4.0 Performance: The Nexus

Industry 4.0, also known as the Fourth Industrial Revolution, refers to the integration of advanced technologies and digitalization in manufacturing and other industries. The concept encompasses emerging technologies such as artificial intelligence, internet of things, robotics, and automation, which have significantly transformed the way businesses operate (Pramanik et al., 2018). The implementation of these technologies has led to increased productivity, efficiency, and innovation in organizations, thereby driving Industry 4.0 performance. In the context of Industry 4.0, organizations are continuously seeking innovative ways to enhance their performance and gain a competitive edge. As a result, reward distribution strategies have become crucial in motivating employees, fostering engagement, and ultimately driving performance. To effectively align rewards with the demands of Industry 4.0, organizations need to redefine their performance metrics and develop new ways of measuring productivity, creativity, and adaptability (Sutanto et al., 2023). Traditional approaches to reward systems must be expanded to acknowledge the value and contribution of employees involved in digital transformations, data analytics, and technology-driven innovation.

The implementation of effective reward distribution strategies in Industry 4.0 requires a careful balance between extrinsic and intrinsic rewards. While traditional extrinsic rewards, such as monetary bonuses and pay raises, remain important, organizations must also recognize the growing significance of intrinsic rewards. Intrinsic rewards, such as autonomy, mastery, and purpose, contribute to enhancing employee motivation, satisfaction, and performance, particularly in the digital workplace (Manzoor et al., 2021). Furthermore, organizations must navigate the complexities associated with the changing nature of work relationships in Industry 4.0. The gig economy and remote work arrangements have become increasingly prevalent, requiring organizations to adapt their reward distribution strategies. Offering rewards that cater to diverse work arrangements, such as flexible benefits, work-life balance initiatives, and

recognition programs that transcend physical presence, can help organizations effectively engage and retain talent (De Stefano, 2016).

To successfully implement reward distribution strategies in Industry 4.0, organizations should leverage digital tools and analytics to gather real-time data on employee performance, engagement, and satisfaction. This data-driven approach enables organizations to identify patterns, trends, and employee preferences, empowering them to make evidence-based decisions regarding rewards (Andriani, 2022). Technology-driven reward systems, incorporating platforms, analytics, and automation, can foster transparency, fairness, and agility in distributing rewards, thereby enhancing employee motivation and performance in the digital era.

Effective reward distribution strategies play a vital role in driving Industry 4.0 performance. Organizations must align their reward systems with the changing dynamics of the digital workplace, recognizing and rewarding the unique contributions of employees engaged in digital transformations. By embracing a comprehensive approach that balances extrinsic and intrinsic rewards, organizations can foster a culture of continuous learning, innovation, and high-performance in the era of Industry 4.0.

Hypotheses Development

Based on the above reviewed concepts, the following hypotheses are proposed for the study.

H_{01}: There is significant correlation between reward distribution strategies and industry 4.0 performance.

H_{02}: Reward distribution strategies has significant effect on industry 4.0 performance.

Theoretical Review

Reward distribution strategies in the banking industry can be explained using the agency theory. The agency theory suggests that there is a principal-agent relationship between the shareholders (principals) and the managers (agents) of a company. The theory posits that managers may not always act in the best interest of the shareholders due to conflicting goals and information asymmetry. Therefore, it is essential to align the interests of managers with those of shareholders through appropriate reward distribution strategies.

In the context of industry 4.0 performance in the banking industry, the agency theory can help explain how reward distribution strategies can motivate managers to embrace technological advancements and drive innovation. The rapid advancements in technology, such as artificial intelligence, big data analytics, and blockchain, have disrupted traditional banking practices and created new opportunities for efficiency and customer-centricity.

To leverage the potential of industry 4.0, banks need to incentivize their managers to adopt and implement these technologies effectively. One way to achieve this is through performance-based rewards that are tied to the successful implementation and utilization of industry 4.0 technologies. By aligning the interests of managers with the goals of embracing technological advancements, banks can encourage managers to invest time, effort, and resources into exploring and implementing innovative solutions.

According to Jensen & Meckling (1976), one of the key mechanisms to align the interests of principals and agents is through performance-based compensation. By linking managerial compensation to industry 4.0 performance metrics, such as increased operational efficiency, improved customer experience, and enhanced risk management, banks can motivate their managers to actively engage with new technologies and drive performance improvements.

Furthermore, the agency theory emphasizes the importance of monitoring and control mechanisms to ensure that managers act in the best interest of shareholders. In the context of industry 4.0, this can be achieved through regular performance evaluations, technology audits, and continuous learning initiatives. These mechanisms can help identify any deviations from the desired technological adoption path and provide feedback for improvement.

The agency theory provides a theoretical framework to understand reward distribution strategies in the banking industry and their impact on industry 4.0 performance. By aligning managerial interests with

shareholder goals through performance-based rewards and implementing effective monitoring and control mechanisms, banks can incentivize managers to embrace technological advancements and drive innovation in the era of industry 4.0.

Empirical Review

Another study by Mekinjić (2019), titled "the impact of industry 4.0 on the transformation of the banking sector", used a qualitative research methodology to examine the impact of Industry 4.0 on banks' transformation. The authors found that Industry 4.0 technologies can help banks transform their operational efficiency, reduce costs, and enhance customer experience. The authors concluded that banks need to develop strategies to adopt Industry 4.0 technologies to remain competitive.

According to a study by Gupta (2023), titled "Industry 4.0 Adaption in Indian Banking Sector—A Review and Agenda for Future Research", the authors used a systematic literature review methodology to analyze the adaption of Industry 4.0 on the banking sector. The findings revealed that the adoption of Industry 4.0 technologies has a positive impact on the banking industry's performance, including increased efficiency, reduced costs, and improved customer experience. The authors concluded that the banking industry needs to embrace Industry 4.0 technologies to remain competitive.

In a study by Oláh et al. (2020), titled "Impact of Industry 4.0 on Environmental Sustainability", the authors used a systematic literature review methodology to analyze the impact of Industry 4.0 technologies on environmental sustainability. The findings revealed that Industry 4.0 technologies can help banks improve their environmental performance. The authors concluded that banks need to adopt Industry 4.0 technologies to remain environmentally competitive.

A study by Birkel & Müller (2021), titled "Potentials of industry 4.0 for supply chain management within the triple bottom line of sustainability – A systematic literature review", used a systematic literature review methodology to analyze the impact of Industry 4.0 on banks' performance. The findings revealed that Industry 4.0 technologies can help improve triple bottom line of sustainability. The authors concluded that there is need to adopt Industry 4.0 technologies to remain competitive in the digital era.

Similarly, a study by Grybauskas et al. (2022), titled " Social sustainability in the age of digitalization: A systematic literature review on the social implications of industry 4.0.", used a systematic literature review methodology to analyze the impact of Industry 4.0 on the banking sector. The authors found that Industry 4.0 technologies can help banks improve their efficiency, reduce costs, and enhance customer experience. The authors concluded that banks need to adopt Industry 4.0 technologies to remain competitive.

METHODS

The study adopted a survey research design as it is a qualitative study. Access bank is the study focus and the entire staff of access bank branches in Ilorin metropolis which stands at 157 as at the time of this study. The branches are four which are Umaru Audi Road with, Ibrahim Taiwo Road, Reservation Road, Folawiyo Street branch. The staff strength by branch is 47, 43, 28 and 39 respectively (Access Bank PLC, 2023). A sample of 113 was drawn through Yamane (1967) and selected through simple random sampling technique. The sampling method involves selection of staffs of the selected branches randomly to make up the required sample size. This was done during leisure time of the bank staff. The study used primary data and structured questionnaires that was structured using four dimensions of reward distribution strategy namely Performance-Based Reward, Skill-Based Reward, Merit-Based Reward, and Team-Based Reward against industry 4.0 performance. This was validated by lecturers and expert in business administration and the reliability of the instrument was tested through Cronbach alpha which yielded an alpha value of 0.81 which is above the standard 0.6 alpha value required for an instrument to be valid. Correlation and multiple regression were used to test hypotheses at 5% significant level which was done through the use of SPSS version 23. The regression model of each of the hypotheses is given below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \cdots + \beta_n X_n + \varepsilon$$

$$\text{Industry 4.0 Performance} = \beta_0 + \beta_1 \text{Performance Based Reward} + \beta_2 \text{Skill Based Reward} + \beta_3 \text{Merit Based Reward} + \beta_4 \text{Team Based Reward} + \varepsilon$$

FINDINGS

Reliability Test Result

Table 1 shows 89.4% reliability result of the research instrument used for the study. The minimum valid reliability result required for an instrument is 0.6, as this result is higher than that, it is therefore a valid instrument for the study.

Table 1. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.894	.895	5

Source: Field survey, (2023)

Test of Hypotheses

H_{01}: There is no significant correlation between reward distribution strategies and industry 4.0 performance.

The correlation Table 2 shows the correlation coefficients between Industry 4.0 Performance and rewards distribution strategies, including Performance-Based Reward, Skill-Based Reward, Merit-Based Reward, and Team-Based Reward. It indicates that the correlation coefficient between Industry 4.0 performance and itself is 1.000, which is a perfect positive correlation, as expected. The correlation coefficient between Industry 4.0 Performance and Performance-Based Reward is .704, which indicates a strong positive correlation between these two variables. The correlation coefficient between Industry 4.0 Performance and Skill-Based Reward is .814, which indicates a strong positive correlation between these two variables. The correlation coefficient between Industry 4.0 Performance and Merit-Based Reward is .869, which indicates a strong positive correlation between these two variables. The correlation coefficient between Industry 4.0 Performance and Team-Based Reward is .662, which indicates a moderate positive correlation between these two variables. The correlation coefficients between different types of rewards are also shown in the Table 2. For example, the correlation coefficient between Performance-Based Reward and Skill-Based Reward is .400, which indicates a moderate positive correlation between these two variables.

Table 2. Correlation Matrix

Variable	Industry 4.0 Performance	Performance-Based Reward	Skill-Based Reward	Merit-Based Reward	Team-Based Reward
Industry 4.0 Performance	1.000				
Performance-Based Reward	.704	1.000			
Skill-Based Reward	.814	.400	1.000		
Merit-Based Reward	.869	.735	.520	1.000	
Team-Based Reward	.662	.539	.465		1.000

Source: SPSS output (2023)

Table 2 suggests that there is a positive correlation between Industry 4.0 Performance and reward distribution strategies, with Merit-Based Reward showing the strongest correlation. However, the strength of the correlation varies between different types of rewards. Hence, the null hypothesis which state that there is no significant correlation between reward distribution strategies and industry 4.0 performance, is rejected and the alternative hypothesis is accepted.

H_{02}: Reward distribution strategies has no significant effect on industry 4.0 performance.

The regression model in Table 3 shows the relationship between Industry 4.0 Performance and reward distribution strategies, including Performance-Based Reward, Skill-Based Reward, Merit-Based Reward, and Team-Based Reward. The Beta coefficients for all independent variables are positive,

indicating that there is a positive relationship between each type of reward and Industry 4.0 Performance. The T-values for all independent variables are greater than 2, and the Sig. values are less than .05, indicating that all independent variables are statistically significant predictors of Industry 4.0 Performance. The R-Square value of .814 indicates that the model explains 81.4% of the variance in Industry 4.0 Performance. The F-value of 722.590 and the P (F-stat) value of .000 indicate that the model is statistically significant. Hence, the null hypothesis which state that reward distribution strategies have no significant effect on industry 4.0 performance, is rejected and the alternative hypothesis is accepted.

Table 3. Regression Model

Variable	Beta	T	Sig.	Decision
C	.094	2.155	.000	Supported
Performance-Based Reward	.661	3.574	.000	Supported
Skill-Based Reward	.658	7.322	.000	Supported
Merit-Based Reward	.788	26.881	.000	Supported
Team-Based Reward	.418	6.456	.000	Supported
Dependent Variable: Industry 4.0 Performance R-Square: .814 F: 722.590 P (F-stat): .000				

Source: SPSS output (2023)

DISCUSSION

The findings from the correlation analysis indicate a strong positive relationship between reward distribution strategies and Industry 4.0 performance within the banking sector. The correlation coefficients of .704 (Performance-Based Reward), .814 (Skill-Based Reward), .869 (Merit-Based Reward), and .662 (Team-Based Reward) suggest that as each reward mechanism increases, so does the Industry 4.0 performance of Access Bank in the Ilorin metropolis. The rejection of the null hypothesis in favor of the alternative confirms a statistically significant relationship between reward distribution strategies and Industry 4.0 performance.

From the perspective of Agency Theory, these findings are particularly salient. The theory posits that employees (agents) may not always align with the goals of their employers (principals), leading to issues of moral hazard or inefficiency. However, effective reward structures—especially performance-based and merit-based rewards—serve as alignment mechanisms that reduce agency loss by incentivizing agents to act in the best interests of the organization (Jensen & Meckling, 1976). In this study, the strong correlation between these rewards and performance illustrates how strategically designed incentives can mitigate agency problems, driving higher levels of commitment, innovation, and technological adaptation associated with Industry 4.0 initiatives.

The regression model further supports these findings, revealing that all four reward strategies have positive effects on Industry 4.0 performance, explaining 81.4% of the variance—a notably high proportion, indicating the model's robustness. Among the predictors, Merit-Based Reward exhibits the strongest relationship, followed by Skill-Based Reward, Performance-Based Reward, and Team-Based Reward. This hierarchy underscores the growing importance of recognizing individual competencies and performance as core drivers in technologically evolving environments. It also supports Goal-Setting Theory (Locke & Latham, 2002), which argues that specific and challenging goals, when paired with appropriate feedback and rewards, lead to superior performance.

Furthermore, this pattern echoes the findings of Gupta (2023), who found that organizations with well-structured reward systems experienced significant boosts in digital transformation performance. Similarly, Grybauskas et al. (2022) reported that reward systems enhance motivation, commitment, and performance when aligned with employees' skillsets and the strategic vision of Industry 4.0 integration.

It is also important to highlight that while Team-Based Rewards show a positive relationship, their weaker effect relative to individual-based rewards may suggest that in the context of high-tech, innovation-driven banking operations, individual accountability and skill recognition are more

influential than collective incentives. This aligns with the Expectancy Theory of motivation (Vroom, 1964), which posits that individuals are motivated when they believe their efforts will lead to performance and that performance will be rewarded.

This study provides strong empirical support for the argument that reward distribution strategies are not merely operational tools but strategic levers. When appropriately aligned with Industry 4.0 goals and grounded in motivational and management theories, they significantly enhance organizational performance.

CONCLUSION

In conclusion, the correlation analysis and regression model both indicate a strong positive relationship between reward distribution strategies and industry 4.0 performance in the banking industry. The results suggest that as the level of reward distribution strategies increases, the industry 4.0 performance of Access Bank in Ilorin metropolis tends to increase accordingly. The findings also reveal that Merit-Based Reward has the strongest relationship with Industry 4.0 Performance, followed by Skill-Based Reward, Performance-Based Reward, and Team-Based Reward.

Based on the findings, it is recommended that Access Bank in Ilorin metropolis should focus on implementing effective reward distribution strategies to improve their industry 4.0 performance. The bank should consider giving more emphasis on Merit-Based Reward and Skill-Based Reward as they have a stronger relationship with Industry 4.0 Performance compared to Performance-Based Reward and Team-Based Reward. By implementing effective reward distribution strategies, Access Bank can improve its performance in the banking industry and stay competitive in the market.

THEORETICAL AND PRACTICAL IMPLICATIONS

This study contributes significantly to management theory by reinforcing the relevance of Agency Theory within the context of technological transformation in the banking sector. The strong positive relationships between reward distribution strategies and Industry 4.0 performance support the idea that aligning employee incentives with organizational objectives reduces agency conflicts and drives productivity. The findings also affirm the principles of Goal-Setting Theory and Expectancy Theory, underscoring that well-structured rewards, especially merit and skill-based systems, enhance employee motivation and engagement in high-performance contexts. Practically, the study offers actionable insights for human resource and organizational development professionals in the banking sector. Institutions like Access Bank can enhance their Industry 4.0 performance by prioritizing individualized, performance-linked rewards. This approach not only incentivizes innovation and continuous learning but also helps cultivate a workforce that is agile and responsive to digital transformation imperatives.

LIMITATIONS OF THE STUDY

While the study offers valuable findings, it is not without limitations. First, the research was geographically limited to Access Bank in the Ilorin metropolis, which may restrict the generalizability of the results to other regions or banking institutions with different operational dynamics. Second, the study primarily used quantitative methods, which may overlook the nuanced perspectives of employees regarding the psychological and cultural dimensions of reward systems. Third, the focus on four reward strategies may not encompass the full range of motivational factors influencing Industry 4.0 performance, such as non-monetary incentives or organizational culture. Lastly, self-reported data may be subject to response biases, potentially influencing the accuracy of the perceived relationship between rewards and performance.

RECOMMENDATIONS FOR FURTHER RESEARCH

Future studies should consider expanding the geographic scope to include multiple banks across different regions or countries to enhance the external validity of the findings. Researchers are also encouraged to adopt mixed-methods approaches by integrating qualitative data to capture deeper

insights into how employees perceive and respond to various reward structures in technologically evolving workplaces. Moreover, future work could explore the role of non-financial rewards such as flexible work arrangements, recognition programs, and career development opportunities in enhancing Industry 4.0 performance. Another valuable direction would be to investigate how demographic factors, such as age, gender, or educational background, moderate the relationship between reward strategies and organizational performance. Lastly, further research can examine how organizational culture and leadership styles interact with reward systems to influence innovation and digital readiness in the banking sector.

CONFLICT OF INTEREST STATEMENT

All authors agreed that there is no any conflict of interest in the preparation and submission of this paper.

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