

MANAGEMENT COMPENSATION STRATEGIES AND LECTURERS' PRODUCTIVITY IN LAGOS STATE UNIVERSITIES, NIGERIA**BY****Shittu, Taofeek Olawale (Ph.D.): Department of Educational Management, Lagos State University, Nigeria; Email: taofeek.shittu@lasu.edu.ng/ ORCID NO: 0000-0002-1975-1280****Abraham, Hannah Fedenes: Department of Educational Management, Lagos State University, Nigeria; Email: hanahabraham40@gmail.com****Adebayo, Emmanuel Layi: Fatiu Ademola Akese Library, Lagos State University, Nigeria; Email: el.adebayo@gmail.com****Abstract**

This study examined management compensation strategies and lecturers' productivity in public universities in Lagos State, Nigeria. The study adopted correlational design. The population of the study consists of 1,700 academic staff in Lagos State Universities, Nigeria. Two null hypotheses were tested at 0.05 level of significance. The sample size of the study consisted of 300 respondents selected using simple random sampling technique. Two research instruments titled Compensation Management Questionnaire (CMQ) and Lecturers Productivity Questionnaire (LPQ) were used for data collection. The validity of the instrument was established through content validity and the reliability consistency of the instruments was determined using Cronbach alpha method with co-efficient of 0.66. The Kendall's Tau-b was used to analyse data collected via Statistical Package for Social Science (SPSS) version 22.0. The findings of hypotheses 1, and 2 showed that: a positive significant relationship existed between direct compensation management and academic staff productivity in public universities in Lagos State, Nigeria ($\tau_b = .566$; $N=300$; $p<0.05$); and a positive significant relationship existed between indirect compensation management and academic staff productivity in public universities in Lagos State, Nigeria ($\tau_b = .545$; $N=300$; $p<0.05$). Based on the findings, the study concluded that compensation management is a major factor that determine productivity of academic staff in Nigerian public universities. Therefore, it is recommended amongst other that government should be more focus on academic staff welfare and authorize the university management to ensure that lecturers' remuneration package commensurate with their performance.

Keywords: *Compensation, Management, Motivation, Lecturers' Productivity*

Introduction

In Nigeria today, many tertiary institutions especially in the public university system have experienced difficulties in human resources management which have led to decline in academic staff productivity. The university, as a higher education institution that supplies the workforce needed to progress national development through the public and private sectors, must be able to guarantee an acceptable compensation management system on its own. The institution could not, therefore, afford to disregard the needs and requirements of employee satisfaction, particularly with regard to their remuneration package. The success or failure of the university system, however, largely depends on the management's capacity to recruit, retain, and reward academic staff who are adequately bright and competent. It has been stated that the remuneration packages and reward systems of the institutions play a role in how satisfied academic staff are with their work and their willingness to stay in academia. Adeniyi (2013) posited that the fundamental tasks in human resources management are compensation management. Compensation is a motivation that deals with an employee desire to perform, which can be enhanced by extrinsic or intrinsic motivation. Poor government compensation plans for teachers, and university management are all blamed for the difficulties faced by the majority of public universities. However, productivity is the overall efficacy and efficiency of completing tasks. The standard by which academic staff productivity at Nigerian universities is frequently judged is the quantity of students taught, the amount of research conducted and directed by the staff in the institutions, and the amount of community service the staff performs (Adeyanju, 2022). Academic staff productivity in the context of university systems is typically defined as the degree to which lecturers contribute to achieving the

organization's goals, which could be measured based on the goals set for those individuals or groups and the degree to which the organization's goals have been achieved.

Statement of the Problem

Over the years, the direct compensation is not commensurate with the efforts and skills that lecturers put into the academic activities because some public universities view the employment of academic staff as an additional cost and liability to their operations. Instead of focusing on how lecturers will be compensated appropriately, some university management concentrated more on physical resources, such as materials, machines, and money. It has been noted that certain disgruntled academic staff members frequently suffered job stress, low morale, high employee turnover rates, and mistakes, lack of client retention, lower productivity, and smearing of business reputation in public universities in Lagos State. The greatest human resources of an organization will leave their jobs because they receive better wage offers elsewhere if university management does not develop, administer, and put compensation policies into operation. When no remuneration is offered, stress arises, which may lead to a high accident rate, job discontent, frequent absences, low productivity, a lack of commitment to organizational goals and objectives, and the intention to leave. More so, the management of direct and indirect compensation is disregarded in favour of limiting compensation to simply wage. Health insurance, disability income protection, retirement benefits, tuition reimbursement, sick leave, paid vacation, support for education, and other work arrangements are some of the perks of academic employees that are linked to performance. Most of the time, government compensation plans do not match lecturers' efforts in teaching, research, and volunteer work.

Objectives of the Study

The purpose of the study was to:

1. examine the relationship between direct compensation management and academic staff productivity in public universities in Lagos State, Nigeria.
2. determine examine the relationship between indirect compensation management and academic staff productivity in public universities in Lagos State, Nigeria.

Research Hypotheses

H₀₁: There is no significant relationship between direct compensation and academic staff productivity in public universities in Lagos State, Nigeria.

H₀₂: There is no significant relationship between indirect compensation and academic staff productivity in public universities in Lagos State, Nigeria.

Literature Review

This study anchored on compensation theory of motivation by Vroom's expectancy model (1964) which is based on the assumption that man is a rational being and will try to maximize his pay off. This approach assumed that motivation to work is strongly determined by an individual perception that a certain type of behaviour will lead to a certain type of outcome (Adeoye and Omosanya, 2018). It is therefore vital to state that an employee will work harder to obtain greater income if they believe they will be suitably compensated. This is done to make sure that the remuneration package and the employee's performance are positively correlated. Perhaps, management is the process of getting things done through planning, organising, coordinating, commanding, controlling, reporting and budgeting. According to Sharma and Goyal (2017), Management is the process of planning, organizing, directing, and regulating resources in order to achieve predetermined goals. However, compensation appears to be a reward offered to staff as payment for their efforts to the company. Benefits, salary, and employee perks like paid time off, insurance, maternity leave, free trip options, pension benefits, and others could all be used as forms of payment. According to Adefulu and Adebawale (2019), compensation is a crucial instrument for the attraction and retention of talented employees that are dedicated to their responsibilities within the firm. Compensation strategy could be direct and indirect. Indirect compensation is given in the form of medical benefits, housing allowances, meal allowances, utility allowances, incentive bonuses, shift allowances, hospitalization expenses, out-of-station allowances, vehicle loan benefits, annual leave allowances, car allowances, and basic allowances. Direct compensation includes wages, salaries, bonuses, and commissions. Cascio (2015) for example classifies benefits into four basic types, namely; supplemental pay benefits, insurance benefits, retirement benefits and

personal service and family-friendly benefits. Unemployment insurance, vacation and holiday pay, severance pay, and additional unemployment benefits are some examples of extra pay benefits that compensate for time not worked. Worker's compensation, group hospitalization, accident and disability insurance, as well as group life insurance, are all examples of insurance benefits. Pension plans and social security are included in retirement benefits. Food services, leisure and childcare options, legal assistance, credit unions, educational subsidies, and counseling are examples of personal service and family-friendly perks. The sum of these advantages improves employee performance inside a firm.

More so, Money or in-kind benefits are both acceptable forms of compensation. The theory behind adopting various forms of compensation for employees is that motivated workers perform better because their wants—both material and non-material—are satisfied. If this isn't done, employees may be tempted to leave the organization (Azasu, 2017). According to Greene (2014), Compensation management is portrayed as a tactical tool in the management's arsenal that can enhance organizational effectiveness and have a favorable influence on worker productivity and behavior. Financial and non-financial compensation are the two types of pay. According to employee performance goals, level of competence, or area of expertise, financial compensation directly distributes financial recognition for employee labor to many people in the form of receipts or revenue. While financial incentives are offered with the intention of encouraging workers to achieve their goals, enhancing performance or boosting their competence or expertise by focusing on particular goals and priorities can also motivate workers. Indirect financial compensation, also known as a fringe benefit, is a supplementary benefit that is provided in accordance with business policy in an effort to improve employee safety and welfare. Examples of this type of benefit include housing aid, health insurance, life insurance, and employment insurance. The coordination of an organization's resources through the planning, organizing, directing, and control of all monetary returns as well as tangible services and perks that employees receive as part of their employment relationship is what is meant by the definition of compensation management. Designing, implementing, and maintaining reward systems (interrelated reward processes, practices, and procedures) in order to meet the needs of the organization and its stakeholders as well as to function fairly, equitably, and consistently constitutes compensation management. (Armstrong, 2012).

An organisation's key tool for enhancing employee performance is compensation management. remuneration management includes both financial and non-financial remuneration that is motivated by either intrinsic or external factors. Although worker compensation has an impact on productivity, it also boosts organisational productivity. The creation and implementation of strategies and policies with the goal of compensating employees according to their contributions to the organization's ideals is compensation management (Armstrong, 2005 in Aliku, Morka & Igemohia, 2020). However, In the university system, academic staff productivity is a measure of the amount of work completed (i.e., how many units of a product have been produced or provided), the quality of the work completed (i.e., how well the work has been done), and the timeliness of the completed work (i.e., meeting due dates, adhering to schedules and deadlines). Since the strength of a tertiary institution depends on the caliber of teaching and learning, academic staff is crucial in educational institutions.

Methodology

The research design was descriptive survey and correlational. The target population comprised of all 1,700 lecturers in the public universities owned and financed by Lagos State government. These include: Lagos State University (LASU), Lagos State University of Education (LASUED) and Lagos State University of Science and Technology (LASUST). The sample size comprised 300 lecturers randomly selected for the study. An instrument titled: Compensation Management Questionnaire (CMQ) and Lecturers Productivity Questionnaire (LPQ) were used for data collection. The questionnaire was purposively administered to 480 academic staff in the Faculty of Education, Faculty of Sciences, Faculty of Social Sciences and Faculty of Management Science in the three publics universities owned by Lagos State. 30 academic staff were randomly selected from each of the faculties through simple random sampling techniques. The questionnaire is divided into two sections: Section A and B. Section A contains the personal information of the respondents and section B contains the questionnaire items structured around the research questions. Each statement is measured on a four-point modifier Likert-type-rating scale, namely: "Strongly Agree (SA)", "Agree (A)",

“Strongly Disagree (SD)”, and “Disagree (D)”. The data collected were analyzed using Kendall's tau-b correlation coefficient. The content validity of the instruments was ensured by test experts and the reliability index of the instrument was persistently determined through Cronbach's alpha at 0.66 meaning that the instrument is reliable.

Results and Discussion

Table 1: Kendall's tau-b correlation analysis between direct compensation management and academic staff productivity in public universities in Lagos State, Nigeria.

Variables		Direct Compensation Management	Academic Staff Productivity
Kendall's tau_b	Direct Compensation Management	Correlation Coefficient	1.000
		Sig. (2-tailed)	.566
		N	300
	Academic Staff Productivity	Correlation Coefficient	.566
		Sig. (2-tailed)	.001
		N	300

Source: Field Survey (2022) * Correlation was significant at the 0.05 level (2-tailed)*

A Kendall's tau-b correlation was run to investigate the relationship between direct compensation management and academic staff productivity in public universities in Lagos State, Nigeria. The result indicated that there was a strong, positive correlation relationship between direct compensation management and academic staff productivity in public universities which was statistically significant ($\tau_b = .566$; $N=300$; $p<0.05$). Hence, the hypothesis which stated that “there is no significant relationship between direct compensation management and academic staff productivity in public universities in Lagos State, Nigeria is rejected and alternate was accepted. The p-value of 0.001 is less than the 0.05 significance level which indicated the rejection of the null hypothesis. This implied that a statistically, a significant relationship existed between direct compensation management and academic staff productivity in public universities in Lagos State, Nigeria. The findings also negate the position of Eriksson and Kristensen (2014) examined the effect of wages or fringes on employee satisfaction. Findings revealed that salary packages, benefits are of great value that creates job satisfaction factors. Compensation systems would affect employees' job satisfaction and thus influence intentions to quit but higher compensation level with benefit packages would give rise to higher job satisfaction and retention rates will also be higher.

Table 2: Kendall's tau-b correlation analysis between indirect compensation and academic staff productivity in public universities in Lagos State, Nigeria.

Variables		Indirect Compensation Management	Academic Staff Productivity
Kendall's tau_b	Indirect Compensation Management	Correlation Coefficient	1.000
		Sig. (2-tailed)	.545
		N	300
	Academic Staff Productivity	Correlation Coefficient	.545
		Sig. (2-tailed)	.001
		N	300

Source: Field Survey (2022) * Correlation was significant at the 0.05 level *(2-tailed)*

A Kendall's tau-b correlation was run to investigate the relationship between indirect compensation and academic staff productivity in public universities in Lagos State, Nigeria. The result indicated that there was a strong, positive correlation relationship between indirect compensation and academic staff productivity in public universities which was statistically significant ($\tau_b = .545$; $N=300$; $p<0.05$, 2-tailed). Hence, hypothesis two which stated that “there is no significant relationship between indirect compensation and academic staff productivity in public universities in Lagos State, Nigeria is rejected and alternate was accepted. The p-value of 0.002 is less than the 0.05 significance level which indicated the rejection of the null hypothesis. This implied that a statistically, a significant relationship existed between indirect compensation and academic

staff productivity in public universities in Lagos State, Nigeria. This finding is in line with Dessler (2016) that indirect financial rewards could enhance employee performance come in form of subsidized benefits such as retirement plans, paid sick leaves, bonuses, incentives, allowances and purchase discounts. Employee benefits have equally been classified widely according to different authors and the context of circumstance.

Conclusion

Based on the findings of this study, the study concluded that compensation management is a major factor that determine academic productivity in Nigerian public universities. Both direct and indirect compensation management have significant relationship with lecturer's productivity of academic staff in public universities. Compensation management is not only about money, but also related to non-financial compensation that shares intrinsic or extrinsic motivation. Compensation could be given in form of benefits, salaries and employee benefits in the form of paid vacations, insurance, maternity leave, free excursion facilities, pension benefits, and others.

Recommendations

Based on the findings, the following recommendations were made:

1. University management should develop strategic plan for academic staff that will tie compensation with performance.
2. University Management should implement both direct and indirect compensation strategies to motivate academic staff so that university goals can be achieved.
3. The management of university should involve lecturers in the compensation decision making process.

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