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COMPARATIVE ANALYSIS OF COMPENSATION SYSTEMS OF PUBLIC AND PRIVATE UNIVERSITIES IN NIGERIA: THE IMPLICATIONS ON PERFORMANCE

Veronica E. Mogboh
PhD, Godfrey Okoye University, Enugu, Nigeria

Nnamdi S.N. Ene
PhD, Godfrey Okoye University, Enugu, Nigeria

Silba I. Uzochukwu
PhD, Coal City Business School, Enugu, Nigeria

Cordyl N. Obi
MSc, Institute of Ecumenical Education, Enugu Nigeria

ABSTRACT

This study investigated thecompensation systems adopted in the Nigerian universities by evaluating the implications of such systems on staff performance. Specifically, the work evaluatedthe degree to which extrinsic compensation systems affect staff commitment in the Nigerian universities and ascertained the effect of intrinsic compensation systems on turnover intentions in the Nigerian universities. The survey design was adopted with a population of 1,588 staff, from two randomly selected universities in Enugu State, Nigeria. The universities are Enugu State University of Science and Technology and Coal City University, Public University and Private University respectively. They were purposively selected. A sample size of 591 was drawn. The closed-ended (structured) questionnaire was the instrument used to collect data from the respondents. Results showed that extrinsic compensation systems affect staff commitment in the Nigerian universities(R-coefficient = .711; $p< 0.05$).Further, there is significant effect of intrinsic compensation systems on turnover intentions in the Nigerian universities(R-coefficient = .724; $p< 0.05$).The study among others, recommended that there should be ensuring group cohesiveness amongst members of a group. So, group performance should be rewarded by allowances and bonuses by the universities management as a result of the group's input.

Keywords: Compensation Systems, Reward Practices, Staff Commitment, University Management

1.1. INTRODUCTION

Compensation is the reward that the employees receive in return for the work performed and services rendered by them to the organization. Compensation includes monetary payments like bonuses, profit sharing, overtime pay, recognition rewards and sales commission, etc., as well as nonmonetary perks like a company-paid car, company-paid housing and stock opportunities and so on (Hu and Zhou, 2012).Apart from the basic financial pay, the employees receive paid vacations, sick leave, holidays and medical insurance, maternity leave, free travel facility, retirement benefits, etc., and these are called benefits (Zhu, 2015).

Compensation may be defined as money received in performance of work and many kinds of services and benefits that an organization provides to their employees (Tafkov, 2012).Compensation is a systematic approach of providing monetary value to employees in exchange for work performed. It may help to achieve several purposes, such as recruitment, job performance and job satisfaction. It is also seen as the package of quantifiable rewards an employee receives for her or his labour (Pan and Yu, 2014).It represents both, the intrinsic (psychological mind-sets resulting from job performance) and extrinsic (including both monetary and non-monetary) rewards.

Compensation is a vital part of human resource management decision making as it helps in encouraging the employees and improves the organizational effectiveness. Compensation packages with good pay and benefits help to attract and retain the best employees. Employees consider pay package to be fair when the amount of wage covers basic living expenses, keep up with inflation, leave some money for savings (perhaps for retirement) and leisure and there is increment over time (Madhani, 2014).

HRM is concerned with the determination of adequate and equitable remuneration of the employees in the organization. HRM uses techniques like job evaluation and performance appraisal for determining remuneration. Factors that are considered for determining the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organization to pay, wage level afforded by competitors, nature of job, skills required, risk involved, nature of working condition, bargaining power of the trade union, etc (Tang and Sun, 2014).Wages and salaries form a substantial part of total costs in most of the organization. Hence, a systematic approach must be followed for determining wage and salary structure so as to ensure logical, equitable and fair pay to the employees (Tang and Sun, 2014).According to Bushardt, Glascoff and Doty, (2011), the term equity in pay means – pay corresponding to difficulty level of the job assigned to an employee, meaning more difficult the job, more should be the pay (called internal equity); compensating an employee equally in comparison to similar jobs in the labour market(called external equity) and equal pay for equal jobs(called individual equity).

The origin of the compensation system can be traced back to the scientific management era where management principles and philosophies were developed. Compensations were developed in an attempt to solve the "wage problem". It was believed that while employees were interested in high wages, employers were more concerned about low labour cost of manufacturing. Based on this, there was a need to develop a system that was to ensure the mutual interest of both employees and employers. This gave rise to the development of many “pay for performance” systems like the “Gain-Sharing” and “The Premium Plan of Paying for Labour” (Drury, 1915). It is not until the 1950s that Frank and Lillian Gilbreth developed a compensation system that embodied both direct (ambition and pride of the worker) and indirect incentives (rewards and punishment) (Spriegal and Myers, 1953). This served as a spring board for the development of compensation and motivation systems which incorporate both intrinsic and extrinsic items.

In this present world of globalization where business has gone beyond national boundaries and employees are protected by international laws and engagement, the compensation systems are fast becoming a competitive tool to many organizations. The advent of globalization has brought about greater pressure on business management to be proactive, creative and innovative in order to survive the turbulent business environment that now transcends national boundaries (Ezigbo, 2011). Business management has gone beyond routine processes of mass production with the aim of benefiting from economy of scale. Consumer needs, taste and fashion not only vary from one society to the other but constantly change with time and season. Consumers are in constant demand for product differentiation and new product features. Different consumer groups based on health age and need emerge on a day to day basis. This calls for a better management of resources and a prompt response to consumer needs as a key determinant of survival (Hill, 2004).

As it is in the profit making business world, so it is in the most non-profit making organizations. One of such is the educational system. Maximizing the performance of organizations is the main issue for an organization (Cardy, 2007).Plants, machinery, and equipment cannot generate the desired output. They have a relatively fixed production capacity. It is only the human resource whose output is subject to a number of motivating factors. The success of every organization including the educational service firms depends not only on the quality of human resources available to the organization but also on the ability to trigger the optimum output from an employee (Pratheepkanth, 2011). Ahindo (2008) opines that success in today's increasingly competitive environment is to a greater extent a function of effective and efficient management of human resources available to the organization. This calls for the development of a work force that is motivated to yield the highest possible performance, for instance, productivity for the firm towards achieving its organizational goals and objectives.

Organizations have an obligation to the various actors in the environment. Each of these actors has the interest to protect in the corporate entities. While shareholders are interested in the security of their businesses and higher returns on investments, employees are more concerned about their working conditions and better reward (Hill, 2004). Beer, Spector, Lawrence, Mills, and Walton (2004) asserted that, for an organization to meet its obligations to shareholders, employees, and society, management must build up a relationship between the organization and employees that will fulfill the continually changing needs of both parties. The job specification of every employee demands the employee perform a specific task at a standard set for them by management and to follow rules that have been established to govern their workplace (Ezigbo, 2011). This alone cannot keep a firm in existence.

Employees are expected to go beyond this minimum requirement by taking initiative, developing new techniques through experience and responding to changing needs. These employees, in turn, are subject to compensation for their input. This takes the form of wages or salary, good working conditions, and fair treatment. This alone is not able to motivate the employee to take initiative and put in extra effort to realize achievement beyond set objectives and job assignment.

Employees are sometimes interested in compensations, power, challenging responsibility, status, partnership and greater security at the workplace (Farsh, 2012).Having the best strategy in place and appropriate organizational architecture is not a guarantee that an organization will be effective. This can only be complimented when organizational members are motivated and compensated to perform at a high level (Gareth and Jennifer, 2003). While machines and robots can be programmed and controlled to consistently produce the same amount of output, upgrade to perform better or replaced if not functioning properly, humans cannot be programmed and controlled. Their level of productivity is subject to their level of compensation (Bayon, 2013).

Employees are bound to the organization by terms of a contract, labour union laws, state and human right regulations. As such employee cannot be replaced like machined or compelled to deliver under adverse conditions. However, when an organization undertakes to satisfy the needs of employees, it triggers a desire in the employee to return this favour with hard work and commitment. Thus, identifying the needs of the employee and answering it is the most basic approach of every organization to earn their commitment to organizational goals and objectives and as well reduce the labour turnover that may arise (Chughtai, 2008).

Individuals are motivated to work by the needs they have which require satisfaction. Such individuals are committed to jobs they perceive to have a possibility of satisfying their needs through the compensation system they will receive for the work done. The type of motivation depends greatly on the nature of the reward. Compensation is, therefore, one of the factors that have the ability to improve the performance of individuals and organizations by increasing productivity and quality of performance, reducing labour turnover, and encouraging positive work attitudes from workers to be in line with organization's objectives (Bayon, 2013). Intrinsically, motivated individuals will be committed to their work only when they find out that their job contains task that is intrinsically rewarding (Ajila, 2007). In the same light, extrinsically, motivated persons will be committed to the extent that they can gain or receive external rewards for their job. In a nut shell, you can only get what you reward (Nelson and Peter, 2005).

Good compensation is expected to contain elements that reward both intrinsically and extrinsically to trigger both extrinsic and intrinsic motivation from the employee. With a well-motivated workforce, employee performance can be manifested on organizational effectiveness, which allows individuals to focus on the development of their work, in terms of behaviour, knowledge, ethics, skills, and effectiveness (Pratheepkanth, 2011).This motivation acts as a driving force that can lead employees towards the goals of the organization (Grant, 2008). This is a strategy that is adopted by many organizations to increase the performance of their employees through the creation of an inner quest for results in employees resulting in greater productivity of the organization. This means that such organizations will go beyond the minimum requirement of employees which is the payment of wages and salaries to making provision for bonuses to employees who show remarkable performances, commission to those who have put in extra efforts beyond their duties and above all, making provisions for status and promotion to workers on the basis of their performances (Belcourt, 2009). This also entails structuring task to be meaningful and challenging to the employees and giving them an opportunity to satisfy their achievement needs through creativity, individual efforts and entrepreneurship within the margins of their authority (Ezigbo, 2011).

1.2 STATEMENT OF THE PROBLEM

The performance of every employee is a major concern to the human resource department. In spite of the qualification and longevity of service of an employee, workers are sometimes reluctant to put in their best at their job site. Some who showed a high level of performance at the start of their career, start diminishing at the time they are expected to use their experience and perform even at a higher level. Many work only within the confines of their job specification and are not interested in putting in any additional effort in driving the organizational goals. This takes away creativity from the work place, limits invention and improvement and places such a firm at a competitive disadvantage in the adverse business world that is constantly shifting to meet consumer needs and expectations. It takes only motivation to transform these employees into a self-driven and work oriented labour force (Grant, 2008).

Compensation systems are very critical for an organization (Maund, 2001). Though, the systems have the ability to attract the right employee, keep them and constantly motivate them to deliver desirable performance (Otieno, 2006).A poorly structured compensation system can result in high labour turnover, low level of productivity and a general laissez faire attitude at the workplace. The practices have still not yet gained momentum in the Nigerian education systems. It is against this backdrop therefore that this study intends to unravel the compensation practices in university systems and the effects on staffs' performance among private and public universities staff in Nigeria.

1.3 OBJECTIVE OF THE STUDY

The major objective of this study was to comparatively analyze the compensation systems of public and private universities in Nigeria, and establish its implications on performance. The specific objectives were to:

i. Assess the degree to which extrinsic compensation systems affects employee commitment in the Nigerian universities
ii. Ascertain the effect of intrinsic compensation systems on turnover intentions in the Nigerian universities.

2.0. REVIEW OF LITERATURE

2.1. Conceptual Framework

Compensation Systems

Compensation systems have different parts and structures depending on the need of the organization exploiting the compensation system. What every organization regards as its goals for profitability and growth are the parameters that are expected to be included in the compensation system to ensure that desired behaviours are rewarded while undesired actions are not. This requires a breakdown and restructuring of organizational goals into understandable and measurable behaviours and performances. The outcome is some form of management control tools that measure and reward performance. These systems sometimes have minimum and maximum reward that can be paid out depending on what it is designed to achieve (Jaghult, 2005). There are different parts of a compensation system. They include:

Monetary Part

This is the most common part of every reward system. It is not necessarily the most important part of the system but has a high motivating impact on employee performance. It is the financial part of reward (Merchant, 2007). There are three main categories of the monetary part of a reward system:

i. Performance base salary-increase: Organisations pay salaries to their employees after every fixed period of time. It is expected that employee competencies increase over time as a result of experience in longevity. As a result, provisions are made for a small increment in salary after particular periods of time (Merchant, 2007). These are known as performance base salary increments.
ii. Short-term incentive plans: It is a cash bonus given mostly to managerial level staff based on performance measured over a short period of time usually less than one year.
iii. Long-term incentive plans: Rewards that are based on performance measures over time periods longer than a year are long-term incentive rewards. By using this plan, a company can reward employees for their great work performance to maximize the firm's long-term value. This also helps to attract and retain key talented persons in an organisation (Merchant, 2007).

Non-monetary Part

These are intangible non-cash rewards such as scope to achieve and exercise responsibility, career opportunities, health care, learning and development, career progression, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization. A word of appreciation and certificates of recognition are other forms of non-monetary part of a reward system (Jagult, 2005). Nonmonetary part of a reward system creates a long term effect on employee commitment than the monetary part. However, an effective reward system must contain both components (Armstrong, 2010).

Compensation systems can either result in intrinsic motivation or personal growth motivation. Intrinsic motivation is the type that comes from within the individual, a feeling of being proud of something, feeling content and happy by something that you have done. On the other hand, personal growth motivation is the type that is brought to you by another person or an organization (Kaplan and Atkinson, 2008). Furthermore, extrinsic rewards can be monetary or non-monetary. The monetary part is usually a variable compensation which is separated from the salary. It is received as an outcome of extraordinary performance or as an encouragement. It can be either individually based or group based (Gross and Friedman, 2004). The conditions to obtain this reward are often set in advance as well as the performance needs to be expressed in a measurable form (Pitts, 2005).The kind of reward received by an employee depends on the type of reward system employed.

Extrinsic reward systems are reward systems whose outputs are extrinsic components such as salaries, bonuses, allowances and benefits (Armstrong, 2010). The outcomes of an extrinsic reward system are (Armstrong, 2010):

i. **Salaries and Wages:** These are the financial reward in the form of cash**.** Money is a motivating factor to the employees only when they see the connection between money and performance. This requires a clearly designed and defined system. This does not just happen. It takes hard work and a proper communication of performance and its connection to financial reward.

ii. **Bonus Plans:** These are extra amounts added to an employee's pay as a result of some extra effort or input into an organisation. These bonus plans are a very important part of reward systems in every organisation and are initiated in order to boost performance and effectiveness of employees on their job.

iii. **Fringe Benefits:** These are programs an employer uses to complement the cash compensation that employees receive. These programs are designed to protect the employee and his/her family from financial risk and this includes pensions, sick pay, insurance cover, company cars and annual holidays. The major financial fringe benefits in many organisations are the pension plan. For most employees, the opportunity to participate in a pension plan is a valued reward.

iv. **Promotion:** Promotion is given to employee generally on the basis of longevity and performance. This does not only motivate workers to exhibit high performance but could constitute a strong force to retain an employee in a company.

Intrinsic reward systems are those whose outputs are non-financial rewards such as personal growth, responsibility and completion of a task, achievement of goals, and employee autonomy over a job. It often results in a longer-lasting motivation than extrinsic reward. Some outcomes of intrinsic reward systems include (Puwanenthiren, 2011):

i. **Employee Autonomy over Job:** Many people want jobs that provide them with the rights and privileges to make decisions by themselves. People want to operate without being closely supervised or monitored by others. A feeling of autonomy could arise from the freedom to be what an employee considers best in a particular job situation. In jobs that are well structured and controlled by management, it becomes difficult to create a task that leads to a feeling of autonomy.

ii. **Achievement of Task:** Achievement is something one has succeeded in doing especially after a lot of effort. It is also a self – administered reward that is derived from reaching a challenging goal. Difficult goals may result in a higher level of individual motivation than moderate ones.

Employee Performance

Employee Performance is an indicator of the capacity of an organization to effectively and efficiently achieve organizational goals (Venkatraman and Ramanujam, 2006). It is associated with both quantity and quality of output. It takes into consideration timeliness of output and presence/attendance on the job, the efficiency of the work completed and effectiveness of job completed (Mathis and Jackson, 2009). Employee performance is the successful completion of a task by an individual or individuals, as laid down and measured by a supervisor of the organization. It entails meeting pre-defined and acceptable standards while efficiently and effectively utilizing available resource within a changing environment. Aguinis (2009) opines that the definition of performance does not include the results of an employee's behaviour, but only the behaviours themselves. Performance is all about behaviour or what employees do and not just about what employees produce or the outcomes of their work (Aguinis, 2009).

Perceived employee performance refers to the general belief of the employee about his behaviour and contributions towards the success of the organization. There are three basic factors that determine employee performance: procedural knowledge, declarative knowledge, and motivation. Carlson (2006) proposes five human resource management practices that can affect performance. They are: setting competitive compensation level, training and development, recruitment package, performance appraisal and maintaining morale.

Performance can be looked upon from three different perspectives: the situational perspective which focuses on situational aspects as facilitators or impediments for performance; the individual differences perspective which account for individual characteristics; and the performance regulation perspective which describes the performance process (Sonnentag and Frese, 2001).

Individual Differences Perspective: The individual differences perspective focuses on performance differences between individuals and seeks to identify the underlying factors. The basic idea is that differences in performance between individuals can be explained by individual differences in abilities, personality, and motivation. They can be differentiated into determinants of job performance components, performance components or predictors of these determinants. The performance components are a function of declarative knowledge (knowledge of principles, facts, goals, and self) which is a function of an individual's abilities, personality, interests, education, training, experience, and aptitude. It is a function of procedural knowledge and skills (cognitive and psychomotor skills, self-management skill, physical skill and interpersonal skill) which are training, experience, abilities, personality, interests, education and aptitude.

Finally, motivation embodies choice to perform, the level of effort, and persistence of effort. However, the relevance of specific personality factors for performance varies between different jobs and individual differences in motivation and may be as a result of differences in motivational traits and differences in motivational skills (Kanfer and Heggestad, 2007). Motivational traits are closely related to personality constructs, but they are narrower and more relevant for motivational processes. Above all, the individual differences perspective suggests a focus on personnel selection.

Ensuring high individual performance, organizations need to select individuals on the basis of their abilities, experiences, and personality. Individual differences perspective also proposes that training programs should be aimed at improving individual prerequisites for high performance. More precisely, training should address knowledge and skills relevant for task accomplishment. Furthermore, exposing individuals to specific experiences such as traineeships and mentoring programs are assumed to have a beneficial effect on individuals' job performance (Sonnentag and Frese, 2011).

Situational Perspective: Situational perspective refers to the factors in an individuals' environment which stimulates and promotes or hinder performance. Job characteristics such as task significance, skill variety, task identity, autonomy, and feedback have a significant effect on critical psychological states (experienced responsibility for work outcomes, experienced meaningfulness, and knowledge of the results of the work activities) which also has an effect on personal and work outcomes, including job performance. While Fried (2011) figures out that there is a small positive relationship between job characteristics and job performance, there is an empirical evidence about a positive effect of work redesign interventions on employee performance.

Performance Regulation Perspective: The performance regulation perspective takes a different look at individual performance and is less interested in the person or situational predictors of performance. Rather, it focuses on the performance process itself and conceptualizes it as an action process. It addresses as its core questions: "How does the performance process look like?" and "What is happening when someone is performing?" There are two theoretical approaches to this regulatory perspective: expert research approach and action theory.

2.2. Theoretical Review

This work anchored on three theories and they are:

i. Expectancy Theory

The theory of expectancy originated from the Valency-Instrumentality-Expectancy theory, which was formulated by Vroom. Vroom sees Valency as value, Instrumentality as the belief that if we do one thing it will lead to another while Expectancy is the possibility that an action or effort will lead to an outcome. Employees are only motivated when a clearly perceived and usable relationship exists between performance and outcome and this outcome is seen as a means of satisfying the employee's needs. This theory was developed by Porter and Lawler (1968) into a model which follows Vroom's ideas by suggesting that there are two factors that influence the effort people put into their jobs.

Expectancy theory provides an explanation as to why individuals choose one behavioural option over another. The basic thought behind this theory is that people will be motivated because they believe that their decision will lead to the desired outcome (Redmond, 2010). Expectancy theory proposes that the motivation to work is dependent upon the believe association between performance and outcomes. Individuals modify their behaviour based on their calculation of this anticipated outcomes (Chen and Fang, 2008). This theory is founded on the idea that motivation comes from a person believing he will get what he wants in the form of performance or rewards. Drawing from this theory, individuals have different sets of goals that can be motivated if they believe that:

i. There is a positive correlation between performance and efforts.
ii. Favourable performance will result in a desirable reward.
iii. The reward will satisfy an important need of the employee.
iv. The desire to satisfy the need is enough to make the effort worthwhile

Thus, employees who feel their expectations are not being met may be compelled to seek better opportunities elsewhere, where they feel their expectations will be met (Lawler, Porter and Vroom, 2009).

ii. Instrumentality Theory

This theory states that rewards or punishments serve as the means of ensuring that people behave or act in desired ways. Instrumentality is the belief that if we do one thing it will lead to another. It is based on the assumption that a person will be motivated to work if rewards and penalties are tied directly to his or her performance. Instrumentality theory is deeply rooted in the scientific management methods of Taylor (1911). Taylor advocated that it is impossible through any long period of time to get employees work much harder than the average worker around them unless they are assured of a large and permanent increase in their reward. Motivating workers by using this approach has been and still is being widely adopted and can be successful in some circumstances. However, it fails to recognize a number of human needs and is based exclusively on a system of external control factors.

iii. Reinforcement Theory

The law of effect states that a response followed by a reward is more likely to re-occur in the future (Noe,Hollenbeck, Gerhart, and Wright 2003). The implication of this theory to compensation management is that high employee performance followed by a reasonable monetary reward or otherwise will make future high performances possible. This theory emphasize the importance of a person's actual experience of rewards. This can be illustrated by the fact that a new graduate's expectancy of reward will certainly be different from an elderly person.

3.0. METHODOLOGY

The study adopted the survey design. The area of the study was Enugu State, Nigeria. The population of the study involved one thousand five hundred and eighty-eight (1,588) staff of the two randomly selected universities in Enugu state, Nigeria. The Universities are one public - Enugu State University of Science and Technology (ESUT), and one private - Coal City University. Respondents were selected from the two selected universities. A sample size of five hundred and ninety-one (591) was drawn from the population using a statistical formula proposed by Lwanga and Lemeshow. Data was collected using questionnaire structured on a five-point-likert scale. Content and face validities were adopted in evaluating the validity of the instrument by an academic expert and educational management consultant. Cronbach's Alpha was used to test the reliability of the instrument, and a value of 0.844was obtained after conducting a pilto test with thirty-three members of staff of one of the two universities. The hypotheses of the study were tested and analysed using ordinal logistic regression technique with the Statistical Package for the Social Sciences at 5% level of significance. Hence, the decision rule applied is to accept the alternate hypothesis if $p < 0.05$, and if otherwise reject the alternate.

4.0 RESULTS AND DISCUSSION

The presentation and interpretation of data were based on the questionnaire administered to the staff of the selected universities in Enugu state, Nigeria. A total of five hundred and ninety-one (591-100%) copies of the questionnaire were distributed to the respondents. Four hundred and eighty-seven (487-83%) questionnaire were completely recovered.

Table 1: The degree to which extrinsic compensation systems affect staff commitment in the Nigerian universities

S/No	Options	SA(5)		A(4)		D(2)		SD(1)		U(3)		Total	
		EU	**CU**	**EU**	**CU**	**EU**	**CU**	**EU**	**CU**	**EU**	**CU**	**EU**	**CU**
1	Bonus schemes positively affect staff quest for better ways of performing their task	50	38	36	83	11	135	8	115	6	5	**111**	**376**
2	Salaries of different categories of universities staff motivate them towards commitment	70	14	27	120	7	79	6	119	1	44	**111**	**376**
3	Bonuses and allowances stimulate morale of universities staff	39	27	17	56	22	103	12	128	21	62	**111**	**376**
4	Financial resources are distributed fairly to the different universities units and departments	34	6	43	77	9	110	8	126	17	57	**111**	**376**

Source: Field Survey, 2021

NB: EU = ENUGU STATE UNIVERSITY, CU= COAL CITY UNIVERSITY

Table 1 revealed the degree to which extrinsic compensation systems affect staff commitment in the Nigerian universities. The comparison between the opinions of Enugu State University and Coal City University has shown that compensation systems affect staff commitment in the Nigerian universities.

Table 2: Mean and Standard deviation on the extent to which extrinsic compensation systems affect staff commitment in the Nigerian universities

S/N	Questionnaire Item	Mean	Standard Deviation	Decision
1	Bonus schemes positively affect staff quest for better ways of performing their task?	2.62	1.49	Accept
2	Salaries of different categories of universities staff motivate them towards commitment	2.80	1.50	Accept
3	Bonuses and allowances stimulate morale of universities staff	2.92	1.42	Accept
4	Financial resources are distributed fairly to the different universities units and departments	2.77	1.34	Accept

Source: Researcher's Field Survey, 2021

Table 3: Ascertain the effect of intrinsic compensation systems on turnover intentions in the Nigerian universities.

S/No	Options	SA(5)		A(4)		D(2)		SD(1)		U(3)		Total	
		EU	CU	EU	CU	EU	CU	EU	CU	EU	CU	EU	CU
1	Insurance and family health care schemes enhances on staff level of loyalty in the Nigerian University's systems	6	12	20	146	7	116	0	77	78	25	111	376
2	Many universities staff in Nigeria want jobs that provide them with the rights and privileges to make decisions by themselves	10	26	14	141	13	75	0	108	74	26	111	376
3	Lack of achievement of task is a contributor to turnover intentions in Nigerian Universities	12	8	82	120	5	94	5	138	7	16	111	376

Source: Field Survey, 2021

NB: EU = ENUGU STATE UNIVERSITY, CU= COAL CITY UNIVERSITY

Table 3 revealed that intrinsic compensation systems have significant effect on turnover intentions in the Nigerian universities.

Table 4: Mean and Standard Deviation of the effect of intrinsic compensation systems on turnover intentions in the Nigerian universities

S/N	Questionnaire Item	Mean	Standard Deviation	Decision
1	Insurance and family health care schemes enhances on staff level of loyalty in the Nigerian University's systems	2.84	1.13	Accept
2	Many universities staff in Nigeria want jobs that provide them with the rights and privileges to make decisions by themselves	2.62	1.33	Accept
3	Lack of achievement of task is a contributor to turnover intentions in Nigerian Universities	2.83	1.36	Accept

Source: Researcher's Field Survey, 2021.

Test of Hypotheses

Two hypotheses were formulated and were tested below.

H_{01}: extrinsic compensation systems do not affect staff commitment in the Nigerian universities
H_{A1}: extrinsic compensation systems affect staff commitment in the Nigerian universities.

Regression model: $Y= \alpha = \beta X+ \mu$…. (For all observations i, = 1, 2 …n)
Where Y =staff commitment
X = extrinsic compensation systems
μ = error term of random variable
α = a constant amount
β = effect of X hypothesized to be positive

Hence, the regression (predict) equation will be Y = 108.011+1.212X

Table 5a:Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711[a]	.711	.963	29.15133

a. Predictors: (Constant), extrinsic compensation systems

Table 5b:ANOVA[b]

Table 5a:Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711[a]	.711	.963	29.15133

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20171.151	1	20171.151	17.211	.002[a]
	Residual	2712.049	468	928.350		
	Total	22883.200	487			

a. Predictors: (Constant), extrinsic compensation systems

b. Dependent Variable: staff commitment

Table 5c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	108.011	47.849		3.113	.061
	extrinsic compensation	1.212	.416	.939	3.118	.005

a. Dependent Variable: staff commitment

Having analyzed the data from the questionnaire using regression analysis to examine if extrinsic compensation systems affect staff commitment in the Nigerian universities, Tables 5 a, b & c revealed that the regression result shows the existence of significant result on the variables (R-coefficient = .711; $p< 0.05$). The significant level was found to be 0.002, and due to this we reject the null hypothesis and accept the alternate one which states that, extrinsic compensation systems affect staff commitment in the Nigerian universities. Poor remuneration being identified as a contributory factor to inter conflict among staff in university institutions is not surprising. Olajide, Asuzu & Obembe (2015), established that differences in wages was a major factor responsible for the occurrence of conflicts in the work environment and if left unaddressed, would not only cause conflict but also cause brain drain.

The finding of this study is also consistent with evidence from Tanzania where effective and rewarding salary and promotion were reported as the main promotion of workplace harmony and working conditions (Songstad, Rekdal, Massay & Blystad, 2011).However, the result showed that compensation can cause negative effect on conflict which means that as remuneration increases, inter-personal conflict may resurface from those staff that may not be very happy.

H_{02}: Intrinsic compensation systems have no significant effect on turnover intentions in the Nigerian universities.

H_{A2}: Intrinsic compensation systems have significant effect on turnover intentions in the Nigerian universities

Regression model: Y= α = β X+ μ…. (For all observations i, = 1, 2 …n)
Where Y = turnover intentions
X = intrinsic compensation
μ = error term of random variable
α = a constant amount
β = effect of X hypothesized to be positive

Hence, the regression (predict) equation will be Y = 99.123+1.313X

Table 6a:Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813[a]	.724	.823	30.11122

a. Predictors: (Constant), intrinsic compensation

Table 6b:ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22122.051	1	22122.051	16.122	.001[a]
	Residual	2533.149	468	1372.335		
	Total	24655.200	487			

a. Predictors: (Constant), intrinsic compensation

b. Dependent Variable: turnover intentions

Table 6c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	99.123	46.849		3.121	.007
	intrinsic compensation	1.313	.416	.732	3.123	.006

a. Dependent Variable: turnover intentions

Based on the analyses of data obtained from the questionnaire using regression analysis with focus on examining if intrinsic compensation systems have significant effect on turnover intentions in the Nigerian universities, Tables 6a, b & c revealed that the regression result shows the existence of significant result on the variables (R-coefficient = .724; $p < 0.05$). The significant level was found to be 0.001, and due to this we reject the null hypothesis and accept the alternate one which states that, intrinsic compensation systems have significant effect on turnover intentions in the Nigerian universities. This finding is consistent with Bennett and Robinson's (2000) support for dimensionalising counterproductive work behaviours (CWB). Also, Timinepere, Agbaeze, Ogbo & Nwadukwe (2018), established that non-monetary rewards had insignificant effect on turnover intention (lower counterproductive work behavior).

5.0. FINDINGS, CONCLUSION AND RECOMMENDATIONS

There is a consensus of opinion on the link between compensation systems and staff performance. This link creates an opportunity for employers to use compensation system as a motivating factor to fine-tune staff behaviour towards efficiency and effectiveness. It is an opening for management of universities to improve upon staff productivity by ensuring that a compensation system fairly rewards the right person to make staff feel that the institution appreciates them and that reward belongs to the staff performing their task with success and with excellence and discipline. Compensation appeals differently to staff as such; staff commitment to institutional objectives can be achieved through the use of an appropriate system. These systems serve as a motivating factor to improve staff loyalty to institutional goals and target. Efficient compensation system provides moral incentives which can be linked practically with some level of performance so as to distinguish excellent staff according to their performances as a means of improving staff performance. Such systems ensure that rewards are fair and recognize individual performances of staff both at their jobs and groups as a means of enhancing performance.

Staff place a great value on different rewards given to them by their employers and this has a significant impact on their performance. When a reward system does not make provision for different forms of reward and incentives that address staff needs, workers in universities tend to express their displeasure by means of poor performance and non-commitment to their task. As such, compensation systems should be based on definite, realistic and reliable standards, and must be clearly identified and redefined to make greater meaning to the staff because compensation systems are not just important to the university but are of great value to the staff as well.

In line with the findings and conclusion, the following recommendations are offered:

1. Compensation system for universities should be designed such that staff is entitled to percentages of research funds generated by the universities as a means of promoting productivity amongst staff, enhancing loyalty and ensuring staff devotedness to performing assigned task.

2. As a means of ensuring group cohesiveness amongst members of a group, group performance should be rewarded by allowances and bonuses by the universities management as a result of the group's input.
3. Staff in universities should not be paid fixed salaries as it could result in a high rate of tardiness and reluctance of staff within a group to put in anything more than the performance of an average performer in the group. It should be made up of a fixed base followed by other rewards that are based on performance. This will enhance creativity and the desire to acquire new knowledge amongst staff.
4. Compensation system packages should emanate from a negotiation process between the university and staff as a means to improve on collaboration between staff and the university.

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