



EMPLOYEES COMPENSATION AND ORGANIZATIONAL PRODUCTIVITY IN CALABAR SOUTH LOCAL GOVERNMENT COUNCIL, CROSS RIVER STATE, NIGERIA

EKPO, EFFIOM EYO AND EYO, VICTORIA EFFIOM

Email: effiomeyoe@gmail.com

ORID-0000-0002-5564-8424

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ABSTRACT

The purpose of the study was to investigate the relationship between employees compensation and organizational productivity in Calabar South Local Government council of Cross River State, Nigeria. To achieve this purpose, one null hypothesis was formulated to guide the study. Ex-post facto research design was adopted for the study. This design was considered appropriate because the researcher had no direct control of the independent variables. A sample of two hundred and forty (240) staff were randomly selected for the study. This selection was done through stratified random sampling technique. Employment Compensation and Organizational Productivity Questionnaires was the main instrument used for data collection. The instrument was subjected to validation and reliability using trial test and Cronbach Alpha method to obtain the reliability coefficient which ranges from .80 to .90.

Pearson product moment correlation coefficient was the statistical tool adopted to test the hypothesis under study. The hypothesis was subjected to testing at 0.05 level of significance with relative degrees of freedom. The result of the analysis revealed that employees compensation significantly related to organizational productivity. Based on the finding of the study, it was recommended that the employees compensation should be reviewed periodically upwards to enhance productivity.

KEYWORDS: Employees, Compensation, Organizational, Productivity.

INTRODUCTION

In a developing country like Nigeria, human development is highly needed in virtually all organizations, parastatals, and even ministries. It is hard for any organization to exist without adequate human development.

Employees have an important role in influencing work outcome in an organization. Employers who have then intention to increase productivity and output should enhance employees compensation packages, this will motivate and boost the employees to deliver on his /her responsibility or task.

According to Jaleta, Kero & Kumera (2019) compensation is all incomes, in form of money, goods directly or indirectly received by the employees in exchange for services rendered to the organization. Usman & kurniawari (2019) refers to or states that compensation can be divided into two parts, financial compensation and non-financial compensation. The outcomes of using different components of compensations is that employees get motivated and satisfied when they obtain compensations (Ekpo, Monity & Eyo, 2024).

Ekpo, Effiom Eyo, Institute of Public Policy and Administration, University of Calabar, Calabar, Nigeria
Eyo, Victoria Effiom, History and International Studies, University of Calabar, Calabar, Nigeria

Afriyie, Twumasi & Darko (2020), also revealed that 30% of organizational productivity was due to compensation and reward system that organizations undertakes. In the same vein, Ekpo, Ekpeyong & Eyo (2024) states that organizational productivity depends on the employees compensation or reward impact that when an employee is properly rewarded or compensated, he/she put more effort in any task or responsibility given to him/her.

Oborey & Arukaroha (2021) examined the effect of reward on organizational performance in University of Edo State. The study found that salary increase, cash bonuses, promotion, recognition and career development have significant effect on organizational performance. Ekpo & Deborah (2024) states that the quality of jobs rendered by employees in different organizations most likely depends on the employers compensation packages or reward system. Jemina 2021 investigated the effect of compensation and reward system on employees performance at Kenya Revenue Authority. The finding leads to the conclusion that Kenya Revenue Authority has put in place a fair compensation and reward system.

STATEMENT OF THE PROBLEM

Employees compensation which is one of the packages of enhancing organizational productivity is highly neglected. The idea behind employees compensation is to motivate employees for higher productivity which will lead to organizational productivity. Undoubtedly, its obvious that employees compensation in Calabar South Local Government Council is not up to expectation. The frequent lopsided, Employees compensation packages in Calabar South Local Government

Council has always raised concern. The lack of Employee's compensation has led to the decline in productivity and lack of zeal in the workers. The desire and ultimate goal of the organization will be in jeopardy. In view of this, this study investigates the relationship between employees compensation and organizational productivity in Calabar South Local Government Council

OBJECTIVE OF THE STUDY

This study investigate the relationship between employees compensation and organizational productivity

Research Question

1. What is the relationship between employees compensation and organizational productivity in Calabar South Local Government Council?

Research Hypothesis

1. There is no significant relationship between employee's compensation and organizational productivity in Calabar South Local Government Council

METHODOLOGY

The research adopted ex-post facto design. the study population comprises of 1200 (one thousand and two hundred) council staff, 500 Senior and 700 Junior staff of Calabar South Local Government Council. Stratified random sampling technique and simple random sampling were adopted for the study. Sample of 20% were drawn from each of the stratum (i.e Senior and Junior). The sample size for the study was two hundred and forty staff out of one thousand, two hundred staff of the council, senior staff were 100 (one hundred) and Junior 140 (one hundred and forty). As shown in table 1 and table 2.

Table 1: Distribution of population of study (N=1200)

Senior Staff	500
Junior Staff	700

Source; payroll unit, Calabar South Council, 2024

Table 2: Distribution of sample of study (N=240)

Staff Category	Sample
Senior Staff	100
Junior Staff	140

Source: Field work 2024

The instrument used for data collection was Employee's Compensation and Organizational Productivity Questionnaire (ECOPQ). ECOPQ was divided into three sections. Section A deals with the respondents demographic data, section B and C consisted of ten (10) items used to measure the sub-variables of the study. The study adopted a 4 points likert scale model, with items which required the respondent to specify their level of agreement or disagreement i.e Strongly Agree (SA) =4, Agree (A) =3, Disagree (D) =2, and Strongly Disagree (SD) =1. The instrument was validated by experts in measurement and evaluation. Cronbach Alpha reliability coefficient was used to determine the reliability of the instrument which ranges from 0.80 to 0.90. Data

collected was analyzed using Pearson product moment correlation coefficient to test the null hypothesis at .05 level of significance.

Presentation of Results

HO; There is no significant relationship between employees compensation and organizational productivity.

The independent variable is employee's compensation while the dependent variable is organizational productivity. To test this hypothesis, employee's compensation was correlated with organizational productivity using Pearson product moment correlation coefficient. The result of the analysis is presented in Table 3.

Table 3: Pearson Product Moment Correlation Coefficient of the relationship between employee's compensation and organizational productivity. (N=240)

Variable	X	SD	r-value	Sig
Employees Compensation	18.40	1.32	0.40	.000
Organizational productivity	1.82	1.68		

Significant at .05, df =238

Source: Field Work 2024

The result of analysis presented in Table 3 revealed that the calculated r-value of 0.40 is higher than p-value of .000 at 0.05 level of significant with 238 degrees of freedom. With this result, the null hypothesis fails to be accepted which implies that there is a significant relationship between employees compensation and organizational productivity.

DISCUSSION OF FINDINGS

The result of the hypothesis revealed that there is a significant relationship between employees compensation and organizational productivity. The findings of the hypothesis is in agreement with the result of the finding of a study conducted by

Ekpo, Monity & Eyo 2024 on financial incentives and teacher productivity in public secondary schools. The result of the finding shows that there is a significant relationship between financial incentives and teachers productivity. Also, this is in agreement of the findings of a study conducted by Nnaji, Ekpo & Onable 2024. this result is in line with the view of Odunlade (2012) who refer to compensation as all forms of financial returns and tangible benefits that employees receive as part of employment relationship that compensation is divided into two-part, example; direct payment provided by the employer for work performed by the employer and fringe compensation.

CONCLUSION:

Based on the finding, the study revealed that there is a significant relationship between employment compensation and organizational productivity. It was therefore concluded that compensation such as good salary, wages, bonuses, allowances and other fringe benefits can enhance productivity.

RECOMMENDATION

Since financial and non-financial compensation motivates employees, to work hard and increase organizational productivity, therefore more efforts should be made towards compensating employees so as to boost or motivate and bring out the best from them.

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