



Effect of Salaries and Wages Administration as A Tool for Improving Employee's Performance in Zenith Bank Mubi Branch, Adamawa State - Nigeria

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Abstract

The objective of the study was to investigate the effect of wages and salaries administration in Zenith Bank Mubi branch, specifically, four hypotheses were tested to establish the effects of selected compensation variables on performance improvement. Quantitative research design was adopted, a census sampling was used thus, the entire employees were sampled and 38 questionnaires distributed and were filled and returned representing the entire employees in the branch. The reliability result shows that the overall Cronbach's Alpha coefficient for research instrument ranges from 0.750 which is acceptable. Multiple regression analysis was conducted to determine the effect of the selected wages and salaries components on performance improvement. The study established that, there is a strong relationship between wages and salaries administration and performance improvement as denoted by 87.1%. It was also established that in combination, wages and salaries administration explained 75.9% variation in performance improvement in the Bank. Subsequently it was concluded that, financial compensation is an effective predictor of performance improvement $\beta=0.398$, $p=0.000<0.05$. While fringe benefits $\beta=0.312$, $p=0.172 >0.05$, non-monetary incentives $\beta=0.143$, $p=0.268 >0.05$, employee's perception of wages and salaries administration $\beta=0.146$, $p=0.533 >0.05$ jointly are not effective predictor of performance improvement in the Bank. The study recommends that, the management should pay close attention on financial compensation as it appeared to be an effective predictor of performance enhancer in the midst of other compensation packages. While efforts should be intensified towards other compensation packages

like non-monetary, and fringe benefits so as to reap its positive effects on performance improvement in the Bank.

Keywords: Salaries and Wages, Employee's Performance

I. Background to the Study

Successful businesses rely on several different types of assets, such as financial capital, real estate, production equipment and powerful technology. But in today's knowledge-based economy, there is no question that employees are the most important asset of an organization. The employees champion the course of the business and determine the success or failure of it, hence the work employee does determine what customers and partners see, so it's important for an organization to treat the employees with the value they bring. Thus, employee efficiency and talent determine the pace and growth of an organization. Organizations need to recognize the value their employees have and praise them accordingly. When employees feel valued, they gladly compete in the race and beat the competition.

According to vplegacies.com, (2019) improving employee efficiency and performance has become a major priority for any organization. It is the employees that produces the final product, take care of finances, promote the business, and maintain the records for decision making. Thus, if an organization does not have happy and satisfied employees, they will not deliver performance-oriented results, therefore reducing the profits of the organization because, the employees are the most valuable assets an organization has. It's their abilities, knowledge, and experience that can't be



replaced. Hence, organizations need to place emphasis and importance on the contribution the employees they have in order to propel themselves ahead.

In today's business environment where competition is so fierce and change is fast, where technology can be short-lived and where customers demand more quality products and services at lower price, the survival, growth and effectiveness of organizations have become major causes of concern and tasks which management of organizations are striving hard to achieve. As opined by Obiekwe, (2012) that employees are now seen as the life blood of organizations, as well as tools in moving organization from where they are at present to where they want to be in the future Nwaeke, and Obiekwe, (2017), and Olufemi, (2009) has noted that human elements constitute a major factor to organizational survival especially in today's environment where all provide almost the same products and services. This is because machines will rust away if there are no qualified and capable employees to use and maintain them.

The importance of employees' performance in an organization can never be over emphasized. Thus, Leonard, (2019) postulate that business owners need employees that are able to get the job done, because employee performance is critical to the overall success of the organization. Hence, leaders of organizations need to understand the key benefits of employee performance so that they can develop consistent and objective methods for compensating employees. Leonard, (2019) further stated that, one of the most important factors in employee performance is to achieve goals. Successful employees meet deadlines, make sales and build the brand via positive customer interactions. When employees do not perform effectively, consumers feel that the organization is unconcerned to their needs, and will seek help elsewhere. Employees who perform effectively get things done properly the first time.

Greenberg (1987) suggested that a surviving organization depends on employees' performance which is directly affected by individual job satisfaction at workplace and their commitment to the organization. In order to achieve increased and sustainable business result, organizations need to execute strategy and engage employees justifiably. Engaging employees to perform means that the management of the organization owes a duty to create the needed conducive working environment which results in job satisfaction, organizational commitment and high performance. Furthermore, research has shown that most

employees are willing to work and produce expected and desired results for their organizations when they feel, the organization treat them fairly, listen to their plights, give them the opportunity to showcase their strengths.

Chron Contributor, (2020) said that, people are often motivated by money, and that the salary a worker is paid by his employer can have a great influence on his performance. More so that, an employee doesn't simply view his salary as a Naira amount, he sees it as the value his employer places on him as a worker. The level of appreciation he feels can have a direct impact on his overall performance. Thus, an employee is more likely to perform to his potential if he's happy with the salary he is earning. An employee earning a high salary feels motivated to do a good job, because he wants to please his employer to retain his position. His salary brings him a feeling of security, allows him to feel accomplished and gives him a high-status ranking that he enjoys. And an employee is much more willing to put in extra hours at the office if he feels his financial rewards, are a fair trade-off. It implies then that, poor wages and salaries administration induces low performance as there will be less motivation for employees to strive for excellence.

Consequently, ensuring by an organization that its employees' wages and salaries are paid as at when due, been certain that wages and salaries paid can satisfy the basic physiological and safety needs of their employees, which when satisfied, one can expect the employees to put their best effort in order to achieve the organizational objectives remain a crucial responsibility on the part of every organization that wish to improve employees' performance. However, according to Pinkal, (2022) wage and salary administration is difficult but an important task before the management, the most vital factors in deciding the conditions of the employment. That wages and salaries are not merely important determination of standard of living and the per capita income of the workers, but master key to achieve higher productivity and higher morale.

To this end, the establishment and implementation of sound policies and practices of employee compensation and other areas such as job evaluation, development and maintenance of wage structures, wage surveys, wage incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related pay items are essential in motivating and improving employees' performance. This is because the primary requirement of employees is an adequate wages and salaries that



commensurate with the responsibilities and duties involved.

Statement of the Problem

Finding the right balance between paying wages and salaries that will help attract and retain the best and brightest employees and still maintaining profitability is an ongoing challenge that shows no signs of easing anytime soon. Becker, (2016), opined that a business is only as good as its employees and a workforce is only as strong as its weakest connection. Hence wage and salary issues are so important today so much so that, failure to smoothly navigate the wage and salary waters can leave companies with an inadequate workforce or, on the other extreme, excessive payroll costs that eat into profitability. Yet, properly managing of the human resources function remain one of the biggest challenges for many business owners and entrepreneurs. Even though it is stated that a business is only as strong as its employees, and that hiring the right employees and retaining them for the long term is one of the most important factors in the success of any business today (Menerey, 2015).

Consequently, job performance of employees is very important for the organizations without which they cannot survive. Hence, it is vital for the organizations to consider employees performance as their main objective. More so they need to take care of their employees and value their works so that they can perform well in their jobs. Therefore, in today's era, different organizations need different tools and techniques to satisfy their employees for gaining maximum work. Therefore, organizations need some rules and standards to do this such as wages salaries administration.

Ordinarily, it is expected that the most paid professionals in Nigeria should be employees working banking and finance sector as one of the booming areas of the economy. However, this is not totally true in Nigeria because many things come into play when deciding the amount, a banker is qualified to be paid (Chukwuemeka, 2021). A banker is a person holding an important position in a bank or who provides financial banking services and typically works in a bank. Thus, deciding on wages and salaries of bankers, the two types of bank staff come into play namely: Contract staff, referring to staff who are not permanent with the bank. They only work with the bank pending the fulfillment of certain terms of contract and core staff, those that are employed by the bank are partially permanent with the bank. Research shows that in most cases,

core staff of banks earn higher than the contract staff.

Even though several factors such as level of experience, type of bank, type of bank staff, position of job description of the banker are considered in determining wages and salaries of employees, the gap existing between the contract and core staff as stated by Chukwuemeka, (2021), that salary of contract staff in most Nigerian banks is between N50, 000 – N100, 000 monthly depending the bank and terms of employment of the staff, while banking officer are paid about N250,000 to N340,000 monthly. The high discrepancy in wages and salaries structure in the banking sector is obvious. It is also observed that some organizations' leaders do not appreciate the fact that employees have to be motivated to ensure high performance for the achievement of the organizational goals and objective partly due to the prevailing situation in Nigeria where supply of labour is greater than its demand, thereby upholding the view that even if employees are not properly motivated, they cannot leave the job since there is no job in the labour market.

The primary requirement of all the employees is an adequate wages and salaries which is commensurate with the responsibilities and duties involved. Wage constitutes the income of the employees and their standard of living and social status depend upon the wages they earn, However, from the above it seems no special attention is paid on the effect of wages and salary variation on employee performance, and most importantly how it affects effort of employees toward job performance improvement. Hence, this study is set to investigate the effect of wages and salaries administration in Zenith Bank Mubi branch, specifically, the effect of wages and salaries variables on job performance improvement in the branch and to test the following hypotheses.

Ho₁ Financial compensation on employee job performance improvement in Zenith Bank Mubi Branch

Ho₂ Non-financial compensation has no significant effect on employee job performance improvement in Zenith Bank Mubi Branch

Ho₃ Fringe benefits has no significant effect on job performance improvement in Zenith Bank Mubi Branch

Ho₄ The perception of employees about wages and salaries administration has no significant effect on employee performance improvement in Zenith Bank Mubi branch



II. LITERATURE REVIEW

Salaries and Wages Administration

Establishing and implementation a of sound policies and practices of employee compensation is said to mean wage and salary administration. It includes such areas as job evaluation, development and maintenance of wage structures, wage surveys, wage incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related pay items. According to Pinkal, (2022) the most important aspect of wages and salaries administration is to determine salary levels which are determined through the process of job evaluation after which the other obligations include to (a) design and maintain salary structure, (b) operate salary progression systems, (c) administer and control salary reviews and (d) design and operate other allowances.

Thus, wages and salaries administration are said to be difficult but an important task before the management, these are probably the most vital factors in deciding the conditions of the employment wages and salaries and not merely important determination of standard of living and the per capita income of the workers, but master key to achieve higher productivity and higher morale. Amongst all the problems, the workers face, wage is the most pressing and persistent one. Therefore, wage and salary administration are one important part of human resource management function. It is a vital area of Human Resource activities, hence. An organization that introduces well distinct/managed wage and salary package (reward package) can be able to procure, utilize and retain capable and effective human resources. So, it is essential for the organization to have sound, effective and rational wage and salary administration (Pinkal, 2022).

Managing wage and salary has become one of the key everyday jobs of modern manpower management. It constitutes the major factor in the economic and social life of any community in an economic sense; it represents payment of compensation in return for work done. Traditional theorists define wage and salary administration as the process by which wage and salary levels and structures are determined in organizational settings (Bhavika, 2022). When an employee payment for labour or services rendered are expressed in hourly rates is said to be wages, while salary is an employee payment expressed in weekly, monthly or annual rates.

This implies that, salaries and wages can be refers to as incentives and these incentives can be broadly classified as financial and non-financial

incentives. According to Firdausi, Shaik, and Tiwari, (2022) incentive is a positive motivational influence that helps improve employees' performance. Furthermore Firdausi, et al., (2022) opined that, salary is the basic incentive for every employee to work efficiently for an organization.

The Financial Compensation

In today's socio-economic condition money has become a very important part of employees' lives. Employees need money to satisfy almost all their needs as it has purchasing power. Thus, financial incentives refer to those incentives which are in direct monetary form i.e., money or can be measured in monetary terms, (toppr.com, n.d) and that, financial incentives can be provided on an individual or group basis and satisfy the monetary and future security needs of individuals. The most commonly used financial incentives are; basic salary

In this end, any payment received by an employee for physical and mental work from the employer for a definite time is referred to as salary, it is a structure of payment from an employer to an employee, which may be specified in an employment contract. While basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Shields, (2007) views basic pay as an important part of total pay that is fixed and mainly time-based, rather than performance-based. Basic pay is the largest fraction of the total pay for non-executive employees. It also acts as a benchmark for other cash incentives such as profit sharing, which is expressed as a percentage of basic pay communicates commitment to employees, and is used as the baseline for assessing other pay systems such as skill and competency pay. Annual bonus in the words of Pinkal, (2022) is a very important earning component of employees, besides wage or salary.

Fringe Benefits

Fringe benefits are the additional benefits offered to an employee, above the stated salary for the performance of a specific service, more so that, some fringe benefits such as social security and health insurance are required by law, while others are voluntarily provided by the employer, (CFI Team, 2022). Fringe benefits, are any nonwage payment or benefit which may include: pension plans, profit-sharing programs, vacation pay, and company-paid life, health, and unemployment insurance programs) granted to employees by



employers. Fringe benefits like retirement plan, gratuity, pension, provident fund, leave encashment, etc. provide financial security to the employees post their retirement, thus, they work properly when they are in service.

According to Mathis and Jackson, (2003) as cited in Chukwudumebi, and Kifordu, (2018) fringe benefits are forms of indirect compensation given to an employee or group of employees as a part of organizational membership. While Ajiola (2006) define them as that part of the total reward package provided to employees in addition to base or performance pay. Fringe benefits focus on maintaining (or improving) the quality of life for employees and providing a level of protection and financial security for workers and for their family members, (Oaya, & Mambula, 2019). Like base pay plans, according to (Adeze, E.E., Chukwuma, N.P., and Nnenna, O.C., 2018) the major objective for most organizational fringe compensation programs is to attract, retain and motivate qualified, competent employees (Bernardin, 2007).

Thus, the goal of providing fringe benefits to employees is to ensure their comfort at the workplace, it also helps the company stand out for potential employees. Retaining top employees on salary alone in highly competitive markets is a challenge faced by many employers. Fringe benefits serve as additional compensation. When an employer provides exceptional fringe benefits to employees it helps such organization stand out from its competitors. It offers a greater opportunity to attract high value and gifted employees from schools or from competing companies.

Non-Monetary Compensation

Apart from the monetary and future security needs, an employee also has psychological, social and emotional needs and satisfying these needs plays an important role in their motivation. The focus of non-financial incentives largely on the fulfillment of these needs and cannot be measured in terms of money. However, there are chances that a particular non-financial incentive may also involve the financial incentive as well. For instance, when an employee is promoted, his psychological needs are fulfilled as he gets more authority, his status increases, at the same time, he has benefitted monetarily also as he gets a rise in salary.

Even though, in recent research conducted by (randstad.com, 2020) into employer branding and what employees want from their jobs has shown that attractive salary and benefits remain the most important factor for 62% of workers in 2021. However, this was closely followed by other

motivators that were more related to personal wellbeing and happiness such as: Work/life balance (58%), job security (56%), pleasant work atmosphere (55%), and career progression (49%). More so, COVID-19 and other recent challenges have left many countries and individual organizations in a difficult financial situation. As a result, it might be difficult for organizations to justify raising pay or providing financial bonuses for hardworking staff who have helped their organizations get through this challenging time.

Fortunately, there are various non-monetary incentives an organization can use to motivate their workforce and retain its most valuable employees. Non-monetary incentives are designed to recognize a special achievement or the completion of something that enhances an employee's job performance or value to a company, (Terms Compared Staff, 2020). Such a meritorious category might include the attainment of a sales goal, the culmination of a special research project or graduation from a training program that leads to a desirable certification (Wroblewski, 2019). Non-monetary incentives take the form of opportunities or tangible gifts with primary monetary value, these incentives encourage risk-taking and innovation to surpass goals, they are inconspicuous and employee reaction is unpredictable and more so, these incentives act as a long-lasting reminder of employee's achievement. These non-monetary incentives may include among others.

Flexible working hours are an employer tool used to reduce employee stress and improve employee performance and job retention. Flexible working hours is one of the most innovative ideas in the area of human resource management and the business environment (Adebayo, & Idowu, 2020) and can only be an innovation of effective and successful leaders who understand the dynamics of the increasingly changing global business environment. Coenen, and Kok, (2014) are of the view that workers want flexibility, hence it is advantageous because employee happiness and well-being result in decreased turnover and improved performance. Growth opportunities as revealed in MTI Events, (2020) career development, training, and education opportunities are amongst some of the most highly prized benefits a company can offer. Every employee desires growth in an organization and when he gets promotion as an appreciation of his work he is motivated to work better (Firdausi, Shaik, & Tiwari, 2022). Direct recognition, employees not only want monetary compensation but also need to be valued by their supervisors as this will increase the employees'



morale. Employees will be well motivated if they are recognized by their employers, (Saunderson, 2004). Recognition means valuing and caring about the employees' contributions. And job security provides future stability and a sense of security among the employees. The employees are not worried about the future and thus work with more enthusiasm, (Kumar, 2021). Owing to the unemployment problem in our country, job security works as a great incentive for the employees, however, negative aspect of this incentive is that, employees tend to take their job for granted and not work proficiently.

Employee Job Performance

Job performance according to Nini, (2019) it is sometimes called work performance is a widely used tool and metric in management, however organizations rarely address what it really is, which dimensions it includes, and in which areas of work it becomes important. There are two major components of job performance, these are: task and contextual performance and their relevance to the workplace is in various spheres. Organizations who incorporate contextual performance into hiring, appraisal and training can gain a competitive advantage and provide information on how the two components of job performance interplay in practice (Nini, 2019). Therefore, the measurement of employee performance is an activity that is very important because it can be used as a measure of success in supporting the success of the organization's employees (Said, 2008).

Therefore, employee's performance is said to be how well employees perform on the job and assignments assigned them measured against the generally accepted measure of performance standards set by their companies. Meaning that there are general expectations expected of employees in relation to their performance in every company. Thus, Nadle, (2001) opined that employees can be said to have performed when they have met the expectations and performed up to standard. Hence, factors such as labor productivity including the quantity, quality of work and timeliness are used in the measurement of performance (Simamora, 2004).

Performance means both behavior and results. Behaviors emanate from the performance and transform performance from abstraction to action. Not just the instruments for results, behaviors are also outcomes in their own right- the product of mental and physical effort applied to tasks and can be judged apart from results (Kaplan, & Norton, 1996). Going by this definition, when managing the performance of teams and individuals,

both inputs (behavior) and output (results) need to be considered. Training and development is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills or knowledge. The study holds that training as a non-financial incentive effects employee performance.

On a general level, job performance describes the contribution of an individual to the overall success of an organization. On a more specific and measurable level, job performance can be broken down into different factors. Depending on the framework you use, the factors vary (Koopmans et al. 2011). However, there is a broad consensus in the scientific community that job performance consists of two interplaying components. These are task performance and contextual performance. Task performance describes the core job responsibilities of an employee. It is also called "in-role prescribed behavior" (Koopmans et al. 2011) and is reflected in specific work outcomes and deliverables as well as their quality and quantity. Contextual performance goes beyond formal job responsibilities. Also referred to as "discretionary extra-role behavior" (Koopmans et al. 2011). Contextual performance is reflected in activities such as coaching coworkers, strengthening social networks within an organization and going the extra mile for the organization. It's the ability of employees to contribute to the overall well-being of the organization.

One of the most important functions of an organization is to ensure that employees are effective in performing their jobs. However, in recent years, contextual performance is viewed as an integral part of overall job performance. Hence, job performance is now view as moving beyond what is considered effective for performance on a task. In today's world, with changes in the global market and increased competition, employees are now expected to go beyond what is expected in their job description. Employees are expected to engage in activities that contribute to the overall well-being of the organization. This aspect of job performance is viewed as equally important as task performance. Examples of contextual performance include volunteering for additional work, being a good organizational citizen, cooperating with coworkers and additional discretionary behaviors.

For the purpose of this study, the employee performance is measured using the task and contextual performance. This is due to the importance of task performance as it relates to producing job-specific goods and services and



requires employees to acquire and demonstrate core technical skills. Meanwhile contextual performance boosts the organizational climate through strengthening social networks. When employees engage in contextual performance this contributes to the culture and climate of the organization. Contextual performance has the ability to transform the organization because employees volunteer for extra work, persist with enthusiasm and help and cooperate with others.

Theoretical Framework

There are various theories to the study of reward system and employee's performance. They are equity theory, expectancy theory, cafeteria compensation theory, Lawler and porter's theory of motivation and work compensation, equal pay for equal work theory, etc. In this study, equity theory is adopted as the frame work of analysis. This theory was first advocated by Adam(Ogundele, 2006). The concept of equity stipulates that justice and fairness should dominate, for example in reward system (Obisi, 2005). Fajana, (2002) defines inequity as an injustice perceived by a person when he compares the ratio of his rewards to his input's efforts with the ratio of another comparable person's outcomes to his inputs and finds that they are not equal.

According to equity theory, the motivation of individuals in organization is influenced by the extent to which they feel that they are being treated in a fair and equitable manner (Obisi, 2003).When people feel that they are being treated in an equitable and unfair fashion, the theory argues that they will be motivated to engage in activities aimed at restoring feelings of equitable treatment Ogundele, (2006) identifies two major components to the theory. First, the theory specifies the factors which influence the extent to which people feel that they are being equitably treated. Second, the theory outlines the kind of activities which individuals might be motivated to engage in to restore feelings of equity when they are feeling inequitably of unfair treated. Equity theory predicts that people are constantly engaged in making two types of comparisons.

a. The inputs they bring to the job in the form of education, experience, training, effort, time spent working and level of effort but can also include fewer tangible contributions such as loyalty, commitment, and enthusiasm. With the outcomes (rewards) from the employer and can also be tangible or intangible. Tangible outcomes include salary and job security. Intangible outcomes might

be recognition, praise, or a sense of achievement they receive or obtain as a result of performing the job (Adeleke, 2001).

b. The comparison by the person of his or her own ratio of out comes to inputs to the comparable ratio of outcomes to inputs of another person known as comparison other (Allen, 2002).The theory also presupposes that when a person perceives that his or her own ratio of out comes to inputs is approximately equal to the corresponding ratio of the comparison of others, a state of equity is said to exist. In such a situation the person will feel satisfied with the rewards that he or she is receiving, will feel that he or she is being fairly treated, and would be predicted to be motivated to continue doing the kinds of thing he or she had been doing at work up to that point (Ogundele, 2006).

Leaders and managers have sought to understand theories of motivation and then test them in the workplace to increase the productivity and effectiveness of their workforce. In contrast to the need-based theories, process-based theories view motivation as a rational process. Individuals analyze their environment, develop reactions and feelings, and respond in certain predictable ways. Thus, to achieve best results, organizations must analyze each job, know the requirements, and pay the same wage for work of the same inputs. Where differential wages must be paid, the basis must be very clear (Cole, 2002).

III. METHODOLOGY

Research Design

This study adopted a quantitative research design to examine the effect of financial and non-financial compensation administration as a tool for improving employee job performance. According to Wolman, and Kruger, (2004) the quantitative research design defines the strategy for extracting information from the study participants in a numerical format. The type of quantitative research design adopted for this study is the descriptive survey design, the objective of which, according to Leedy, and Ormrod, (2001) is to define and collect detailed information about an existing phenomenon or exploring the significant relationship between two or more phenomena.The quantitative data were collected through the use of questionnaire in order to provide a comprehensive analysis of the research problem.

Population of the Study



Population is a complete set of elements (persons or objects) that possess some common characteristic defined by the sampling criteria established by the researcher, (umsl.edu, n.d). A research population is composed of two groups - target population and accessible population. Target population (universe) is the entire group of people or objects to which the researcher wishes to generalize the study findings, (umsl.edu, n.d). The target population is said to meet set of criteria of interest to researcher. Accessible population is the portion of the population to which the researcher has reasonable access; may be a subset of the target population, (umsl.edu, n.d) and it may be limited to region, state, city, county, or institution. Therefore, the population of the study comprises of all employees of Zenith Bank Mubi branch. Based on the information from the personnel department of the bank, the staff strength of the branch at the time of this is 20 employees which make up the population of the study.

Sampling Technique and Sample Size

Sampling is a technique of selecting individual members or a subset of the population to make statistical inferences from them and estimate characteristics of the whole population, (questionpro.com, 2022). For the purpose of this study, a census sampling technique was adopted. Census sampling technique is the method of statistical enumeration where all members of the population are studied. The researcher choice of census sampling technique was due to the small employees' staff strength. Census sampling technique is said to be to economically viable method as it is less costly, saves time and requires less manpower to collect data. The result of the census method may be checked with the help of the sampling method, the results obtained are accurate as each member is surveyed. So, there is a negligible error and the result is highly reliable. Thus, the 38 employees in the branch were targeted population and also the study sample size.

Data Collection

Data collection is the base for all statistical calculations or interpretation in research. There are various means by which the data can be collected. The study utilized closed ended questionnaire as instrument for data collection.

Reliability of Research Instrument

Reliability is one of the most desirable technical merits in any educational research though its meaning differs in quantitative and qualitative

research. Quantitative research assures the possibility of replication. That is, within a certain limit of experimental error or random error, if the same methods are used with the same sample, then the results should be the same (Cohen, Manion & Morrison, 2008). More so, bowling (2009) views reliability in quantitative research as synonymous to dependability, consistency, reproducibility or replica-ability over time, over instruments and over groups of respondents. Thus, for research to be reliable, it must demonstrate that if it were to be carried out on a similar group of respondents in a similar context, similar results would be obtained.

This current research adopted the use of Cronbach alpha to test the reliability of the research instrument. Cronbach-alpha is widely used in educational research when instrument for gathering data have items that are scored on a range of values, such as essay tests in which different items have different scoring points or attitude scales in which the item responses are in continuum (e.g., Strongly Agree=4, Agree=3, Disagree=2, Strongly Disagree=1) because it takes into consideration the variance of each item. However, there arises a question as to what should be the acceptable magnitude of correlation when using Cronbach-alpha. For example, Nunnally (1994) suggests 0.70 (70% of variance reliable) and above while some authors suggest that it is acceptable if it is 0.67 (Cohen et al, 2008).

Validity of Research Instrument

This study adopted content validity which focuses on the extent to which the instrument of measurement shows evidence of fairly and comprehensive coverage of the domain of items that it purports to cover. Content validity refers to the extent to which the items on a test are fairly representative of the entire domain the test seeks to measure, (Markus, & Smith, 2022). In determining content validity evidence in educational research, the focus is on ascertaining whether a measuring instrument has been constructed adequately or its items have a fair sample of the total potential content. Thus, the researcher consulted experts in the field of research to rate each item in the instrument in terms of its match or relevance to the content. Corrections or modifications made by the experts were taken into consideration and reported in the final presentation of the research instrument as suggested by (Rubio, BergWeger, Tebb, Lee & Rauch, 2003).

IV. Method of Data Analysis



Inferential statistics was used to analyze the research data using Statistical Package for Social Sciences (SPSS) version 26. The inferential statistics in term of regression analysis was used to test the research hypotheses, establish the effect of wages and salaries on performance improvement in Zenith Bank, Mubi branch.

V. Results and Discussion

This section presents the findings and discussions of the analysis results based on the information gathered from the respondents. A total of 50 questionnaires distributed to the employees of

the bank in the branch, out of the 50 distributed questionnaires, 38 were filled and returned representing the entire employees in the branch. The reliability result shows that the overall Cronbach's Alphacoefficient for research instrument ranges from 0.750 which is acceptable. In order to test the research hypotheses, the study conducted multiple regression analysis to determine the effect of various wages and salaries components on performance improvement in Zenith Bank Mubi branch. The study results are shown in Table 1 the coefficient of determination.

Table 1. Coefficients of determination

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	-1.454	1.972			-.737	.466
	FC	.398	.089	.457		4.479	.000
	FB	.312	.223	.284		1.397	.172
	NMI	.143	.127	.158		1.127	.268
	PWS	.146	.233	.125		.630	.533
	R	.871					
	R ² .759						
	Adjusted R ² .730						
	F Statistics	25.992					
	P Value	.000					

a. Dependent Variable: IEP

The 'R' represents the relationship between the dependent and independent variable, here it indicates 87.1% relationship between the variable. 'R²' which indicates variation in the dependent variable as a result of independent variable, the result revealed that (0.759) that is 75.9% variation in performance improvement in the Bank is explained by financial, non-financial, fringe benefits and perception of employees on wages and salaries administration.

Based on the outcome in Table 1 above, the study hypotheses test result reveal that financial compensation has positive significant effect on performance improvement in the Bank with $\beta=0.398$, $p=0.000 < 0.05$. By this statistical evidence, the null hypothesis was rejected, meaning that, financial compensation is an effective predictor of performance improvement. The findings of this current study agree with the study of Ileka, and Muogbo, (2020) investigated wages and salary administration and employee performance and found that cash bonus has significant positive effect on employee performance; minimum wage has significant negative effect on employee performance in selected government ministries in Anambra state.

Calvin, (2017) in a study also found that there is a strong and positive relationship between remuneration and employees' performance and that salary/wage and bonus/incentives also serve as a form of motivation to the employees. More so, Wasiu, (2014) findings revealed that there is a significant relationship between employee's performance and salary package, employee job allowances and performance and in-service training and employee's performance.

Fringe benefits result shows a positive but insignificant effect on performance improvement with $\beta=0.312$, $p=0.172 > 0.05$. Therefore, the null hypothesis was upheld, this implies that, fringe benefits are not effective predictor of performance improvement. The findings of this current study are converse to findings of Ileka, et al., (2020) who found that, fringe benefits have significant positive effect on employee performance and more so that, monetization of fringe benefits has significant positive effect on employee performance. Hussain, Khaliq, Nisar, Kamboh, and Ali, (2019) results also showed that employee rewards and recognition have a significant and positive effect on employee performance.



More so, it was revealed that, non-monetary incentives also had a positive however an insignificant effect on performance improvement as indicated by $\beta=0.143$, $p=0.268>0.05$. Subsequently, the null hypothesis was upheld meaning that non-monetary incentives are not effective predictor of performance improvement. Converse to this finding is Idowu, (2020) whose study found that flexible work-hour arrangements as non-monetary incentive improved employee performance, increased retention of employees and reduced employee work stress. Wasiu, (2014) also discovered that in-service training as non-monetary incentive significantly and positively influence employee's performance.

And employee's perception of wages and salaries administration in the Bank has positive but insignificant effect on performance improvement in the bank as revealed by $\beta=0.146$, $p=0.533>0.05$. This result denotes that, even though, the perception of employees about existing wages and salaries administration is positive but it does not significantly improve performance of employees in the Bank. Thus, the null hypothesis was rejected.

VI. CONCLUSIONS AND RECOMMENDATIONS

The study objective was to investigate the effect of wages and salaries administration in Zenith Bank Mubi branch, specifically, the effect of wages and salaries variables on job performance improvement by testing stated hypotheses to establish the effects of selected compensation variables.

The study established that, there is a strong relationship between wages and salaries administration and performance improvement as denoted by 87.1%. It was established in combination, wages and salaries administration explained 75.9% variation in performance improvement in the Bank. More so, concluded that, financial compensation is an effective predictor of performance improvement $\beta=0.398$, $p=0.000<0.05$. While fringe benefits $\beta=0.312$, $p=0.172 >0.05$, non-monetary incentives $\beta=0.143$, $p=0.268>0.05$, employee's perception of wages and salaries administration $\beta=0.146$, $p=0.533>0.05$ jointly are not effective predictor of performance improvement in the Bank.

VII. RECOMMENDATIONS

Wages and salaries administration are key function in human resources management as employee performance and improvement hinges

around compensation. Therefore, the Bank management should establish and practice the best wages and salaries administration that will enhance employee motivation and morale that will enable the Bank achieve its set objectives.

More specifically, the study recommends that, the management should pay close attention on financial compensation as it appeared to be an effective predictor of performance enhancer in the midst of other compensation packages. While efforts should be intensified towards other compensation packages like non-monetary, and fringe benefits so as to enjoy its positive effects on performance improvement in the Bank.

Finally, this study was carried out in Zenith Bank, Mubi branch with a focus on wages and salaries administration as an umbrella of compensation package which within are several variables therefore further studies are recommended within the same these and other Banks or other sectors focusing cross-examining other wages and salaries administration practices and their implications on overall organizational performance.

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