



Executive Staff Compensation and Quality Service at Selected Deposit Money Banks in Lagos State, Nigeria.

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Abstract

Background: The provision of excellent service has been a major challenge facing deposit money banks in Lagos State, Nigeria and is known to have negatively affected their operations. Executive compensation is one of the policy options being adopted by deposit money banks to motivate their executive staff to deliver superior performances and sustain productivity. The study examined the relationship between executive staff compensations and quality services being provided at selected banks in Lagos State, Nigeria.

Methodology: Cross sectional survey research design was employed and four hundred and twenty-nine copies of the research instrument were administered to purposively selected respondents who were senior and executive staff of the selected deposit money banks. The data were processed using Statistical Packages for Social Sciences and the results showed that executive compensation packages have positive and significant effect on quality service.

Results: The result of the multiple regression analysis revealed that supplemental benefits ($B = 0.051$, $p = 0.043$) have positive and significant effect on quality service at the selected deposit money banks. Further analysis revealed that there was a collective significant effect of executive compensation sub-variables on quality service at the deposit money banks ($F(4,393) = 6.831$, $p < 0.000$, $R^2 = 0.066$).

Conclusion: The study concluded that giving attractive compensation benefits to organisations executive management has positive relationship with quality service. It was emphasised that rendering quality service will go a long way to steadily increase and sustain organisational performance because of the extra motivation

incentives extended to the executive management. These extra efforts would have positive impact in meeting organisational objectives. Some of the suggested recommendations includes attractive compensation and remunerations for executive staff should be instituted to ensure that this category of senior and executive staff welfare is adequately taken care of so as to enable them perform their responsibilities of meeting the corporate objectives of the organisation without distractions.

Keywords: Executive compensation, quality service, base salary, supplemental benefits, executive bonus, recognition, deposit money banks

I. Introduction

The rapidly changing environment which deposit money banks operates has brought about series of challenges which has been responsible for their inability to render smooth and uninterrupted quality services to their customers. The negative effects of these challenges have been threatening the long-time survival of some of the institutions. The study by Chaudhary and Sharma (2012) emphasised that due to increasing challenges brought about by local and global needs for organisations to improve their service delivery level, it is crucial for organisations, especially those in the developing countries who are hampered by limited resources, to ensure they consistently develop and retain loyal and committed workforce to render efficient and effective services. Further studies by Fatma, Khan and Rahman (2016); Krishna, Swapna and Gantasala (2010) concluded that attractive executive compensation package has been identified as a major strategy which the organisations could adopt to achieve rendering superior services to their customers. The study by Ab-Aziz, Shukoh and



Abdullahi (2014) revealed that most of these deposit money banks and similar organisations face series of challenges in the process of rendering excellent services, some which relates to internal activities and processes like inadequate manpower, high staff attrition rate, fraudulent practices and several others are due to environmental challenges like government policy summersaults leading to inability to execute long term planning; difficult operating environment which leads to cost escalation, depressed economy with its attendant negative multipliers effects on the economy. Despite these challenges, the goal of rendering excellent services should still remain uppermost in their thoughts and actions, if they are to remain key players and also be relevant in providing these services to their numerous customers (Rashed & Tabassum, 2014). In the same vein, the study carried out by Meshach and Nmadu (2016) focussed mainly on the importance of executive staff remunerations relating to giving them attractive base salary, competitive supplementary benefits, generous bonus schemes and recognition of executive staff team efforts to provide and sustain excellent service rendering at these organisations.

II. Literature Review

Rendering quality service to customers is important and every organisation should always make it a top priority and be interested in improvement initiatives that should be instituted in order to achieve higher levels of organisational performance through efficient and effective delivery of services. According to (Houger, 2006) giving close attention to how these categories of workforce can best be motivated through attractive compensation management system such as generous benefits, bonuses and salaries would be more beneficial to motivate these executive staff to achieve higher performance milestones. The report by Grovar (2016); Ibojo (2015); Krishna, Swapna and Gantasala (2010) affirmed the close relationship that exists between executive staff remunerations and rendering excellent services, stressing that whenever customers are satisfied with the services being provided by an organisation, they tend to retain their loyalty and patronages. In many instances, these satisfied customers always help the efficient organisations by introducing their friends and associates to that organisations so that they too could experience effective and efficient service rendering which ultimately increases the organisations performance and productivity both in the short and long run. According to Shariful, Al-Shahrani, Sahabuddin and Selina (2013) employees

who are not properly remunerated may not have the motivation to perform in the best interest of stakeholders because of distractions which lowers both individual and organisational productivity. The success of any banking organisation would most likely depend on the quality of services they render to their customers. The changing dynamics and keen competitiveness in the environment has thrown a lot of challenges to the banking industry because of high expectations and most especially on the type and nature of service excellence expected from them at all times. It should be noted any bank with persistent poor service rendering may not survive for long because any organisation that are associated with poor service rendering ultimately faces many challenges which often leads to erosion of goodwill and encourage customer defections which would adversely affect overall productivity of the organisation. Examples abound where poor service rendering banks found it difficult to compete favourably and were eventually taken over either through peaceful or forced acquisitions as exemplified by Access bank and former Diamond bank. The study by Boxall and Purcell (2016) concluded that executive staff compensation and remunerations is an important aspect of organisational development. These executive remunerations play important and strategic roles which tend to keep the loyalty and motivation of these category of staff to be committed to their primary assignments and responsibilities in meeting organizational goals and objectives. Most successful organisations rely on effective and efficient services being rendered by these categories of staff, hence it is imperative that organisations must do everything in their power to get them focused to perform their function without distractions and ensure that the composition of their welfare issues relating to good salary, generous bonuses and competitive benefits are attractive right from the onset, in order to guarantee organisational stability and focused management of resources.

2.1 Executive Compensation

Executive compensation can be described as rewards and benefits made available to top executive staff of organisations. The payments are in different forms which could be fixed or variable or both. Such total packages are meant to motivate higher performances especially in rendering quality services to delight organisation customers. In most company executive compensation programmes, the base salary is largely fixed while other compensation components are mostly variable in principle which consist of bonus awards, stock



options, supplemental benefits and long-term investment plans. It also includes special forms of executive staff remuneration programmes like the golden handshakes which are compensation programmes specially instituted to encourage and motivate top executives of these organisation on benefits that will accrue to them when he or she leaves the company. There is also a variant of such programmes called golden parachutes which occurs when an organisation decides to end executive staff tenure prematurely (Edmans & Gabaix, 2016).

2.1.1 Base Salary

Base salary is the minimum fixed amount of money paid to an employee by an employer in return for carrying out organisational tasks and responsibilities. It should be noted however, that a base salary does not usually include sundry benefits, bonuses or any form of spontaneous or one-off awards or compensations from employers (Clementi & Cooley, 2010). The study by Shawn (2018) affirmed the important roles which attractive base salary play to drive higher productivity and service at the deposit money banks. The report concluded that when base salary structure of senior and executive staff of organisations are made competitive and attractive, it has direct positive impact on their motivation and quality service they render to the organisation. The findings from a study by Agburu (2012) explained that base salaries always constitute a significant part of the total cost of operations in any organisation and the way and processes this critical resource is handled would go a long way to determine the fortunes and survival of the of the organisation.

The study by Yusuf and Abubakar (2014) concluded that different factors and variables determines the composition of salary payment and it also depends on the nature of the organisation and the objectives they wish to accomplish. Series of studies by Ayesha (2013); Bagger, Bent and Dale (2010) established that organisations with good executive compensations often renders more qualitative services because of the motivation which attractive compensations provides. The attractive salary payment encourages employees effective planning and budgeting for resources to meet organizational objectives. The payment of salary often allows employees to effectively plan their own finances, taking into cognisance what their income could accommodate which makes it easier and affordable to plan to buy fixed assets and embark on certain developmental projects, for

retirement, meet college or university expenses, or other common household expenses.

2.1.2 Supplemental Benefits

According to Bureau of Labour Statistics (BLS), employee benefits has been defined as any form of indirect or non-cash compensation paid to an employee. These benefits are offered to deserving employees because it often promotes job satisfaction, motivation and increase organisational commitment (BLS, 2015). The findings from a report by Prayoga and Achmad (2017) stressed the importance of supplemental benefits which is the additional payments usually made to employees apart from their regular salary to cover other areas of employee expenditures like transport, housing, education, health. Likewise, the study by Iyanda, Majid and Mohammad (2015) revealed organisations that awards generous benefits to their employees are in better position to render qualitative services to customers. Generally, the major objective of supplemental benefits is to increase the economic and financial security and add more value to the beneficiaries, and in doing so, ultimately motivates them to work harder to accomplish organisational objectives. The study by Ai (2006) explained that benefits can be used to motivate executive employees to drive proper work effort, stressing that these benefits like meals, entertainment and travels, helps companies build useful connections through *guanxi* with governmental officials and business partners where profitable business transactions are consummated.

Further, Pattarin, Ilan and Tianyu (2017) concluded that when organisations fail to institute new benefits and also refuse to review existing ones, often results in demotivating the zeal to render quality service. These challenges ultimately result in poor performance of the organisation as a result of inefficient and ineffective services which damages organisational reputation and loss of goodwill arising from losses of key customers and negative publicity which reduces patronage. Eventually, the organisation may not survive for long, if urgent steps are not taken to halt the deterioration. The study by Adeola and Adebisi (2016) warned of the likely consequences which organisations that refuses or fails to give competitive supplemental benefits to their senior and executive staff would face and some of the consequences could lead to general performance challenges of the work force. The report further emphasised that these trends are often seen as a red flag because such failure invariably serves as catalyst that is likely to precipitate chains of



performance inadequacies such as poor customer service issues and discontentment which always leads to customer defections and inability of the organisation to stem the tide from degenerating into a bigger problem which the organisation may find intractable.

2.1.3 Executive Bonus

A bonus payment refers to a lump sum of money that are awarded to employees either occasionally or periodically, being reward or compensation for good performance or rendering additional service to sustain organisational performance. Most organisations have specific periods when bonuses are paid, which may be quarterly, half-yearly or on an annual basis. Bonus pay is also regarded as compensation that is over and above the amount of pay specified as a base salary and employers usually establish criteria for bonus payments (Iyanda, Majid & Mohammad, 2015). Empirical studies by Serena, Muhammad and Emran (2012) established that bonus or pay for performance compensation have great roles to play in organisation rendering quality services. Bonus payment have been used severally by organisations to motivate employees to go the extra mile to deliver desired services for agreed bonus payments. Characteristically, employees are not entitled as of right to a bonus scheme, unless this has been agreed to in a contract of employment or collective agreement. Bonus or pay-for-performance is a compensation practice in which remuneration is systematically tied to rendering measurable output/services (Mensah & Dogbe, 2011).

Bonus payment schemes objectively compensates an individual's achievement as compared to the accepted thresholds set by the organisation. Bonus payment is a process that benefits both the executive employees as well as their employers, that is, individual enjoy benefits from enhanced rewards and organisations benefit from the cumulative boost in level of performance (Calvin, 2017). Findings from the study conducted by Iyanda, Majid and Mohammed (2015) on pay-performance relationship concluded that organisations are enjoined to put in place performance-based pay programmes and benefits plan, so that employee would be motivated to render quality services and exhibit positive attitudinal and behavioural tendencies to customers. Further, they regard performance-based pay as a motivational tool for achieving organisational performance and that the use of performance-based pay would be fair and motivating, and there are no

adverse effects of the system on teamwork and that the system of employee appraisal is fair and objective. The fairness of the appraisal system will promote healthy competition among employees and this will ultimately benefit the organisation through increased productivity and employees will be in position to render expected quality service to customers.

2.1.4 Recognition

Employee recognition is when organisation management publicly acknowledge employees' merits, contributions, achievements, virtues or services rendered to the organisation. It is an intrinsic reward for hard work or extra-ordinary accomplishments (Norida, Olurotimi, Rahman & Norhidayu, 2016). Employee recognition has positive relationship with quality service. When organisations recognise the efforts of their employees, it boosts their psyche and motivates them to work harder. Recognition is an intangible expression acknowledging individuals or group, for their positive behaviours, personal efforts or contributions to accomplishing specific objectives (Daniel, 2017). Recognition programmes are the regular, typically monthly, quarterly or annual formal and informal organisational procedures and online administered programmes for providing individual or team acknowledgment, awards, incentives or rewards, for achieving various strategic, behavioural or performance-based criteria (Tausif, 2012). Employees recognition are relational, experienced, non-transferrable, unconditional, surprise and emotional affair (Fagley & Adler, 2012). Baskar and Prakash (2013) argued that psychological or intangible rewards like recognition plays important role in motivating staff and raising their level of performance to render superior services.

The report of Norida, Olurotimi, Rahman and Norhidayu (2016) re-emphasised the challenges of meeting non-monetary expectations of executive staff and the consequences for banking organisations that fail to give adequate attention to their executive employees' intrinsic values. The more organisation recognises and appreciates their executive staff, the more commitment would be returned to such organisation. Studies by Abdul, Muhammad, Hafiz, Ghazanfar and Muhammad (2014) revealed that it is usually dangerous to the health and growth of the organisation when executive staff efforts are less valued, because it often kills motivation which could be a potent force to drive organisational productivity and service. Izogo and Ogba (2015) observed that quality of



service is very important in separating competing businesses in the retail and service sector especially in banking operations. Banking organisations realise that effective and efficient service delivery helps them to win new customers and also retain the loyalty of the existing ones. Banking organisations with poor service delivery will find it difficult to win new customers and as well as retaining existing ones because of better alternatives which the customers will find with less effort especially in the competitive environment where the banking organisations are operating.

2.2 Quality Service

Conceptually, quality service is the conscious effort made by organisations to meet and surpass the expectations of their customers by rendering effective and efficient services at all times. Izogo and Ogba (2015) affirmed that quality service is a measure of customer satisfaction or dissatisfaction with an organisation and it provides an indication of the acceptability or otherwise of the organisation's products/services at the market place. Competitors are separated by the level of service and it is not unusual for customers to switch back and forth between products or organisations simply because of pricing and most especially, the lack of quality service. Successful organisations rely on effective and efficient services to sustain the loyalties of their numerous customers for continuous patronages. It is therefore imperative that the organisation must get the composition and welfare issues of their senior and executive staff right (good salary, generous bonus, competitive benefits, recognition) from the onset, in order to guarantee stability and focused management of resources.

Quality service is the difference between customers' expectations and their perception of the actual service, and the degree to which the service offered can satisfy the expectations of the user (Abbad & Al-Hawary, 2014). It is only the customers that can accurately judge and evaluate the quality of service rendered. Also, Ali, Dey and Fileiri (2015) concluded that if customers perceive that the service rendered is good and it meets their expectations, then it is. Quality service is an objective assessment of how well a service performs and whether it conforms to the customers' expectations. Quality service reflects in experience but cannot be touched or seen because they are intangibles. Further, Amin, Yahya, and Aniza (2013) stated that quality service is a focused evaluation that reflects the customer's perception of

specific dimensions of service, which are reliability, responsiveness, assurance, empathy and tangibles.

Ananth, Ramesh and Prabakaran (2011) harmonised the varying perspectives of quality service definitions into five areas as: the transcendental view of quality service which view quality as being synonymous with innate excellence and is applied to performing and visual arts which argues that people learn to recognise quality through experience gained or from repeated exposure; the product-based approach which sees quality as a precise measurable variable and it argues that the difference in quality reflects difference in the amount of an ingredient or attribute possessed by the product; the user-based definition which starts with the premise that quality lies in the eyes of the beholder (Anabila & Dadson, 2013) because this definition recognises that different customers have different wants and needs and so equate quality with maximum satisfaction; the manufacturing-based approach which is usually adopted in engineering and manufacturing practices and the approach defines quality as conformance to internally developed specification which is often driven by productivity and cost maintenance goals; and finally the value-based definition which sees quality in terms of value and price and by considering the trade-off between performance (or conformance) and price, quality can be described as affordable excellence.

The study by Izogo and Ogba (2015) revealed that when customers are happy with the services being provided, they will stick back with the brand and will not shift to other competitors. Also, rendering quality service can easily facilitate more references because when an organisation provides quality service, their customers would possibly spread the good news to others. These references attract a lot of goodwill and other connections to the organisation business and the more such references are made, the more customers will be acquired without spending much resources. Organisations spends a lot of resources in advertising and promotions to attract customers patronage, but with excellent service quality, the existing customers will render all these for your company and this ultimately increases overall customer base which ultimately enhances the organisation to consummate more business transactions. Quality service also gives the organisation competitive advantage over its peers through the efforts and activities of employees by building sustainable relationships with customers.

2.1.2 Theoretical Framework



This study is anchored on efficiency wage theory which states that when organisations increases their employees' salaries, it often leads to corresponding increases in employees' productivity (Schlicht, 2010). Efficiency wages are wages that are higher than the market equilibrium. Organisations that pay efficiency wages has the choice to lower their wages and hire more workers, but choose not to do so, hence, managers might choose to pay efficiency wages to avoid shirking, reduce turnover, and attract productive employees. The study by Dube (2015) revealed that workers would most probably increase their productivity in response to increases in their real wages. The efficiency wage influences the quality of labour by motivating workers to work hard to render quality service. The report by Sobeck (2014) affirmed that when workers receive a higher pay, they tend to be more loyal and productive to the organisation and would be willing to work hard to justify the increased salaries. Furthermore, efficiency wage attracts lower costs of supervision because when workers are motivated, the drive to work independently would be enhanced and therefore would need less managerial supervision. In addition, efficiency wage always attracts higher quality labour because whenever an organisation pays above the market equilibrium, it will attract

quality workers, especially the professionals who undoubtedly have higher output (Agburu, 2012; Aminu, 2011).

III. Methodology

The study adopted cross sectional survey research in order to collate the primary data for analysis. The study used a validated questionnaire of 6-point Likert scale structured from strongly agree to strongly disagree. The respondents who were senior and executive staff of the deposit money banks were purposively selected for the administration of the questionnaire. The justification for purposive sampling enabled the researcher focus only on the strata of executive staff who are specific group identified to adequately respond to the questionnaire statements. The banks were selected because of their consistent good performance on profitability, deposit growth, asset quality, efficiency of operations and value for shareholders (CBN, 2018). The population of the study consist of four hundred and twenty-nine respondents who were sampled for the study. The response rate was three hundred and ninety-eight copies, which represents 92.8% of sampled respondents.

The multiple regression analysis was used to analyse the data as follows:

Table 1.1 Results of multiple regression analysis on effect of Executive Compensation on Quality Service

Variables	B	β	T	Sig	R ²	Adj. R ²	F _(4,393)	F Sig ²
Constant	21.053		16.714	0.000	.066	.056	9.248	.000
Base salary	0.054	0.067	1.262	0.208				
Supplementary benefits	0.051	0.114	2.034	0.043				
Executive Bonus	0.045	0.093	1.653	0.099				
Recognition	0.077	0.103	1.885	0.060				

a. Dependent Variable: Quality Service

b. Predictors: (Constant): Base Salary, Supplementary Benefits, Executive Bonus and Recognition

Results and Interpretations

Table 1.1 represents the result of multiple regression analysis for the effect of executive compensation (base salary, supplemental benefits, executive bonus and recognition) on quality service. The results revealed that only supplemental benefits (B = 0.051, p = 0.043) have positive and significant effect on quality service at the selected deposit money banks in Lagos State, Nigeria. This indicates that supplemental benefits

programmes at these institutions have been a major motivator that drives the executive staff to deliver on their targets. It further revealed that the strong relationship between attractive and generous benefits programmes must have been responsible for the zeal to accomplish targets which the executive staff have on the quality service being rendered by the organisation. However, the result of the analysis showed that the three other components of executive compensation of base



salary ($B = 0.054$, $p = 0.208$); executive bonus ($B = 0.045$, $p = 0.099$) and recognition ($B = 0.077$, $p = 0.060$) all have positive, but insignificant effect on quality service.

The margin of divergence on recognition sub-variable is very close ($p = 0.060$ as against the significance standard of $p = 0.050$) while base salary and executive bonus are further apart. Possible reasons that could be adduced for the insignificant effect of the two variables on quality service in most cases often relates to employees' conditions of service and difficult work processes. If the base salary is poor and not attractive, then it will not motivate employees to increase their productivity. Likewise, if the bonus programmes are not attractive and competitive, it will have little effect on the employees. Also, the administration of bonus programmes is important because if its operation is open, fair and competitive, it will elicit wider acceptance among employees, but if there is negative perception about its operation, then its operation may be unsuccessful.

Further analysis also revealed that the adjusted coefficient of determination, R^2 was 0.066 which indicates that all the components of executive compensation of base salary, supplemental benefits, executive bonus and recognition accounted for 6.6% variance for quality service at the selected deposit money banks. The p-value of 0.000 implies that the multiple regression model is significant at the 95%. However, the remaining unexplained 93.4% variance could be attributed to other factors like high staff attrition rate and technological issues which increased system down time and its attendant inconveniences might have caused. The overall results of the multiple regression imply that here was a collective significant effect of executive compensation on quality service at the deposit money banks ($F(4,393) = 6.831$, $p < 0.000$, $R^2 = 0.066$). This implied that the combination of executive compensation sub-variables was statistically significant in explaining changes in quality service. In addition, the collinearity tests (Variance Inflation Factor and Tolerance Factor) reveal that the predictor variables have VIF range between 0.00 to 0.91 and tolerance factor of less than 0.1. The regression model that was established to predict the effect of executive compensation sub-variables on quality service at the deposit money banks is summarised as follows:

$$QS = 21.053 + 0.051SB \quad (1)$$

Where:

QS = Quality Service

SB = Supplementary Benefits

According to the regression equation established, holding all factors (base salary, supplemental benefits, executive bonus and recognition) constant at zero, rendering quality service at the deposit money banks in Lagos State, Nigeria will be 21.053 which means that without the influence of the predictor variables, the customer acquisition would be 21.053. From the model, an improvement in supplemental benefits would result to 0.051 times increase in quality service at the deposit money banks. Furthermore, only supplemental benefits have influence on quality service at the deposit money banks ($B = 0.051$; $t = 2.034$; $p = 0.043$). Thus, the findings in general indicate that executive compensation sub-variables have a positive effect on quality service at the deposit money banks.

IV. Discussion of Findings

The overall result of the multiple regression indicated there was a collective positive significant effect of executive compensation sub-variables on quality service ($F(4,393) = 6.831$, $p < 0.000$, $R^2 = 0.066$). Conceptually, Abbad and Al-Hawary (2014) defined quality service as the difference between customers' expectations and their perception of the actual service, and the degree to which the service offered can satisfy the expectations of the user. It is only the customers that can judge and evaluate the quality of service rendered. The study by Ab-Aziz, Shukoh and Abdullahi (2014) established that organisations face series of challenges in the process of rendering quality service, some which relates to internal processes and several others are due to environmental challenges. Despite these challenges, customer satisfaction must remain uppermost in their agenda, if they are to remain competitive and profitable (Rashed & Tabassum, 2014). Similarly, the study by Meshach and Nmadu (2016) focused on the importance of executive staff welfare in terms of attractive base salary, generous bonus schemes and appreciation of executive team efforts to improving organisational performance. Grovar (2016) upheld the findings of Raluca-Elena (2015) and went further to explain the positive relationship between executive compensation and quality service which has been identified as one of the potent factors that can add new customers and retain existing loyalties. Further studies have confirmed that whenever customers are satisfied with an organisation's services, they will retain their patronages and could even introduce their friends



and associates to that organisation and when these patronages are sustained, it increases the organisation prosperity (Ibojo, 2015; Izogo & Ogba, 2015; Krishna, Swapna & Gantasala, 2010).

Empirical studies by Agburu (2012) emphasized that salary constitute a significant part of the total cost of operation in any organisation and the way and manner this critical resource is handled would go a long way to determine the fortunes of the organisation. Yusuf and Abubakar (2014) posited that different factors and variables determines salary payment depending on the nature of the organisation and the objectives they wish to accomplish. The determinants of salary payments in profit-oriented companies whether private or public is different from non-profit oriented companies. They asserted that level of education, type and nature of professional qualifications, experience of the employees, special considerations for gender issues, disabilities, community agitations, ethnic balancing, religious inclinations and social factors. More importantly, Amoatema and Kyeremeh (2016) laid strong emphasis on peer comparison where salary payment determination takes conscious view of comparing market pay rates for people performing similar work in similar industries in the same region. Salary is also affected by the number of people available to perform the specific job in the employer's employment, and it largely follow the laws of demand and supply.

Supplemental benefits are the benefits paid to employees in addition to their base salary to encourage them to be more focused and committed to the organisation objectives (David & Karl, 2018). These payments can either be intrinsic (non-monetary) or extrinsic (monetary) payments. These payments are sometimes called fringe benefits and they include various types of non-salary compensation provided to employees in addition to their normal salary. Characteristically, some of these benefits enjoy non-taxable status which may be housing allowances (employer-provided or employer-paid) furnished or not, with or without free utilities; group insurance (health, dental, life etc.); disability income protection; retirement benefits; daycare; tuition reimbursement; sick leave; vacation (paid and unpaid); domestic help (servants); and other specialised benefits. Also, generous benefits ensure that the employees are dedicated. The organisation expects the employees to work with full dedication while in return, they will be awarded generous benefits motivate them. Employee benefits helps in redefining the needs of

the organisation workforce. Employees tend to take their job more seriously with the prospects of earning additional remunerations different from what they are contractually qualified to enjoy (Itoya & Nwabuzo, 2017).

V. Conclusion and Recommendations

The study examined the relationship that exist between executive compensation packages and quality service at the deposit money banks in Lagos State and the strategies being employed by these organisations to ensure that they render superior services to their customers at all times. The study used cross sectional survey design and multiple regression analysis which revealed that executive compensation packages components of base salary, supplemental benefits, executive bonus and recognition significantly affect rendering of quality services at the organisations. The result of the study revealed that rendering quality service is a major yardstick to measure the performance of business organisations and that quality service is key to operations of deposit money banks. The outcome of this study established that banks uses different polices to motivate senior and executive staff to meet and surpass organisational targets. The study recommends that banking organisations should constantly review their quality standards to keep pace with the dynamics of the environment which they operate. The study also recommends that organisations should award attractive compensation packages to their senior and executive staff to motivate higher performance and promote the spirit of competitiveness within the organisation. Such compensation strategies should include both financial and non-financial compensations so as to have wider appeal to large segment of the workforce.

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