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**Compensation management and Employees’
Performance in Public Sector, Nigeria**

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Thesis Abstract

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Compensation management is one of the most important aspects of personnel management. It covers economic rewards in form of wages and salaries as well as in various forms of non-wage economic payment known as fringe benefits, indirect compensation or supplementary pay. Therefore, this research work has been carried out to look at the impact of organizational compensation management system on the performance of employees in the public sector.

.The result will focus focuses on the analysis of data collected from the field using the questionnaire. It includes the frequency distribution table and the chi-square analysis as well as the inferences made from the analysis.

The need for this study arises from the variation in performance of employees in the organization that has been noticed and this research work hoped to improve the standard and in order to achieve this, project has gone into so many past works of authors and related literatures in order to profound solutions.

The methodology focuses on the techniques employed in the research for the collection of data for the study. It contains explanations on the choice and description of instruments used for data collection. These are discussed under the following .headings: research design, population, sample and sampling procedure, data collection instrument, administration of data collection instrument, method of data analysis. In spite of the multiple benefits and advantages of compensation management and its impact on employee's performance, it cannot still be said that having compensation management policy is a panacea for success in appraising, and managing employee's performance. It is therefore the duty of all managers to ensure that the use of compensating policy meets employee's expectation in order to have good and effective performance.

Keywords: Employee, Performance, Motivation

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DEFINITION OF TERMS

COMPENSATION: This refers to direct and indirect rewards given to employees on the basis of the value of the job, their personal contributions and their performances.

PERFORMANCES: The extent to which an employee or group of employees have gone in achieving the set goals or standards.

EMPLOYEES: Person who work for compensation weather direct or indirect for another in return for stipulated series.

ORGANIZATION: A group of people who form a business ill order to achieve a particular aim.

PUBLIC SECTOR: The area of the nation's affairs 'under governmental rather than private control.

POLICY: A course of action adopted and pursued an organization, government, ruler, political party etc.

TARGET: A result arrived at a goal or objectives aim at something.

PRODUCTIVITY: The measure of the output of goods and series relative to resource's available.

Abbreviations

The symbols below represent or denote the following.

SA - Strongly Agree

A - Agree

D - Disagree

SD - Strongly Disagree

U - Undecided

1 INTRODUCTION

1.1 BACKGROUND TO THE STUDY

One of the fundamental tasks in human resources management is compensation management. It is a complex task that occurs periodically, demand accuracy and must not be delayed. Compensation management requires integrating employees' processes and information with business process and strategies to achieve optimal organizational goals and objectives. This can be attributed to the fact that compensation management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever improving efficiency". (ASH.1993,4). In other words, compensation management is a powerful means of focusing attention within an organization. They send clear messages to all employees of the organization informing them about expected attitudes and behaviors (Schell and Solomon, 1997, 4).

Furthermore, researchers have argued that compensation management system can create and sustain a competitive advantage for organizations (Milkovich and Newman, 2002,4). In recent years, the inclusion of non-financial measures has gained some popularity in compensation management, while some schools demonstrate positive effects of incorporating non-financial measures into the compensation management system empirically (Widmier, 2002). He further states that, human resources model of compensation generally assume that higher performance requires greater effort or that is in some other ways associated with disutility on the part of workers. In order to provide incentives, these models predict the existence of reward systems that

structure compensation so that a worker expected utility increase with observed productivity. This reward can take many different forms including praise from supervisor and co-workers, implicit promise of future promotion opportunities, feelings of self-esteem that comes from superiors' achievement and recognition and current and future cash rewards related to performance.

Koln (1993), argues that failure of compensation system is due to inadequate assumption about human motivation, reason for this can be attributed rather to the measurement of employee satisfaction and employee loyalty' to the organization, Hence, there is a strong need for the development of a holistic reward and performance measurement model enabling an organization to derive company specific success drivers and identify cause and effect relationship when linking rewards to measure such as employees satisfaction and loyalty. Thus, Dalton McFarland (1998), asserted that among the various devices for eliciting the loyalty. Cooperation and effort of individuals are the various forms of economic rewards'

According to Ojo (1997) there are three components of employees' compensation in an organization which are (i) the basic pay (ii) the fringe benefits and (iii) performance incentives or bonus. The basic pay is the basic wage in form of salary; fringe benefits are supplementary compensation awarded to employees over and above the basic wage or salary. Since the coming of the term "Fringe Benefits" during World War II, the scope of employees' benefits has widened markedly in both developed

and developing countries. Such benefit covers a wide range of rewards which provides security, deferred remuneration and various services for employees. The significance of the subject matter, Compensation emanate mainly from the fact that it provides income to workers and constitutes an important cost item to the employers, the largest single cost item for many organizations. For the workers, wage provides the means of satisfying their wants and needs.

1.2 BACKGROUND OF THE PROBLEM

The relationship between organizational compensation system and employees performance is indispensable, though some surrounding factors may determine the satisfaction one derives from the other. The high inflation rate which has led to high cost of living, low income and, purchasing power can be a reason for poor performance. In order to achieve the needed output level, the Nigerian managers faces an uphill task in trying to fashion out a reward system which does not have to necessarily be totally monetary inclined to motivate and bring out the best in employees to whom morale would have been affected by the bad state of socio-political and economic sphere of the country. The question now is, can there be a reward system that could adequately have an effect on workers performance? How often is this system reviewed? Would a fixed organizational compensation system bring out the required performance? Does the system reward the right set of employees? Would the outlined reward solve the immediate problems of workers in order to boost performance? Can the reward system stand out the test of time? Most times, only good behavior is rewarded while performance based reward is ignored. Also, some organizations confuse activity with action and reward those who seem busy,

yet the quiet employees may have been doing the bulk of the work. From this, there is need for management to build its reward system along the line of actual performance and actual level of work, input and productivity. Therefore, the problem of trying to figure out these loopholes with intent of correcting them forms the basis for this research.

1.3 OBJECTIVES OF THE STUDY

Specifically, the purposes of the study are as follows;

1. To find out the different compensation packages that exists in the public sector most especially the Nigerian Port Authority.
2. To find out the effect or impact or these compensation packages on employees performance.
3. To identify the particular compensation packages that motivates employees to the highest degree of performance.
4. The study seeks to find out the perceptions of employees concerning the compensation packages.
5. To offer suggestions on how the public sector can provide an effective compensation packages.

1.4 RESEARCH QUESTIONS

The research questions were directed specifically to address the following issues;

1. How is compensation management at the Nigeria Ports authority administered?
2. Does the compensation system have effect on employee's performance?

3. How often is the compensation system at the Nigeria Port Authority being reviewed?
4. Are there any other factors by which employee's performance can be improved upon through compensation packages?
5. What are the factors being considered in carrying out compensation policy exercise at the Nigeria port, Authority (NPA)?

1.5 HYPOTHESIS TESTING

The following' hypotheses will be tested in this study.

Ho: Compensation management practice has no impact on employee's performance.

Hi: Compensation management practices has' impact on employee's performance.

1.6 SCOPE AND LIMITATION OF THE STUDY

The study shall be carried out within the Nigeria public sector, specifically the Nigeria Ports Authority (NPA)

The project is intended to cover the compensation management system and how it relates to the individual employee in the organization and also to the organization.

1.7 SIGNIFANCE OF STUDY

The information from this research will add to the study of the knowledge and theories on the subject matter of compensation.

This study was brought about by the persistent quest for higher employees performance by several organizations especially Nigeria ports Authority at Apapa. The basic question to date is how well the use of compensation packages relates positively to employees performance. Finally, the outcome of this study will pose a challenge for future researchers or students who may be interested in carrying out more research in this area and it will also serve as reference materials for students.

1.8 ORGANISATION OF THE STUDY

This research work shall be organized into five chapters which are summarized as follows:

CHAPTER ONE: This is the introductory chapter that includes the background to the study, research questions, hypothesis that will be tested, statement of problems, significance and scope of the research work.

CHAPTER TWO: This chapter focuses on different write up of scholars which will be looked into, literature reviews and various theories in the field of compensation management will be sited.

CHAPTER THREE: In this chapter, the research methodology will be analyzed. Methods used in carrying out the research and the population size are also inclusive.

CHAPTER FOUR: This is the chapter where data collected from questionnaire will be analyzed and it will involve the use of some mathematical calculations and statistical tools.

CHAPTER FIVE: This is the last chapter of the research work, and it includes discussion of result, conclusions and recommendation for future purpose.

2 LITERATURE REVIEW.

Literature review contains the review of related literature as carried out by different authors and experts. Their opinion will guide the course of this study and reveal the trend of research.

Human resources are the most vital resources for any organization. It is responsible for each and every decision taken, each and every work done and each and every result. Compensation is the remuneration received by an employee in return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non -monetary rewards to employees. Compensation management is an integral part of human resources management which helps in motivating the employees and improving organizational effectiveness (Naukrihub 2009,37)

According to Bowman (2006), Compensation management can be defined as all the employers' available tools that may be used to attract, retain, motivates and satisfy employees. This encompasses every single investment that an organization makes in its people and everything its employees value in the employment relationship.

Simplistically, the notion of compensation management just says that there is more' to rewarding people than throwing money at them, or as Mulis and Watson in Armstrong (2008) puts it, "the monetary value in the compensation package still matter but they are not the only factor". They also stress that compensation policies are based"building a much deeper understanding of the employee agenda across all elements of reward". The compensation management process was summed up by work force (2008) as follows:

Creating a fun, challenging empowering work environment in which individual are able to use their abilities to do meaningful jobs for which they are shown appreciation is likely to be a more certain way to enhance motivation and performance even though creating such an environment may be more difficult and take more time than merely turning the reward lever.

In the word of Brown as quoted by Armstrong (2008), compensation and reward process are flows of events that determine the level, forms and differentials of financial rewards, fringe, benefits and non-financial rewards received by each member of the organization. Typically found in this complex process are method of assessing competitive wage in external' labour market, for job evaluation, for the establishment of wages, rates and salary ranges for different job categories and for decision making processes to establish salaries and wages according to differential performance. In recent years, the inclusion of non-financial measures has gained some popularity in compensation management while some scholars demonstrate positive effects of incorporating non- financial measures into the compensation management system empirically (world at work, 2008). Thus Dalton McFarland asserted that "among the various devices for eliciting the loyalty, corporation and effort of individuals are the various forms of economics reward both financial and non-financial"

2.1 COMPENSATION STRATEGY

Compensation strategy defines what the organization intends to do in the longer term to develop and implement reward policies and process that will further the achievement of its business goals. It establishes priorities for developing reward plan that can be aligned to' business and human resources strategies.

According to Brown in Armstrong (2008), compensation strategy is ultimately a way of thinking that you can apply to any reward Issue arising in your organization, to see how you can create value from it. To him, it is necessary to recognize that effective compensation strategies have three components:

1. They need clearly define goals and a well-defined link' to business objectives.
2. There need to be well designed pay and reward programs tailored to the needs of the organization and its people and consistent and integrated with one another.
3. Perhaps most important and most neglected, there need to be effective and supporting human resources and reward process in place.

2.1.1 DEVELOPING COMPENSATION STRATEGY

In practice, the formulation of strategy is seldom of rational and linear process as the model implies. Mintzberg (2006), perceive strategy as a pattern in a stream of activities. It is not necessarily a rational and continuous process. Quinn (2006), believes that organization typically construct their strategy with process that is fragmented, evolutionary and largely intuitive. He produced the concept of logical incrementalism which states that strategy evolves in several steps rather than being conceived as a whole.

Brown In workforce (2008), asserted that changing, evolving, testing improving as we go as part of a continuous long term process; this is the key to successful reward and recognition management.

2.1.2 COMPONENTS AND OBJECTIVES OF ORGANIZATIONAL COMPENSATION MANAGEMENT SYSTEMS

According to Armstrong (2008), an organizational compensation management system includes anything an employee's value and desire that an employer is able and willing to offer in exchange for employee's contribution. More specifically such compensation includes financial and non-financial rewards. Financial rewards include direct payment (e.g. salary) plus indirect payments in the form of employee's benefits. Non- financial reward includes everything in a work environment that enhances a worker sense of self-respect and esteem by others (e.g. work environments that are physically, socially and mentally healthy; opportunities for training and personal development; effective super Vision and recognition). These ideas are shown graphically bellow:

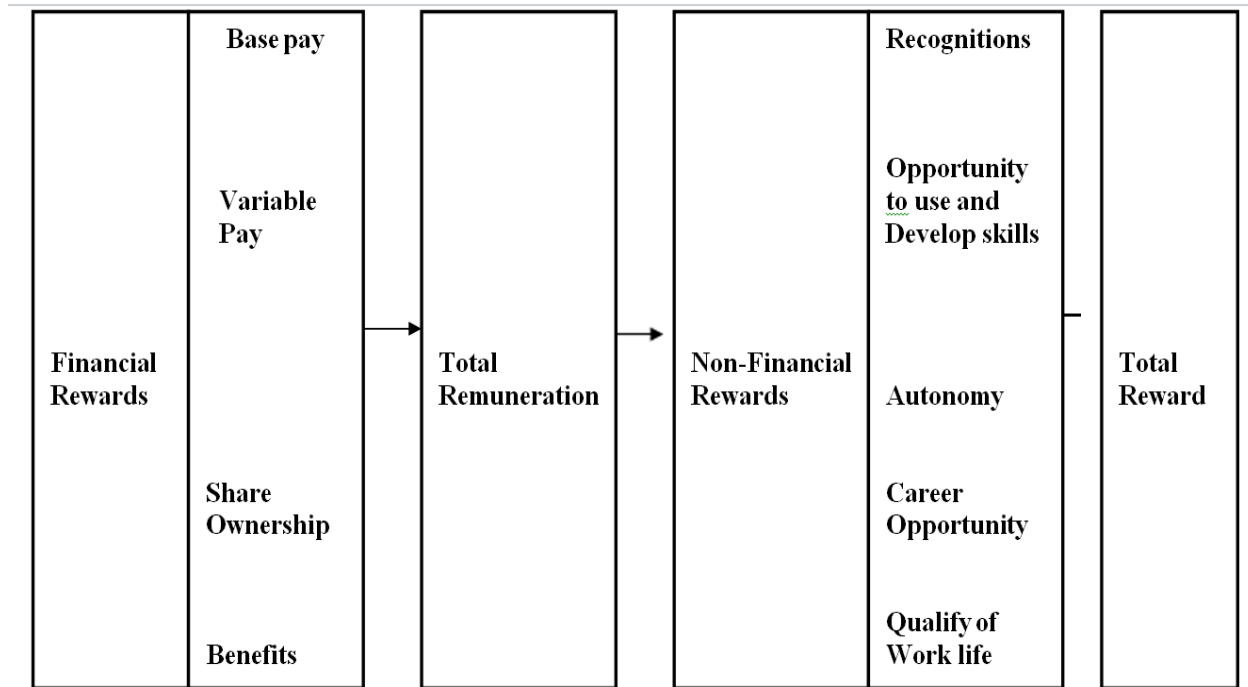


Figure 1. Pay: The dimension (Amstrong 2008)

In the word of Milkovich (2008), reward bridges the gap between organizational objectives and individual expectations and aspirations. To him, for an organization to be effective, organizational compensation system should provide four things:

- I. A sufficient level of rewards to fulfill basic needs
- II. Equity with the external labour market
- III. Equity within the organization and
- IV. Treatment of each member of the organization In terms of his or her needs.

More broadly Bowman in work scope (2009), asserted that compensation system are design to attract, retain and motivates employees. Much of the design of compensation management systems involve working out trade off among More or less seriously conflicting objectives. Perhaps the

most important objective of any compensation system is fairness and equity.

2.1.3 TYPES OF COMPENSATION

According to Naukrihub (2009), compensation provided to an employees can be direct in the form for monetary benefits and or indirect in the form of non-monetary benefits known as perks, time off e. t. c. compensation does not include only salary but it is the sum total of all rewards and allowances provided to the employees in return for their' services. If the compensation is effectively managed, it contributes to high organizational productivity.

Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provides to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, gratuity etc. They are given at a regular interest at a definite time.

2.1.4 EMPLOYEES BENEFITS

Folayan (2006), Describe benefits as the component of a compensation package provided in addition to cash pay. He goes on to look at the impacts that benefits can have in employees attraction, retention and motivation and to identify the three main type of employees benefits, namely; welfare benefits which includes pension and health insurance; family friendly benefits which might include family leave and child care vouchers and job related benefits which might include company car or product discounts. Armstrong (2008),' states that the main aims of any benefit systems are:

To contribute to the provision of a competitive compensation management system, to provide for the need of the employees in terms, of their security and sometimes their requirement for special financial help, this demonstrating to them that they are members of a carrying organization, to increase the, commitment of employees to the organization and to provide a tax efficient method of remuneration.

2.1.5 COMPENSATION DETERMINATION PROCESS

Compensation determination process involves several steps which have to be well articulated and carefully coordinated. In general, the establishment of a pay level for a particular employee is dependent on two main factors;

1. The general value of the job itself to the organization and 2. The relative performance of the individual performing the job (Folayan, 2006).

The figure below shows the various process which have to be followed in developing a compensation and wage structure.

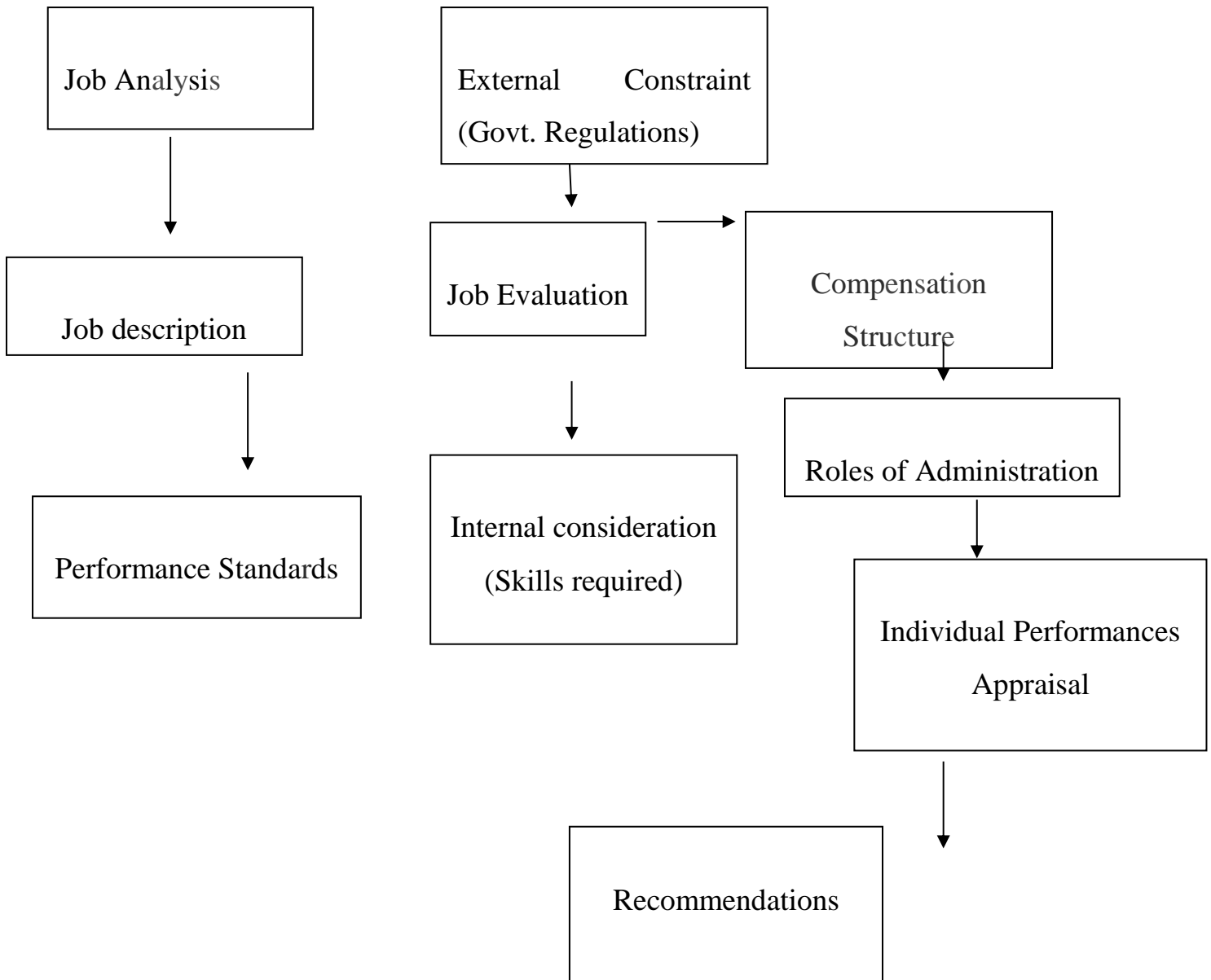


Figure 2: OJO .F (2006), Personal Management: Theories and Issues, Lagos, Panaf Publishing Inc.

2.1.6 JOB ANALYSIS

Cascio (2006), defined job analysis as the systematic investigation of a job in order to identify its essential characteristics and to translate these characteristics into writing in form of a job description and specification. To him, job analysis is the pertinent information about a specific job. Job analysis is concerned with generating information about jobs and two of the products of job analysis are job description and job specification.

The main approaches in studying a job are (1) logs which is known as self-report and (2) direct observation and interview and (3) questionnaire

2.1.7 JOB EVALUATION

Job evaluation is the process of determine the relative of work or money value of the various jobs (within the organization) as the basis for the balanced and equitable work structure (Hating and wood, 2003). Its attempt to determine and compare the demands that normal performance of specific jobs makes on employees without considering individual activities of performance of employees involved.

The immediate objective of job evaluation IS to ensure internal consistency as regards relatives' wages within the organization and external consistency between the organization wage structure and the wage structure of competing or comparable organizations in the area of the industry or the nation. Thus,

Rao and Rao in workforce management (2008), asserted that the main objective of job evaluation are

To gather data and information relating to job description, job specification and employee specifications of various jobs in an organization, to compare the duties, responsibilities and demands of a job with that of other job, to determine the hierarchy and place of various jobs in an organization and to ensure fair and equitable wages on the basis of relative worth or value of jobs.

2.1.8 DETERMINING THE ACTUAL COMPENSATION

The determination of the actual compensation accruable to an employee is a very crucial aspect of compensation management system; and this come after job evaluation. Following job evaluation, the prevailing internal pay level are plotted against evaluated job levels to determine the mean internal pay, job line and show any anomalies (overpaid, and underpaid job).Next, the result of external wage survey is compared with the existing internal pay level to see how they compare and after all this and taking note of relevant organizational problems, as appropriate internal family structure and compensation is determined (Folayan, 2007).

2.1.9 PRINCIPLES OF COMPENSATION MANGEMENT

According to world at work (2008), certain principles and guidelines are usually formulated in the area of compensation management which is:

1. There should be a plan which difference's in pay for jobs 81T based on variations In job requirements (e.g. skill, responsibility, .effort, physique and working conditions)
2. The plan should carefully distinguish between jobs and employees. A job carries a specific amount of pay and an employee is assigned to fill it at that pay level.
3. The general level of wages and salaries should reasonably be in line with what is prevalent in the labor market what is prevalent in the industry.
4. The principle of equal pay for equal work is a fundamental one. If two jobs have equal value or requirements, the pay should be equal regardless of who fill them.
5. A very equity device should be adopted so as to recognize differentials in the ability and performance of employees.

2.1.10 PAY DETERMINATION IN THE PUBLIC SERVICE

In the past, pay determination in the public service has always been made by specially appointed salary and wage commission.

Within the past three decades there have been at least seven such bodies in Nigeria. Of all these commission, the one that has the most profound impact on salary administration in the service is that of

UDOJI commission. In addition to examine the organization structure and management style in the public service, the commission was expected to undertake with the aid of appropriate grading terms regarding all posts in the public service, establish salary scales' corresponding to such grades. Using proper job evaluation method for such posts, recommend salary scales to be applicable to each post in the service (Sola and Aina, 2005). In pursuance of this objective, the commission 'established a task force on grading and salaries. The major findings of the task force can be summarized as follows:

1. The entire public service salary structure was in such a state of disarray that fundamental and long range reforms was needed.
2. The grading system was then based on the traditional British civil service concept of classes, administration, professional, clerical etc.
3. There' were so many salary scales which could not be scientifically related to one another. Indeed, there were over 300 salary scales in the public service 117 of them in the civil service alone, the remaining 183 being shared by the universities, local government, and parastatals etc. All of these scales were totally Uncoordinated (8018 and Aina 2005).

2.1.11 RECENT TREND IN COMPENSATION MANAGEMENT IN NIGERIA CIVIL SERVICE

In 2005, President Olusegun Obasanjo inaugurated two committee to look into the wages and salaries structure in Nigeria. The Edozien panel and Shonekan committee have similar objectives, they were assigned the responsibility of addressing on one hand, the wide disparity in wages, salaries and emoluments within and across the public sector, and on the other .hand, address ,the disparity, between emoluments in the public and private' sectors.

More concretely, they were to look into the problem of growing disparity in salaries and wages payable for work of substantially equal value within the public service and provide solutions as to how best to address the noticeable distortion.

Upon receiving the report of the Edozien panel and Shonekan committee and in order to facilitate the implementation of the far reaching recommendations made by both committees Mr. President set up the white paper drafting committee on emolument in the public sector. The committee then submitted its report detailing government views and a programme of implementation of the recommendations, under seven sub themes, namely:

1. Pay and emolument
2. Performance management system
3. Job evaluation
4. Employee management institution
5. Empowering the national salaries, Incomes and wages commission, recruitment frame work and
6. Collective bargaining

The draft white paper was considered by the federal executive council on Wednesday 20th September 2006 and approved with minor amendment. A major recommendation in the white paper was the increase of salaries by 15 % (fifteen percent). The national salaries, income and wages commission work out the details which become effective from January 2007. As approved by the federal executive council (FEC), implementation of the salary increment will be tied to the implementation of reforms by ministry.

3 THEORETICAL FRAMEWORK

The theoretical framework will look into various theories that have been formulated in the field of human resources management most especially compensation management and its impact on employee performance. All the theories cited in this research work are embedded in (Folayan (2006),: personnel management :Theories and issues) and they includes:

3.1 CAFETERIA COMPENSATION SYSTEM

The idea of a flexible compensation system or cafeteria compensation system through which the employee can choose a particular mix of benefit adding up to a given amount was introduced to enhance the potentiality of benefit to meet the employees need and to serve as motivator (Folayan, 2006).The system allows employees to select benefits and services that match their individuals needs and preferences. Usually a fix amount of money (or percentage of salary) is credited to a benefit account which employee can use to purchase a mix of benefit of their choice from those offered by the employer. Cash in lieu of benefit is not acceptable as a choice.

The cafeteria compensation system has some short comings. The administrative cost is usually higher than for any other benefit system. The system is also complex and this some critics argue, might make it difficult for the average employee to make intelligent choice when faced with several options which are usually interrelated (Schwind in World at work, 2008).

3.2 EXECUTIVES COMPENSATION SYSTEM

The analysis covers chief executive officers (CEOs) and other top executives who will be referred to collectively as executives or CEOs. It is divided into two sections: forms of executive compensation and determinant of executive compensation (Folayan, 2006).

The various forms of executive compensation can be categorized as follows:

1. **Basic Salary:** This consists of the annual salary which is taxable, in addition to this base salary that various types of financial incentives and supplements are provided for incentives.
2. **Incentive bonus:** These are short term performance based incentives usually made available to executives as end of year cash bonuses. The fund from which bonuses are paid is a predetermined part of profits: The amount paid to each executive is based upon his performance and salary level.
3. **Stock Option:** Stock option constitutes one of the most important components of executive compensation. Stock option plans offer executives the right to purchase shares of a company's stock at a specified price for a specified period of time. If the actual market value of the shares appreciated substantially above the price specified in the option, the executive can "exercise the option" that is, purchase the shares at the option price thereby making a huge profit.
4. **Deferred Compensation:** Deferred compensation is awarded in form of bonus (payable in cash or stock) or a pension supplement. It is paid after retirement when the person would have entered a lower income bracket.

5. **Perquisites:** Typical fringe benefits or perquisites (perks) which are enjoyed by executives include free medical service, educational facilities, company cars, and drivers etc.

Perks usually constitute a substantial part of company labour costs.

3.3 DETERMINANT OF EXECUTIVES COMPENSATION IN NIGERIA

In Nigeria, executive compensation would seem to be determined principally by company profitability, types of industry, Size of enterprise and individual performance.

According to Folayan (2006), quoting Iyegbuniwe, the fact that profitability should be prominent among the determinants of executive compensation in any market oriented economy does not need many explanations. The private sector CEOs are awarded high remunerations that IS absolutely unrelated to the performance' (profitability) of the enterprise concerned.

Executive compensation can scarcely be divorced from the performance of each executive, that is, his value to the company. Provision is usually made by each enterprise to reward outstanding performance and to penalize poor performance. In effect, a CEO that does not perform well in terms of company profitability etc may not only be denied pay increase but may lose his job.

3.4 SATISFACTION CAUSES PERFORMANCES THEORY

According to this school, the extent of employees job Performance is caused largely by his state of mind and predisposition on the job. Is he a satisfied worker? Is he happy at the job? If he is unhappy and unsatisfied, he cannot perform up to his maximum capability or level of efficiency. If an employee is unhappy, there is tendency for him to engage in some dysfunctional and negative activities that would restrain rather than enhance his performance. It is believed that "a happier worker is a productive worker" held true, then the View that satisfaction cause's performance may hold ground.

3.5 PERFORMANCE CAUSES SATISFACTION THEORY

According to Folayan (2006), the performance causes satisfaction represented by porter and Lawler believes that the feelings of satisfaction does not just happen but is remotely caused by Performance and achievement in the recent part which is subsequently transferred into for example, higher pay which is subsequently reflected in the employees feelings of satisfaction on his job. In this sense "reward constitute a necessary intervening variable and thus, satisfaction is considered a function of performance related rewards".

3.6 COMPENSATION AND MOTIVATION

Victor Vroom sited In Armstrong (2008), identify five circumstances where wage incentives would be expected to have maximum positive effect on performance. These are:

1. Where the workers see a clear relationship between his performance

and the amount of wage he can make.

2. Where the worker economic motives are strong.
3. where the worker pre-existing motivation to perform his job effectively from non -economic motive is weak
4. Where the worker ability to do his job is high
5. Where special pressure to increase output is not created.

There has been a lot of discussion on whether pay can be a motivator. One concept asserts that improved compensation leads to higher productivity. However, most studies do not seem to support such an assertion. According to Hertzberg cited in Folayan (2006), pay is a satisfier and not motivator- still put differently, if the pay level is adequate and quite competitive, then an increase in pay may not motivate employee to work harder. Even though finding of some studies in this area are inconclusive, it can be expected that morale and productivity will fall if wages and salaries are reduced and if fringe benefits is abolished.

In sum, financial reward is a major factor in attracting individuals to an organization, persuading them to remain and inducing them to contribute 'positively towards the achievement of corporate goals. This underscores the need for organizations to follow certain basic principles in wages and salaries administration.

3.7 COMPENSION AND EMPLOYEE PERFORMANCE (RELATIONSHIP)

According to Mendoca and Kanugo cited in Bowman (2006), management practices concerning reward systems relate to both the kind of rewards offered to employees for their services and the manner in which such rewards are administered in performance contingent manner. Management practices related to reward are critical in determining the level of employees' performance. Because organization structures indirectly affect the commitment and morale of employees through authority patterns and leadership styles, they have implications for employee performance in an organization.

Performance management practice analysis suggests that multi-nationals have a well-developed and formalized performance management, system. Some of them have adopted management by objectives (MBO) approach to performance management. These organizations have the practice of preparing detailed job descriptions because they assume that without properly defining the jobs, setting performance goal would be difficult. According to Holmstorm in, Folayan, (2006), Compensation management should be based on performance measured relative to the performance- of all firm or firms in the same industry rather than absolute measure of firm performance.

4 RESEARCH METHODOLOGY

This study is investigating the impact of compensation management system on employee's performance in the public sector, using Nigeria ports Authority, Apapa as a case study. This chapter therefore focuses on the techniques employed in the research for the collection of data for the study. It contains explanations on the choice and description of instruments used for data collection. These are discussed under the following headings: research design, population, sample and sampling procedure, data collection instrument, administration of data collection instrument, method of data analysis and limitation of the methodology.

4.1 RESTATEMENT OF RESEARCH QUESTIONS

The research questions were directed specifically to address the following issues;

1. How is compensation management at the Nigeria port Authority administered?
2. Does the compensation system have any effect on employee's performance?
3. How often is the compensation system at the Nigeria port Authority being reviewed?
4. Are there any other factors by which employee's performance can be improved upon through compensation packages?
5. What are the factors being considered in carrying out compensation policy exercise at the Nigeria port Authority (NPA)?

For more details on the research questions check appendice one (1)

4.2 RESTATEMENT OF RESEARCH HYPOTHESIS

The following hypothesis will be tested in this study

Ho; Compensation management practice has no impact on employee's performance.

Ha; Compensation management practice has impact on employee's performance.

4.3 RESEARCH DESIGN

Research design is the specification of the procedure for collecting and analyzing the data. It assists to generate primary and secondary data and the analysis. It identifies the relationship between independent and dependent variables.

This study employs survey research design which is a systematic method of data collection that explores relationship between the dependent and independent variables. This type of research design used questionnaires only to gather information although interview is also feasible and secondary data for background information.

4.4 POPULATION OF THE STUDY

The population of this study consists on the generality of the staff at the Nigeria Port Authority, Apapa. The number of staff at the Nigeria Port Authority, Apapa as at June 2012 is three hundred and forty (340).

4.5 SAMPLE AND SAMPLING PROCEDURE

A sample is that part of the population that conveniently represent the variation in the population, it is selected from the population for generation of data and in a research like this ,it is imperative to carve out a sample size form the totality of the staff at the Nigeria Port Authority, Apapa.

Therefore, a stratified random sampling is used in this study. The numbers of staff are stratified into senior and junior staff and each staff are given equal opportunity of being selected. For the purpose of this study, a sample size of one hundred (100) was chosen from the senior and junior staff at the Nigeria Port Authority, Apapa.

4.6 DATA COLLECTION INSTRUMENT

The data for this study was, collected from primary and secondary data. The primary source was with the use of questionnaire of close end type. The close ended provided options of two to five where the respondent selected their answer.

The questionnaire was structured into three sections with part one eliciting information about the respondent bio-data like age, sex, qualification, etc. whereas part two and three reflected the objectives, research questions and hypothesis of this study.

In order to support the finding, the researcher made use of secondary information from textbooks, journals, and copies of annual performance evaluation form from staffs personal records.

4.7 ADMINISTRATION OF DATA COLLECTION INSTRUMENTS

The questionnaires were administered by the researcher to the respondent through personal contact. One hundred (100) questionnaires which were distributed to the randomly selected staff were duly returned.

The questionnaires were divided into three' parts, the first part centered on the respondent personal information ranging from age, sex, marital status to educational qualifications while part two and three deals with numerous questions that reflected the objectives, research questions and hypothesis of the study, it is from the questionnaire that questions were provided to research .questions and the testing of hypothesis.

4.8 METHOD OF DATA ANALYSIS

Simple percentage was one of the statistical procedures used in the analysis of the data. Simple percentage shows the magnitude of different response category of the respondent and thereby drawing the represent percentage for each of the group. Also, the hypothesis formulated for this' study will be used

to guide the process of data analysis. Thus, Chi-square (χ^2 distribution), a non-parametric statistical test will be used to analyze the response from the data collected and the hypothesis will be tested at 0.05 level of significance. The formula for chi-square distribution formula is given as;

$$X^2 = \frac{\sum (O-E)^2}{E}$$

Where O is the observation value and E is the expected value

4.9 LIMITATIONS OF THE METHODOLOGY

The first challenge of this methodology was convincing the respondents about the study to be strictly for research purpose. Nigerians are always reluctant to divulging of information and some attitude was brought to fore in this study especially where they discovered it borders on their work and organization they are working for.

The amount of time it took the researcher to go to Apapa from his area of residence put a constraint on the researcher. Lastly and closely, related to the above are the expenses incurred in the course of carrying out this research due financial constrain.

5 RESEARCH RESULTS

This chapter focuses on the analysis of data collected from the field using the questionnaire. It includes the frequency distribution table and the chi-square analysis as well as the inferences made from the analysis.

5.1 ANALYSIS OF QUESTIONNAIRE ADMINISTERED AND RETURNED

During the course of the research, questionnaire were distributed to 100 staff of the Nigeria Port Authority (NPA) and at the end, all the 100 questionnaires were fully completed and returned.

5.2 PERSONAL QUESTIONS TO THE RESPONDENTS

Table 1: SEX DISTRIBUTION OF RESPONDENTS

Variables	Frequency	Percentage (%)
Male	63	63
Female	37	37
Total	100	100

Source: Field work (September 2012)

From table 1 above, the sex distribution shows that out of the 100 respondents 63 of them was male representing 63% while 37 people were female representing 37%

Table 2: AGE RANGE OF RESPONDENTS

Variables	Frequency	Percentage (%)
Under 21	2	2
21 – 34	32	32
35 – 44	36	36
45 – 54	18	18
55 and above	12	12
Total	100	100

Source: Field work (September 2012)

Table 2 indicates the age distribution of the respondents. 2 people fall in the range of under 21 representing 2%, 32 people fall between 21 – 34 years representing 32%, 36 of the people fall between the age of 35 – 44 years representing 36%, also 18 people are between 45 – 54 years representing 18%

while 12 of the people were between the age of 55 and above representing 12%.

Table 3: EDUCATIONAL BACKGROUND OF RESPONDENTS

Variables	Frequency	Percentage (%)
Primary six	0	0
School cert.	27	27
OND	43	43
HND/BSC	24	24
Others	6	6
Total	100	100

Source: Field work (September 2012)

It can be deduced from table 3 that the educational background of the respondents shows that none of the respondents fall in the range of primary six, 27 of them possess secondary certificate representing 27%, 43 people have OND representing 43%, 24 people have HND/BSC representing 24% and 6 people fall in the range of others representing 6%.

Table 4: MARITAL STATUS OF THE RESPONDENTS

Variables	Frequency	Percentage (%)
Single	38	38
Married	45	45
Widowed	5	5
Separated	9	9
Divorced	3	3
Total	100	100

Source: Field work (September 2012)

From table 4 above, number of respondents that were single are 38 representing 38%, 45 out of the respondents were married representing 45%, while 5 of them were widow representing 5%. 9 of the respondents are separated representing 9% and 3 of them were divorce representing 3%.

Table 5: NUMBER OF CHILDREN OF RESPONDENTS

Variables	Frequency	Percentage (%)
None	12	12
One	18	18
Two	27	27
Three	22	22
Four	13	13
Five and above	8	8
Total	100	100

Source: Field work (September 2012)

Table 5 shows the number of children each respondents have out of which 12 people have not given birth to any child representing 12%, 18 people have only one child representing 18%, 27 people have to children representing 27%, 22 respondents have three children representing 22% m 13 respondents have fair children representing 13% while 8 people have five children and above representing 8%.

5.3 TEST OF HYPOTHESIS

In carrying out this research work, the chi-square (X^2 distribution) method was adopted to test the understated statement of hypothesis below.

Ho: Compensation management practice has no impact on employees' performance.

Hi: Compensation management practice has impact on employees' performance.

The formula for calculation of X^2 is given as:

$$X^2 = \sum \frac{(O - \Sigma)^2}{\Sigma} \text{ where}$$

$$\Sigma$$

O = is the observed frequency

Σ = is the expected frequency

The degree of freed (df) is $n - 1$ or $(r - 1)(c - 1)$

The statement of hypothesis stated above will be verified through the result obtained in question 3 of the questionnaire.

Table 6: Compensation Management and Employee's Performance

Variables	Frequency	Percentage (%)
Strongly agree	47	47
Agree	39	39
Disagree	8	8
Strongly disagree	6	6
Undecided	0	0
Total	100	100

Source: Field work (September 2012)

Table 7: Using the Dispersion Approach

0	Σ	0	$(0 - \Sigma)^2$	$\frac{(0 - \Sigma)^2}{\Sigma}$
47	20	27	729	36.45
39	20	19	361	18.05
8	20	-12	144	7.2

6	20	-14	196	9.8
0	20	-20	400	20
100	100	0		91.5

Source: Field work (September 2012)

Level of significance is 5% (0.05)

Degree of freedom = $n - 1$

= $5 - 1$

= 4

Table value = 9.488

X² calculated = 91.5 while table value = 9.488

5.4 DECISION RULES

From the calculate above, X^2 calculated are 91.5 which is greater than the table value 9.488, the research work reject the null hypothesis (H_0) and adopt the alternative hypothesis (H_1) the research conclude that compensation management practice has impact ton employees performance

4.5 OTHER RESULT FROM RESPONDENTS

Table 8: Organization and Efficient compensation package.

Variables	Frequency	Percentage (%)
Strongly agree	28	28
Agree	37	37
Disagree	21	21
Strongly disagree	8	8
Undecided	6	6
Total	100	100

Source: Field work (September 2012)

Table 8 above indicates that 28 out of the respondents strongly agree that the organization has a well-organized and efficient compensation system representing 28%, 37 of them also agree representing 37%, 21 out of the respondents disagree with the statement representing 21% while 8% strongly disagree with the statement and 6 of the respondents were undecided representing 6%.

Table 9: Existing Reward System and how it's applies to employees.

Variables	Frequency	Percentage (%)
Strongly agree	33	33
Agree	42	42
Disagree	19	19
Strongly disagree	5	5
Undecided	1	1
Total	100	100

Source: Field work (September 2012)

From table 9 above, 33 out of the respondents strongly agree that the existing reward system is applicable to all employees which represent 33%, 42 respondents also agree with the statement representing 42%, 19 out of the respondents disagree with the statement representing 19% while 5 respondents strongly disagree representing 5% and only 1 respondent was undecided representing

Table 10: Individual workers input and compensation received.

Variables	Frequency	Percentage (%)
Strongly agree	20	20
Agree	23	23
Disagree	27	27
Strongly disagree	21	21
Undecided	9	9
Total	100	100

Source: Field work (September 2012)

Table 10 shows that 20 of the respondents strongly agree with the statement representing 20%, 23 of them also agree with the statement representing 23%, 27 respondents disagree that input in individual workers is equal to the reward they receive which represent 27%, 21 out of them strongly disagree which represent 21% and 9 of the respondents were undecided which represent 9%.

Table 11: Additional input and compensation package.

Variables	Frequency	Percentage (%)
Strongly agree	18	18
Agree	29	29
Disagree	31	31
Strongly disagree	22	22
Undecided	0	0
Total	100	100

Source: Field work (September 2012)

It can be deduced from table 11 that employees that strongly agree with the statement are 18 which represent 18%, employee that agree are 29

representing 29%, employees that disagree with the statement are 31 which represent 31% while 22 of the employee strongly disagree.

Table 12: Workers salary and their immediate needs.

Variables	Frequency	Percentage (%)
Strongly agree	11	11
Agree	43	43
Disagree	32	32
Strongly disagree	10	10
Undecided	4	4
Total	100	100

Source: Field work (September 2012)

Table 12 indicates that 11% of the respondents strongly agree with the statement, 43% of them also agree while 32% of the respondents disagree with the statement, 10% of them strongly disagree and 4% of the respondents were undecided.

Table 13: Promotion system and employees morale

Variables	Frequency	Percentage (%)
Strongly agree	28	28
Agree	37	37
Disagree	18	18
Strongly disagree	11	11
Undecided	6	6
Total	100	100

Source: Field work (September 2012)

From table 13 above, 28% of the respondents strongly agree that promotion system affect the morale of employees, 37% of them also agree with the statement, only 18% of the respondent disagree while 11% strongly disagree and 6% were undecided.

Table 14: Organization compensation package compared to other organizations.

Variables	Frequency	Percentage (%)
Strongly agree	6	6
Agree	27	27
Disagree	34	34
Strongly disagree	23	23
Undecided	10	10
Total	100	100

Source: Field work (September 2012)

Table 14 shows that 6% of the respondents strongly agree, 27% of them agree with the statement, 34% of them disagree that the reward system is poorer than what is obtainable in other organization, 23% of the respondent strongly disagree and 10% were undecided.

Table 15: Subordinate and Decision making.

Variables	Frequency	Percentage (%)
Strongly agree	39	39
Agree	24	24
Disagree	23	23
Strongly disagree	8	8
Undecided	6	6
Total	100	100

Source: Field work (September 2012)

It can be deduced from table 15 that 39% of the respondents strongly agree that the organization allow subordinate to participate in decision taking while 24% of them also agree. 23% of the respondents disagree, 8% strongly disagree and 6% were undecided.

Table 16: Decision making and superior interference

Variables	Frequency	Percentage (%)
Strongly agree	21	21
Agree	32	32
Disagree	29	29
Strongly disagree	15	15
Undecided	3	3
Total	100	100

Source: Field work (September 2012)

Table 16 above shows that 21 respondents strongly agree representing 21%, 32 of them also agree representing 32%, 29 of them disagree with the statement representing 29%, 15% of them strongly disagree and 3% were undecided.

Table 17: Employees and the organization objectives

Variables	Frequency	Percentage (%)
Strongly agree	55	55
Agree	27	27
Disagree	11	11
Strongly disagree	6	6
Undecided	1	1
Total	100	100

Source: Field work (September 2012)

Table 17 above indicates that 55% of the respondents strongly agree that the organization makes the employees to be familiar with the organizational objectives, 27% of them also agree, 11% of them disagree, 6% strongly disagree and only 1% was undecided.

Table 18: The organization and periodic appraisal of employees.

Variables	Frequency	Percentage (%)
Strongly agree	35	35
Agree	31	31
Disagree	22	22
Strongly disagree	12	12
Undecided	0	0
Total	100	100

Source: Field work (September 2012)

From table 18 above, 35% of the respondent strongly agrees that the organization embarked on periodic appraisal of employees, 31% of the respondent also agree, 212% of the respondent disagree while 12% of the respondent strongly disagree and none was undecided.

Table 19: Employees objectives and organizational.

Variables	Frequency	Percentage (%)
Strongly agree	12	12
Agree	31	31
Disagree	29	29
Strongly disagree	18	18
Undecided	10	10
Total	100	100

Source: Field work (September 2012)

Table 19 shows that 12% strongly agree that employees' objectives are reflected in organizational objectives, 31% of the respondents also agree with the statement, 29% disagree with the statement while 18% strongly disagree and 10% of the respondents were undecided.

Table 20: Motivation and compensation packages

Variables	Frequency	Percentage (%)
Strongly agree	18	18
Agree	32	32
Disagree	31	31
Strongly disagree	8	8
Undecided	11	11
Total	100	100

Source: Field work (September 2012)

Table 20 above indicate that 18% of the respondents strongly agree that the organization motivate employees with better compensation packages while 32% of them also agree, 31% of the respondent disagree with the statement, 8% strongly disagree while 11% were undecided.

Table 21: Employees commitment and periodic promotion.

Variables	Frequency	Percentage (%)
Strongly agree	27	27
Agree	39	39
Disagree	18	18
Strongly disagree	9	9
Undecided	7	7
Total	100	100

Source: Field work (September 2012)

From table 21 above, 27% of the respondents strongly agree that employees are more committed to their job with regular or periodic promotion, 39% of them also agree while 18% of the respondents disagree. 9% of the respondents strongly disagree and 7% were undecided.

Table 22: The organization and Employees loyalty.

Variables	Frequency	Percentage (%)
Strongly agree	29	29
Agree	47	47
Disagree	15	15
Strongly disagree	6	6
Undecided	3	3
Total	100	100

Source: Field work (September 2012)

Table 22 above indicates that 29 out of the respondent strongly agree which represent 29%, 47% of them also agree that they are proud to work in the organization while 15% of them disagree. 6% of the respondents strongly disagree and 3% were undecided.

Table 23: Relationship between superior and subordinate.

Variables	Frequency	Percentage (%)
Strongly agree	27	27
Agree	39	39
Disagree	14	14
Strongly disagree	9	9
Undecided	8	8
Total	100	100

Source: Field work (September 2012)

The tables 23 above shows that 27% of the respondents strongly agree, 39% of them also agree with the statement, 14% of them disagree while 9% of them strongly and 8% were undecided.

Table 24: Employees opinion and decision making.

Variables	Frequency	Percentage (%)
Strongly agree	11	11
Agree	24	24
Disagree	29	29
Strongly disagree	21	21
Undecided	15	15
Total	100	100

Source: Field work (September 2012)

Table 24 indicates that 11% out of the respondents strongly agree with the statement, 24% of them also agree while 29% of them disagree that the organization makes some ideas and periodic sampling of opinions are made before major decisions are taken. 21% of the respondents strongly disagree with the statement and 15% of them were undecided.

More so, majority of the respondents indicate that subordinate are allow to participate in decision making most especially ones within their jurisdictions and also employees are familiar with organization objectives but opinion varies whether their objective are reflected in organizational objectives, most of the respondents also believe that the organization motivates employees with better remunerations. Virtually all the respondents are proud to work in the organization and also there exist good rapport and friendliness in the organization.

Finally, the analysis of data collected from respondents shows that compensation management system has impacts on employees performance and also there are other factors apart from monetary factor that influence the performance of employees either positively or negatively

6 SUMMARY AND CONCLUSIONS

This chapter focuses on the summary of the study, it gives a precise and concise framework into the compensation management and employees performance in the public sector .it also include the conclusion drawn from the analysis and inference made, while recommendations are also put forward for policy decision.

Based on the result of critical presentation and analysis of data in this chapter, various facts as regard compensation management and its impacts on employees' performance at the Nigeria Ports Authority have emerged.

Most of the respondents are of the opinion that the organization has a well-organized compensation management system in place which is applicable to all the employees but the input of individual employees is not necessarily equal to the reward they received and additional input does not get rewarded most time by the organization. Opinion of the respondent varies on whether the salary they receive meet their immediate needs and virtually all the respondents are of the opinion that promotion system affects the morale of the employees while majority of them believe that the reward system is somehow poorer than what is obtainable in other organizations.

6.1 SUMMARY

The study was aimed at examining the impacts of compensation management practices on employees' performance at the Nigeria Port Authority, Apapa.

Questionnaires were administered to selected staff of Nigeria ports Authority, Apapa. The entire population was estimated at 340 people comprising of senior and junior staff and out of this population a sample of 100 respondents were randomly selected for intensive study and analyzed.

The responses obtained from the questionnaire that was personally administered and the test of hypothesis Using chi square (x^2 distribution) statistical method of analysis form the basis of the finding of this research survey. Some of the findings are,

1. That the Nigeria ports authority (NPA) has a well-organized and efficient compensation management system which is applicable to all the employees.
2. That compensation management system has a great impact on employee's efficiency and performance at the Nigeria ports authority (NPA).
3. There is a relationship between compensation management policy and employee's performance and that compensation management will lead to positive impact on employee's performance.
4. That employee's performance can also be determined through the use of some factors which are not monetary inclined like motivation, leadership, communication, objective, control, sense of belonging and decision making in relation to compensation management practices.
5. That despite the significant impact of compensation management

system, performance of some employees is not up to the set standard of the organization.

6.2 CONCLUSION

In spite of the multiple benefits and advantages of compensation management and its impact on employee's performance, it cannot still be said that having compensation management policy is a panacea for success

in appraising, and managing employee's performance. It is therefore the duty of all managers to ensure that the use of compensating policy meets employee's expectation in order to have good and effective performance.

The first basic requirement for effective and functional performance system is to have a common understanding of the standards of performance required from each job holder, performance required from each job holder and compensation management should be in relation with organizational goals and objectives.

One of the primary responsibilities of management is to make compensation policy a veritable tool for optimizing the potentials of employees and human resources manager or practitioners should be in the driving seat in ensuring that the system is run in line with the principles of fairness and equity.

6.3 RECOMMENDATIONS

Based on the research findings, the study will be incomplete without the following recommendations and suggestions to management of Nigeria ports authority (NPA) and other organizations that may find this research work relevant.

1. Management should give compensation management policy the priority it deserves and be willing to carry it out with new ideas.
2. For an organization that has never had a system in place, a lot of informative awareness campaign would have to be done to enable people see reasons and appreciate why compensation management system is necessary' both for the individuals as well as the organization as a cooperate entity.
3. Creating links between compensation management, performance, standards (standard of a job), organizational goals and bringing out the initial job elements arid criteria of a job will easily determine the difference between success and failure.
4. Management should put in place other factors that are not monetary inclined which will enhance the performance of employees positively. Factors like employee's sense of belonging, job safety, leadership, control and decision making.
5. The administration of compensation policy should be objective rather than Subjective in order to enhance employee's productivity and organizational goals.
6. The system must be functional in order to define the relation between pay, performance and job satisfaction which will reflect in organizational productivity.

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APPENDICES

Appendix 1: Structure Questions for the interview

Appendix 2: Cover Letter for Structured interview

Seinäjoki University of Applied Sciences

Faculty of Business School

International Business

**QUESTIONNAIRE ON COMPENSATION MANAGEMENT AND
EMPLOYEES PERFORMANCE IN THE PUBLIC SECTOR (A
CASE STUDY OF THE NIGERIA PORTS AUTHORITY)**

27th September, 2012

Dear Sir/ma

My name is Adekoya Ismaeel Adeniyi and Bachelor of Business Administration student of Seinäjoki University of Applied Sciences, Seinäjoki, Finland under the supervision of Koski Miia. I am writing to invite you to participate in my research work in the form of an interview via questionnaire.

My Bachelor Thesis covers Compensation Management and Employee performance in an Organization, a case of Nigeria Port Authority. The thesis is focusing on the importance of compensation as a form of motivation in an organization and the aim of this thesis is to juxtapose between the theory and reality of employee's performance.

The study will help the company to know how compensation can boost employee

input to enhance output.

The interview should take about little time to complete and it will be appreciated if you can spare a devoted time of your time to answer the questions.

Personal information supplied during the interview by the participations will be treated as confidential.

Adekoya Ismaeel Adeniyi

Best Regards

PART ONE

	<input type="checkbox"/>	<input type="checkbox"/>
1. Sex	Male	
	Female	
2. What age bracket do you belong to? Under 21 years	<input type="checkbox"/>	<input type="checkbox"/>
21 – 34 years	<input type="checkbox"/>	35 – 44 <input type="checkbox"/>
45 – 54 years		55 years and above <input type="checkbox"/>
3. What is your Qualification?		<input type="checkbox"/>
Primary <input type="checkbox"/>	<input type="checkbox"/>	Sch <input type="checkbox"/> Certificate
OND <input type="checkbox"/>		HND /BSc <input type="checkbox"/>
	Others <input type="checkbox"/>	
4. Marital Status: Single	<input type="checkbox"/>	<input type="checkbox"/>
Married	<input type="checkbox"/>	
	Separated <input type="checkbox"/>	Widowed <input type="checkbox"/>
	Divorced <input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

5. number of children

Or

None

Two

Three

Four

Five & above

PART TWO

Note: mark () tick as appropriate in the space provided below:

The symbols below represent or denote the following.

SA	-	Strongly Agree
A	-	Agree
D	-	Disagree
SD	-	Strongly Disagree
U	-	Undecided

PART THREE

S/N	QUESTION / OPINION	SA	A	D	SD	U
1	The organizational has a well-organized and efficient compensation system.					
2	The existing reward system is applicable to all the employees in the organization.					
3	The existing compensation system in the organization is enough to influence the performance of the employees.					
4	The input of individual workers is equal to the reward they receive from the organization.					
5	Additional inputs of the employees get rewarded by the organization.					
6	The salary received by staff meets the immediate needs of the staff					
7	Promotion system in the organization affects the morale of the employees.					
8	The reward system in the organization is poorer than what operates in other					

	organizations.					
--	----------------	--	--	--	--	--

Please react to the following statements by ticking the appropriate response.

S/N	QUESTION / OPINION	SA	A	D	SD	U
1	The organizational allows subordinate to participate in decision taking.					
2	Subordinates are allowed to make decisions with their level without superiors contributing and supervision.					
3	The organization makes the employees to be familiar with organizational objectives.					
4	The organization embarks on periodic appraisal of the employees.					
5	Employees' objectives are reflected in organizational objectives.					
6	The organization motivates employees with better remuneration					
7	Employees are more committed to their job with regular or periodic promotion.					

8	Employees are proud to work in the organization.					
9	Friendliness and good rapport between superior and subordinate foster good relationship in the organization.					
10	The organization makes sure ideas and periodic sampling of opinions are made before decisions are taken.					