ENHANCING EMPLOYEE PERFORMANCE THROUGH COMPENSATION MANAGEMENT IN THE MANUFACTURING INDUSTRY

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Abstract

The study examined the effect of Compensation Management on employee performance in the Manufacturing Industry, specifically with a focus on Flight Aluminium Plc in Asaba Delta State, Nigeria. The specific objective of the study is to ascertain two measures of Compensation Management namely; Salary (SLY), and Benefits Programmes (BP), and how they affect employee performance in the Manufacturing Industry. The study employed a descriptive survey research design. The sample size is 75 respondents, this was determined using the purposive sampling technique. The study made use of the Likert scale of point 5 is used for the closed-ended questions to draw responses from the respondents. A total of seventy-five (75) questionnaires were administered by staff of Flight Aluminium Plc in Asaba, Delta State. Out of the seventy-five (75) questionnaires, (73)97.33% were retrieved and properly filled while two (2)2.67% were not returned. Thus, the sample to be used for the study was used in the range of seventy-three (73) respondents. Data presented and analysed in this study is dichotomized into three parts. First is the data presentation which comprises the descriptive analysis of the respondent's profile using simple weighted percentages, Second, the descriptive statistics of data obtained from the questionnaire using minimum, maximum, mean, and standard deviation the Pearson correlation analysis would be used as a basis of testing the hypothesis. The findings revealed that both independent variables (Salary (SLY) and Benefits Programmes (BP), have a significant relationship with employee performance in the Manufacturing Industry. The study recommended that the company should continue providing security benefits to all employees, their position notwithstanding as it will positively influence employee productivity and raise overall performance in the manufacturing sector.

Keywords: Employee Performance, Compensation Management, Manufacturing Industry.

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1. INTRODUCTION

Within the age of worldwide competition, it is fundamental to recognize and hold productive, competent, and learned representatives in an organization by creating and keeping up a viable compensation program for getting the leading work execution from the workers (Akter and Moazzam, 2016). Workers are the organization’s key asset and the victory or disappointment of organizations centres’ on the capacity of the bosses to pull in, hold, and remunerate fittingly gifted and competent workers. Employees’ readiness to remain at work to a great extent depends on the recompense bundles of the organization (Armstrong, 2016). In an attempt to guarantee employees' ideal execution and maintenance, organizations have to consider an assortment of suitable ways to compensate the workers to ensure the specified results (Falola, Ibidunni, and Olokundun 2014). It has been contended that the degree to which workers are fulfilled with their work and their status to stay in an organization could be a work of remuneration bundles and remunerate frameworks of the Association (Fadugba, 2012). Adeniyi (2013) states that the elemental errand in human assets administration is emolument administration. It could be a complex errand that happens intermittently, requests precision, and must not be deferred. Emolument administration requires joining employees’ forms and data with commerce forms and techniques to attain ideal organizational goals and targets (Adeniyi 2013).

In Africa with particular consideration to Nigeria, the lion's share of employees who alter from one work to another move as a result of finding superior pay. The creators demonstrate that more than seven out of ten individuals in Nigeria that are more than 70% of representatives who are inquisitive about changing their manager regularly gave the reason of moo pay in their display work that creates them look for modern employment environment. A few creators such as Ali and Raza (2015) think that workers as it were remain in an organization to render their best when they believe the compensation handle is commensurate to their input. This has constituted a tall rate of workers taking off their managers, moving in some cases absent from their city or the nation fair to discover greener pastures. Apparently, within the nation, numerous organizations still hook with issues relating to legitimate recompense of representatives to extend their execution guidelines. This hence calls for a ponder of this size to discover out whether remuneration administration has influenced worker execution within the fabricating industry in Nigeria.
Andrews (2016), whereas it may be considered that the compensation joined to a post speaks to suitable compensation of its holder for legitimate and productive execution of day-to-day obligations; there are circumstances in which benefits are justified. The objective of these benefits is to pull in and hold qualified and competent workers. Be that as it may, declares that numerous companies later have seen a mass migration of representatives to other rivals, this has been ascribed to destitute stipend methodologies which have provoked the moving of representatives in the look of firms that might consider compensating them superior, and in this manner respond through great execution. In light of this, the ponder in this manner joins the talk by endeavouring to find out the genuine picture concerning the accessible recompense administration techniques and how they impact worker execution within the fabricating industry in Nigeria.

**Consider Issue**

In Nigeria's commerce environment, stipend is constrained to as it were compensation in this manner ignoring the coordinated and backhanded compensation on advantage. The worker is given with in return for their commitment to the organization. A few of the benefits of worker execution incorporate well-being protections, incapacity wage assurance, retirement benefits, childcare, educational cost repayment, debilitated take off, excursion (paid and non-paid), financing of instruction as well as adaptable and elective work courses of action. Recompense is more often than not narrowed to cash and as a result, bosses as it were having a tunneled vision when it comes to the issues of recompense for their representatives. Other viewpoints of compensation that make up the overall stipend bundle for the representative are not given much attention. Employees themselves fall flat to recognize the reality that their emolument could be a bundle and not as it was related to cash. The by-product of the over-understanding of emolument is that it is ineffectively overseen and most of the time execution is influenced antagonistically. In today’s work environment, there's more alter and vulnerability, there's an expanded requirement for enabled representatives, there's a delay in conventional motivating forces, there's the rise of non-traditional motivations and there's expanded utilization of variable recompense. Numerous things carried out found that there's a non-significant relationship between official remuneration and worker execution whereas others built up that financial and non-financial rewards can combine to upgrade firm execution. As proves the thinks about had blended results an indication of constrained data on the genuine impacts of stipend procedures on the performance of representatives in the fabricating divisions.
particularly with a centre on Flight Aluminium Plc in Asaba Delta State, Nigeria, hence this can be the substance of this think about.

Once more at Flight Aluminium Plc, it is evident what strategies are utilized to decide representative remuneration, what coordinated and circuitous budgetary programs are advertised at the company and their impacts on employee execution, the non-financial benefits advertised, and their impact on representative execution. At the company, compensation is usually contracted to cash, and as a result, managers as it had tunnel vision when it comes to the issues of recompense for their representatives. The company has moreover endeavoured to donate consideration to employee compensation strategies. Be that as it may, representatives themselves have fizzled to recognize the reality that their recompense could be a package and not as it was related to cash. The by-product of the over-understanding of stipend administration methodology is that it is overseen to a direct degree and most of the time worker execution may well be influenced and bad habit versa. The think about hence looked for to address this crevice by examining the impact of remuneration workers on representative execution within the fabricating divisions particularly with a center on Flight Aluminium Plc in Asaba Delta State, Nigeria.

**Study Objectives**

1. To examine the effect of Salary on employee performance in the Manufacturing Industry.
2. To ascertain the effect of Benefits Programmes on employee performance in the Manufacturing Industry.

**Research Hypotheses**

**H₀₁**: Salary does not have significant influence on Employees Performance in the Manufacturing Industry.

**H₀₂**: Benefits Programmes do not have a significant influence on employee performance in the Manufacturing Industry.
2. LITERATURE IMPERATIVES

Concept of Compensation Management

Armstrong (2005) expressed that stipend administration is an indispensable portion of the human asset administration approach to efficiency change within the organization. It bargains with the plan, execution, and upkeep of emolument frameworks that are common to the change of organizational, group, and personal execution. Stipend administration is concerned with the definition and usage of techniques and approaches that point to compensate individuals reasonably, impartially, and reliably by their values to the organization, (Armstrong, 2005). Remuneration administration as the title recommends, suggests having a stipend structure in which the representatives who perform superior are paid more than the average-performing workers (Hewitt, 2009). This energizes representatives to work harder to recapture more compensation. Armstrong and Brown (2005) hypothesized that recompense administration is a necessary portion of the human asset administration (HRM) approach to overseeing individuals and as such it bolsters the accomplishment of trade objectives and is vital in the sense that it addresses longer-term issues relating to how people should be esteemed for what they need to attain.

Compensation and Representative Execution

A fundamental compensation could be a settled periodical installment for non-manual workers more often than not communicated in yearly terms, pay per month with for the most part no additions for productivity (Bratton and Gold, 2013). It is imperative to note that remuneration isn't all almost cash. It could be an image of what an organization accepts is important and can boost the execution of representatives. It particularly communicates the degree to which an organization values its workers. Bohan (2014) clarifies that conventional pay frameworks were based on three variables: the work, keeping up the level of balance in standard pay among representatives within the organization, and paying competitive pay rates.

Swanepoel (2013) depicts that representatives were compensated by agreeing to the position held without considering their execution. The increases in fundamental pay depended on inside and outside evaluation of employment. Drafke (2012) emphasizes this point by indicating that cash can increment worker execution but is typically frequently constrained to short-term increments. On the other hand, DeNisi and Griffin (2014) contend that in common higher levels of pay and more alluring benefits tend to result in more noteworthy fulfilment and in this way
advance representative execution, a point that's asserted by Bretz and Thomas (2012) who expressed that pay disappointment decrease representative execution and assurance. In bolster, Clegg and Birch (2012) contend that “pay peanuts and you may get monkeys”, and an expansion to that they said that in case you appear simply esteem individuals by paying a sensible wage at that point they appreciate it.

**Benefits Programs and Workers Execution**

Dessler (2016) characterizes benefits as circuitous money-related and non-financial instalments representatives get for proceeding with their work with the company. Bernardin (2013) characterizes benefits as backhanded shapes of emoluments that aim to preserve or progress the quality of life for representatives. Backhanded money-related rewards come in the shape of subsidized benefits such as retirement plans, paid debilitated takes, and buy rebates. Gomez et al. (2012) moreover say that benefits are now and then called roundabout recompense as they are given to workers in the form of an arrangement instead of cash to make strides in their execution; they give security for representatives and their family individuals. As demonstrated by Dessler (2016), backhanded financial rewards that may improve worker execution come within the frame of subsidized benefits such as retirement plans, paid debilitated clears out, rewards, motivations, remittances, and buy rebates. Representative benefits have similarly been classified broadly concurring to distinctive creators and the setting of circumstance. Cascio's (2015) illustration classifies benefits into four fundamental sorts, specifically; supplemental pay benefits, protection benefits, retirement benefits, and individual benefits and family-friendly benefits. Supplemental pay benefits are given for time not worked, they incorporate unemployment, protections, excursion and occasion pay, severance pay, and supplemental unemployment benefits. Protections benefits incorporate worker’s emolument, bunch hospitalization, mishap, and inability insurance; and bunch life protections. Retirement benefits incorporate social security and annuity plans. Individual benefit and family-friendly benefits incorporate food services, recreational and child and child-care openings, legitimate exhortation, credit unions, educational subsidies, and counselling. All these benefits are put together to upgrade employee performance in an organization.

**Workers Execution**

Workers who are the foremost effective are likely to be they are motivated to perform, (Medina, 2002) this relationship implies that rewards and worker execution are expected theory which
suggests that representatives who are most persuaded to perform superior are more executed to get the rewards and bonus. The rewards may be cash, and acknowledgment both to be worthy and to realize execution as well. Suesi (2002) compensation is the key rationale for extending the representative execution to anticipate well. Giving month-to-month rewards moreover increments execution. Osterloh and Frey (2012). Representatives are amazingly spurred by month-to-month rewards. The objective is to fulfill the social trade preparation they contribute to the endeavors Kanfell (1990). Entwistol (1987) is of the see that 96 workers perform feel them. Organizational rewards result in persuaded representatives. A few other see that acknowledgment pleasanter the organization's favourable work environment motivated the representative Freedman (1978) as cited in Rizwan and Ali (2010). Workers are a critical portion of any organization's expanding execution they can be spurred through monetary and nonfinancial benefits you'll say that composition is the reward that's gotten by the worker to appear their execution. Worker concentrated pay or compensation and comparative to nonmonetary trade for worker execution (Holt, 1993).

Hypothetical Survey

The think about was tied down to Herzberg’s Two Calculate Hypothesis by Frederick Herzberg (1959) proposed a two-factor hypothesis. The hypothesis proposes that individuals have two sets of needs. Their needs as creatures to dodge torment and their needs as people to develop mentally, Herzberg”’s ponder comprised of an arrangement of interviews that looked to evoke reactions to the questions. From the comes about, Herzberg concluded that the answers individuals gave when they felt great around their employment were essentially distinctive from the answers given when they felt terrible. Representatives who feel great approximately their work as a result of way better pay and other compensation-related bundles tend to qualify for these variables too. In differentiate, disappointed representatives tend to quote outward components such as supervision, pay, and company approaches and working conditions (Dieleman et al. 2004). This hypothesis is important to this ponder since it notices two variables that affect work execution. That's, outward which incorporates compensation and advancement, and inherent components incorporate commendation and acknowledgment. In this manner, in this inquiry about, fulfilling employees’’ in terms of both natural and outward rewards would be anticipated to influence the work execution of worker work which when totaled and collectively their execution is extrapolated at company level measures generally organizational execution.
Experimental Survey

Onuorah, Okeke & Ikechukwu (2019) inspected the impact of emolument administration and representative execution in Nigerian organizations. They think about points to explore the impact of performance-based stipends, competency-based stipends, and equity-based remuneration on worker execution. Pertinent conceptual, hypothetical, and observational writing were checked on. The think about was tied down on the Human Capital Hypothesis and Hope Hypothesis. The ponder receives a graphic overview investigative plan. The think-about was carried out in Anambra State. The populace of the think about comprises 257 open auxiliary schools in Anambra State. The test measure for the consideration comprises 257 representatives drawn from the populace of the ponder. The test comprises the complete populace. The instrument for information collection may be an organized survey. The confront substance legitimacy of the instrument was a worker. The instrument was trial-tested on an agent test of 20 workers arbitrarily chosen from Anambra State. In analysing the information for the invalid theories, the Z-test was utilized to test the speculations at a 0.05 level of importance. Equity-based remuneration has no negative centrality impact on representative execution in Nigerian organizations. Competency-based remuneration has no negative importance or impact on worker execution in Nigerian organizations. Performance-based compensation has no negative noteworthiness impact on worker execution in Nigerian organizations. In this manner the consider concludes that remuneration administration incorporates a noteworthy impact on worker execution in Nigerian organizations. The ponder prescribes that each organization ought to make equity-based emolument an obligatory approach since equity-based recompense is utilized more broadly in firms to guarantee the most extreme execution. Each organization ought to define a competency-based emolument arrangement, the as it were thing standing between the workers and a more prominent wage is how much they contribute and how well they perform. Administration ought to have Performance-based remuneration plans at a program at each level of an organization.

Onwuka & Onwuchekwa (2018) pointed out the impact of the emolument approach on the worker commitment of chosen pharmaceutical companies in Anambra state. Primary information was collected employing a self-administered survey and the information was analysed by use of Pearson item relationship. The information was displayed employing a straightforward rate table. For the most part, the consider found that for pay-for-performance approach was the prevalent emolument. It was set up that the emolument approach impacts
worker commitment owing to the level of relationship set up between the variables and this is driven to enhanced execution, belief in administration, and solid connections within the organization. Further, money rewards were intelligent of a person's abilities and exertion which included stipends for extra duties and obligations. The employees' recompense included annuity plans; individual security through ailment, well-being, or accident protection covers; security within the work environment, monetary help for advances, buy of organizational items, and work life.

3. METHODOLOGY

The thing about was a study. The populace comprised a populace of 75 which comprises staff of the Flight Aluminum Plc, Asaba, Delta State. This Populace of the consider will moreover serve as the test measure since the number isn't much for the analyst to think about. Information was collected employing an organized survey. Quantitative information collected was analysed, displayed, and deciphered utilizing graphic measurements. Factual Bundle for Social Sciences (SPSS) adaptation 23 was utilized to analyze quantitative data into expressive measurements such as implies, standard deviation, frequencies, and rates. For progressed examination, the ponder utilized the Pearson relationship strategy which assessed the direct relationship between two ceaseless factors within the consider.

4. DATA PRESENTATION AND ANALYSIS

Analysis of Research Questions One to Four of The Firm

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Table 4.3.1 shows the graphic measurements that comprise the least, most extreme, cruel, and standard deviation values of diverse factors utilized in this think about. The autonomous factors utilized within the think about which serve as the degree of Emolument Administration are; [Compensation (Tricky), Benefits Programs and (BP), Acknowledgment (RCT) were asses approximately Workers Execution ()

**Compensation (Tricky)**

The clear insights for Compensation (Tricky) for Flight Aluminium Plc show a cruel of 16.86, a standard deviation of 2.050 with the distinction within the greatest and least values which stood at 8. This suggests that the Compensation (SLY) in Flight Aluminium Plc varies altogether and is usually reflected within the variety of the Worker's Execution (EP).

**Benefits Programs (BP)**

Additionally, the expressive measurements for the free variable show that Benefits Programs (BP) incorporates the least esteem of 12 and a most extreme esteem of 20 leading to the cruel and standard deviation of 16.05 and 1.971 respectively. This suggests that the Benefits Programs (BP) for Flight Aluminum Plc change altogether and this is often reflected within the variety of the Employee's Execution (EP).

**Workers Execution (EP)**

The expressive measurements for representative execution (EP) for Flight Aluminium Plc demonstrate a cruel of 16.18 and a standard deviation of 2.009 with the difference within the most extreme and least values which stood at 9. This suggests that the worker execution (EP) in Flight Aluminium Plc has shifted forcefully over a long time.

**Test of Theories**

Choice Run the show: The coefficient r could be a degree of the straight connection between two factors, where $r = -1$ demonstrates an impeccably negative direct connection, $r = 1$ shows a flawlessly positive connection, and $r = 0$ demonstrates the nonattendance of any straight connection. In this ponder, we centre on the two-sided speculation test for the Pearson relationship coefficient. The standard (i.e., classical, conventional, or frequentist) test produces a p-value for concluding; the common run the show is that when $p < .05$, one can dismiss the invalid speculation that no connection is shown.
Test of Hypotheses H01-H04 For Compensation Management on Employee's Performance in The Manufacturing Industry

Table 4.3.1: Correlations

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<td>BP</td>
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<td>0.001</td>
<td>0.000</td>
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<td>N</td>
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Correlation is significant at the 0.01 level (2-tailed).
Correlation is significant at the 0.05 level (2-tailed).

Compensation (Tricky) and representative execution (EP)

H01: Compensation does not impact Employees' Execution within the Fabricating Industry.

From Table 4.3.1, the Pearson Relationship, R uncovers that there was a solid positive relationship with a coefficient (r) esteem of 0.394 between Compensation (Tricky) and worker execution (EP) in Nigeria. The P-value was 0.001 implying that Compensation (Tricky) is noteworthy to worker execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria.

Benefits Programs (BP) and Workers Execution (EP)

H02: Benefits Programs don't impact worker execution within the Fabricating Industry.

Benefits Programs (BP) had a solid positive relationship with employee execution (EP) in Nigeria with a relationship coefficient (0.530) conjointly with a noteworthy relationship apparent with the (P-value=0.000). The P-values uncover that this relationship was critical (0.000), which suggests Benefits Programs (BP) have contributed colossally to representative execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria.
Dialog of Discoveries

Compensation (Tricky) and representative execution (EP)

The result from the test speculation one between Compensation (Tricky) and worker execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria, Compensation (Tricky) (p-value=0.001) was measurably critical with representative execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria. This position is in line with Kimani, Ngui & Arasa (2017) who claim sensible compensation, benefits in the form of rewards and stipends, and acknowledgment through certification or verbally advanced worker execution. This infers an increment within the Compensation (Tricky) will initiate representative execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria. The discoveries of the think appeared a solid enhancement in a unit of Compensation (Tricky) comes about in made strides worker execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria. The comes about were too measurably noteworthy since the critical esteem of 0.001 was less than 0.05.

Benefits Programs (BP) and Workers Execution (EP)

The result from test theory two between Benefits Programs (BP) and Workers Execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria, Benefits Programs (BP) (p-value=0.000) was factually critical with Representatives Execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria. This position is in line with Ayesha, Amna, Tahleel & Hina (2015) who claimed that motivation and inspiration have a noteworthy impact on representative execution. This suggests a directing of Benefits Programs (BP) will initiate worker execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria in Nigeria. This suggests that an increment in Benefits Programs (BP) would lead to more worker execution (EP) in Flight Aluminum Plc in Asaba, Delta State, Nigeria.

5. CONCLUSION

Based on the discoveries from the examination carried out in this ponder, it is clear that measures of Stipend Administration such as Compensation (Tricky), and Benefits Programs (BP), are emphatically and altogether related to Worker execution. Hence, this conclusion concludes that Compensation (Tricky) and Benefits Programs (BP), At last, the consider concludes that there's a critical relationship between Remuneration Administration and employee execution within the Fabricating Industry in Nigeria.
Recommendations.

1. The Human Assets Chief should develop frameworks that will guarantee that there's a legitimate compensation plan involving legitimate work assessment forms and pay structures within the organization.

2. The ponder suggests that the company ought to proceed with giving security benefits to all employees in their position regardless because it will emphatically impact worker efficiency and raise general execution within the fabricating division.

3. The analyst prescribes that an appropriate salary survey and job evaluation vis-à-vis rewards be commissioned a offered to guarantee there is inner and outside value within the organization which inspiration is driven by the correct basics.

REFERENCES


Enhancing employee performance through compensation management in the manufacturing industry


