

**THE INFLUENCE OF
COMPENSATION
MANAGEMENT ON EMPLOYEES'
WORK PERFORMANCE
(A STUDY OF UNILEVER
NIGERIA PLC)**

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INTRODUCTION

1.1 Background to the study

One of the most important aspects of personnel management is compensation management. It includes economic rewards such as wages and salaries and non-wage economic payments such as fringe benefits, indirect compensation, and supplementary pay. People in an industrial society where paid jobs are common seem to prefer monetary remuneration. Money can be used to purchase necessities; it can also be used to purchase power and social status, and it can be used as a motivator to work. Money is the only motivator for jobs that are neither challenging nor interesting, or that do not require much training and skill and do not offer a long-term career. A person in a paid managerial position typically has some motivation that drives him to spend his day at work. This motivation may take the form of an additional reward, the prospect of promotion, or other specific incentives that add value to his basic needs of reward and security. Compensation is recompense, reward, wage, or salary given by an organization to individuals or groups of individuals in exchange for work done, services rendered, or contributions made toward the achievement of organizational goals, and any organization that fails to adequately compensate its employees may not be able to achieve. It has a specific goal because a good compensation package is a good motivator. Hence, the Human Resources manager's primary responsibility is to ensure that the company's employees are fairly compensated.

Compensation catalyzes increased productivity. It is related to performance in which motivation determines their desire to complete job tasks. Compensation management is a fundamental task in human resource management. It is a complex task that occurs regularly, necessitates accuracy, and cannot be postponed. To achieve optimal organizational goals and objectives, compensation management necessitates the integration of employees' processes and information with business processes and strategies. Global competition is very essential to identify and retain the efficient, competent, and knowledgeable employees in the organization by developing and maintaining an effective compensation program for getting the best job performance from the employee (Akter and Moazzam, 2016). Employees are the organization's most valuable resource, and the ability of employers to attract, retain, and reward appropriately talented and competent employees determines an organization's success

or failure. Employees' willingness to stay on the job largely depends on the compensation packages of the organization (Armstrong, 2016). Many people believe that an organization's most valuable asset is its human resources, which must be managed effectively to ensure increased productivity. It has also been stated that compensation management is an area of the corporate world that has received little attention, resulting in the extremely common industrial actions experienced in organizations. Compensation is critical in organizations that want to achieve their objectives and goals. Organizations that do not properly manage this aspect of human resource activity will harm their employees' overall performance and have an impact on productivity.

To achieve optimal organizational goals and objectives, compensation management necessitates the integration of employees' processes and information with business processes and strategies. Employers, their employees, and the organization and its shareholders are expected to have mutually beneficial relationships. The employer expects employees to give their all-in areas such as performance monitoring, learning to develop themselves, and adhering to rules and regulations in the performance of their assigned duties to increase productivity. They also expect their employees to be creative, to take the initiative, and to solve problems on their own. Employees, on the other hand, look to their employer or management to provide them with the tools and equipment they need to do their jobs and to compensate them fairly for the work they do and the other services they provide. It is based on the analysis that the study hopes to examine the influence of compensation management on employees' work performance in Unilever Nigeria PLC.

1.2 Statement of the Problem

Unilever Nigeria plc revenue and profit were said to have dropped from year 2017 from 60.2 billion to 58.2 billion in 2019, down around 3.5% in 2 years. Despite growth across personal and home care segments, the Food & Refreshments segment saw revenue drop from \$25.2 billion to \$21.6 billion. Further, Unilever Nigeria plc were made to believe that their continued drop in profits and revenue was based on the lockdown in 2020 which led to their continued drop in profit and revenue to date.

Compensation practices include not only salary but also direct and indirect rewards and benefits provided to employees in exchange for their contributions to the organization. Most of the time, only good behavior is rewarded, while performance-

based rewards are disregarded. Employee performance benefits include health insurance, disability income protection, retirement benefits, daycare, tuition reimbursement, sick leave, vacation (paid and unpaid), education funding, and flexible and alternative work arrangements.

Compensation is typically limited to cash, and as a result, employers have tunnel vision when it comes to employee compensation issues. Other aspects of compensation that contribute to the total compensation package for the employee are not given much consideration. Employees themselves fail to recognize that their compensation is a package that is not solely monetary. As a result of the above understanding of compensation, it is poorly managed and, most of the time hurts performance. Employees are bound to demonstrate less dedication than their human capability when they are not properly compensated at work, because adequate income increases morale, Inadequate pay hurts staff morale. Employee performance in an organization suffers as a result of a lack of motivation. When employees are unmotivated, they perform poorly at work. Workers also perform poorly when they are dissatisfied with their jobs. Job discontent is influenced by variables such as inadequate pay, a poor working environment, ineffective communication, and a lack of organizational commitment.

The question now is whether there is a reward system that can have a significant impact on worker performance. How frequently is this system reviewed? Would a fixed organizational compensation system produce the desired results? Is the system rewarding the right employees? Would the outlined reward solve workers' immediate problems to improve performance? Can the incentive system withstand the test of time?

Past studies on compensation management examined topics like leadership styles and employees' performance (Obasan, & Hassan, 2014), motivation and employees' performance (Yeti, 2020), leadership and employees' performance (Achmad, Farida, Reni, Dani, & Ifran, 2020), compensation strategies and employees' performance (Kimani, Thomas, & Arasa, 2017), compensation management practices and employees' job performance (Narayana, & Kathari, 2021), Training and Employee's performance (Aidah, 2013), Job Satisfaction and Employee's performance (Mohammed, 2016), Training, leadership skills and employee's performance (Joyce, & Peter, 2018). This is why the study explores how compensation management affects employee work performance at Unilever Nigerian Plc. Some

organizations misinterpret activity with action and reward those who appear to be busy, even though the quiet employees may have been doing the majority of the work. As a result, management must design its reward system around actual performance and actual levels of work, input, and productivity. As a result, the problem of trying to figure out these loopholes with the intent of closing them serves as the foundation for this research.

1.3 Objectives of the Study

The general objective of this study is to examine the influence of compensation management on employee performance. Specific objectives are to:

1. To assess the relationship between bonuses on motivation of employees' attitude to work in Unilever Nigeria Plc.
2. To verify the relationship between wages/salaries and target achievement of the employee in Unilever Nigeria Plc.
3. To investigate the relationship between allowances and work efficiency of the employees in Unilever Nigeria Plc.

1.4 Research Questions

The research questions were specifically designed to address the following issues:

1. What is the relationship between bonuses on motivation of employees' attitude to work in Unilever Nigeria Plc?
2. What is the relationship between wages/salaries and target achievement of the employees in Unilever Nigeria Plc?
3. Is there any relationship between allowances and work efficiency of the employees in Unilever Nigeria Plc?

1.5 Research Hypotheses

The following hypotheses will be tested:

Ho₁: Bonuses have no significant relationship with motivation of employees' attitude to work in Unilever Nigeria Plc.

Ho₂: There is no significant relationship between wages/salaries and target achievement of the employee in Unilever Nigeria Plc.

Ho₃: There is no significant relationship between allowances and work efficiency of the employee in Unilever Nigeria Plc.

1.6 Significance of the Study

Firstly, the findings of this study will serve as reference materials for students. Secondly, It helps the management in discovering a positive control on the efficiency of employees' and motivates them to perform better, and allows them to achieve specific standards. It establishes a foundation for employee happiness and satisfaction, which reduces labor turnover and provides a stable organization. Thirdly, This research will also be useful to policymakers in government in terms of developing policies that are beneficial to both employees and employers. Many policies have been formulated in the past to facilitate workplace peace and harmony by the government. However, this study will be an eye-opener to policymakers in government on how to put in place robust compensation management policies that will not only enhance the motivation and commitment of workers, It will equally accelerate harmonious labor-management relations that could generate high productivity in the workplace. In addition, the study will provide data on the influence of compensation management on employees' work performance in the public sector. To boost employees' engagement and productivity, this will also include the formulation and execution of suitable remuneration schemes.

1.7 Scope of Study

The study will be carried out in a Nigeria public sector work organization known as Unilever Nigeria plc. The project's goal is to cover the compensation management system and how it relates to individual employees in the organization as well as the organization as a whole. All departments of the organization will be involved, and both management and staff will be sampled in the data collection for the study. The study will include a fair representation of male and female employees from the organization and will span the entire staff, from junior to management.

1.8 Operational Definition of Terms

Compensation: This refers to direct and indirect rewards given to employees based on the importance of their job, their contributions, and their performance.

Management: This is the act of bringing people together to achieve desired goals and objectives through the efficient and effective use of available resources.

Performance: The lengths to which an employee or group of employees has gone to achieve the set goals or standards.

Employees: A person who works for another in exchange for compensation, whether direct or indirect, in exchange for a specified series.

Work Organization: This is concerned with the management of work and the division of labor. It includes the tasks performed, who performs them, and how they are performed during the manufacturing or provision of a service.

1.9 Background History of the Unilever Nigeria Plc

Unilever Nigeria Plc is a publicly listed company with a trading and manufacturing interest in the consumer goods market. In 2014, it was listed among the top 20 most valuable companies quoted on the Nigerian Stock Exchange. Unilever Nigeria PLC is a subsidiary of Unilever Overseas Holdings.

Unilever's history in Nigeria dates back to 1923 when Robert Hesketh Leverhulme opened a trading post in Nigeria under the business name, Lever Brothers (West Africa) Ltd. The firm was primarily engaged in the trading of soap and 1924, the name was changed to West African Soap Company. Sensing an opportunity in the country, the firm opened a soap factory in Apapa in 1925. The company later expanded into the production of food products, it opened a new soap factory in Aba in 1958 and changed its name to Lever Brothers Nigeria Limited in 1955. In 1960, Lever Brothers introduced Omo detergent into the market, the new product gained traction among buyers, prompting the firm to commission a factory to manufacture Omo detergents in 1964.

In compliance with the indigenization decree of 1972, Unilever became a publicly listed company in 1973, selling 60% of its shares to the Nigerian public. The company became a Nigerian-owned firm. The change in equity ownership did not affect the firm's growth. In 1982, the firm began producing edible products such as Royco, Blue band, and Treetop in Agbara, Ogun State.

In addition, the company went through a period of mergers and acquisitions; acquiring Lipton Nigeria in 1985 and later merging with Vaseline manufacturer, Chesebrough Products Industries in 1988. During this period, the company embarked on a backward integration scheme to source its raw materials locally. This business decision led the company to invest in crop production and oil palm milling. The company also invested in a tea plantation in Mambilla to provide raw materials for Lipton.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

In this study, the researcher will emphasize a conceptual framework that consists of the concept of compensation, employee performance, and the types of compensation. The researcher will also state a hypothesis about the academic reviews relating to the analysis and research that will allow the researcher to point out a research gap if identified at the end of the study.

2.1 Conceptual Review

2.1.1 Compensation

Compensation is a human resource management function that deals with all types of rewards that workers receive in exchange for executing organizational duties, with the expected outcome of an employee who is interested in the work, satisfied, and driven to do a good job for the company. A two-way input-output exchange between a worker and a boss. Compensation includes all remuneration earned by an

employee for services given or the results of those services to an organization or firm. The incentives might be cash or products, either directly or indirectly offered by an organization for the labor or service worker on the organization or corporation. Compensation is the amount of money that an employee or worker receives as a result of the labor that they do. The human resources department designs and manages both hourly rates and salaries regularly.

Armstrong (2005) stated that compensation management is an integral part of the organization's human resource management approach to productivity improvement. It is concerned with the design, implementation, and management of general compensation systems aimed at improving organizational, team, and individual performance. Compensation given organization exists in the form of money, but there are nonmonetary (Kadarisman, 2012). Similarly, according to (Daulay, Pasaribu, Putri, & Astuti, 2017) compensation is everything received by employees as remuneration for their work or something that cash contributions received by employees in lieu of their services to the company. Compensation management is concerned with the formulation and implementation of strategies and policies that aim to compensate people fairly, equitably, and consistently by their values to the organization, (Armstrong, 2005). Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Akter & Moazzam 2016) compensation is surrounded by employee wages and salaries, incentive payments, bonuses, and commissions. The rationale behind using various components of compensation to employees is that motivated employees become satisfied in fulfilling their wants, both financial and non-financial thus demonstrating improved performance. Failure to do so, employees will be tempted to leave the organization (Azasu, 2017).

In this review, the researcher intends to investigate numerous works linked to the study field on the relationship between compensation packages and their management, to establish a link between that and employee work outputs. Compensation systems play a significant role in promoting organizations' strategic goals (Milkovich, 1988). Historically, compensation systems were designed to compensate people solely for the specific jobs they performed. Previous research has determined that employees are the most significant resource of the firm and that to

satisfy customers, organizations must first satisfy the needs of their employees. When compared to the old system, skill-based pay schemes reward employees for the variety of abilities they possess or the mix of different occupations they can do. Organizations have in the recent past experimented with this tradition as stated above and with increasingly varied forms of compensation based for example, on the market or employee skills (Nebeker et al, 2001). When compared to the old system, skill-based pay schemes reward employees for the variety of abilities they possess or the mix of different occupations they can do. Because one person may have more talents than the other, two employees performing the same task may be paid at very different levels. This is in contrast to job-based pay schemes. Omotayo et.al. (2014) stated in their study that to make the employees more sincere with their jobs organizations should have a reliable compensation system because the compensation system includes employees' performance.

This chapter presents an overview of relevant literature on compensation management and how it affects employee performance. It will examine the work of other academics to see how manipulating the components of compensation affects performance. We will examine several definitions of compensation and performance and how performance can be measured or has been recommended by some researchers to be measured. In this review, the researcher intends to investigate numerous works linked to the study field on the relationship between compensation packages and their management, to establish a link between that and employee work outputs.

2.1.2 Defining Compensation

Compensation is defined by Mondy (2010) as the total of all rewards provided to employees in return for their service, the overall purposes of which are to attract, retain and motivate employees. Because pay includes both fixed and variable components, as well as employee perks and services, the optimal combination of these aspects is perfect for effectively influencing position employees' performance. The Journal of Global Business and Economics (2010) also defines compensation as “the combination of all cash incentives and the fringe benefits mix that an employee received from a company which constitutes an individual's total compensation. (Chabra 2001) refers to Compensation as a wide range of financial and non-financial

rewards given to employees in exchange for their services rendered to the organization. It is paid in the form of wages, salaries, and employee benefits such as paid vacations, insurance, maternity leave, free travel, retirement benefits, and so on, according to him. He stated that the term "wage" refers to remuneration for workers who perform manual or physical labor. Thus, wages are paid to compensate unskilled people for their contributions to the organization. Wages might be paid on an hourly, daily, weekly, or monthly basis. Ezeh (2014) defines compensation management as a section of human resource management that focuses on planning, organizing, and controlling the direct and indirect payments to employees in return for the effort they put into the organization. He continues to explain that compensation includes direct and indirect forms, Direct forms of compensation, according to him, including basic salary, merit pay, and incentive pay. Pay for employee vacation, insurance coverage, pension schemes, and national social security benefits are examples of indirect forms. According to him, the firm is concerned with compensation management to maintain an efficient workforce, equitable pay, and compliance with government regulatory agencies. According to Hariandja in Suwati (2013) compensation is something that employees receive in lieu of their service contribution to the company in the form of money or other forms which can be in salaries, bonuses, incentives, benefits, health, food allowances, etc.

A statistically significant and positive relationship was found to govern rewards and motivation, implying that if rewards being offered/ to employees were to be altered, then there would be a corresponding change in satisfaction and work motivation while the periodic salary increments, allowance, bonuses, fringe benefits and other compensations on regular and specific periods keep their morale high and makes them more motivated (Danish & Usman, 2010). Brown (2003) saw compensation as a return in the exchange between the employees and themselves as an entitlement for being an employee of an organization, or as a reward for a job well done. According to DeNisi & Griffin (2001) compensation is a reward system that a company provides to individuals in return for their willingness to perform various jobs and tasks within organizations. They further stated that relevant and commensurate rewards need to be provided to the employees so that they feel valued and their expectations on exchanging their skills, abilities, and contribution to the organization are met.

Compensation is the sum of an employee's monetary and non-monetary income supplied by an employer in exchange for labor performed as required. It is based on market research about the worth of similar jobs in the marketplace, employee contributions and accomplishments, the availability of employees with similar skills in the marketplace, and the employer's desire to attract and retain a specific employee for the value they are perceived to add to the employment relationship, and the profitability of the company or funds available in a non-profit or public sector setting, and thus the ability of an employer to pay market rate compensation. Bonuses, profit sharing, overtime pay, recognition prizes, and sales commission are all forms of compensation. Non-monetary benefits such as a company-paid car, stock options in some cases, company-paid housing, and other non-monetary but taxable income items can also be included. Compensation management is a broad policy that aims to assist a business to optimize the value of its available people. The ultimate goal is to reward the appropriate people the most for the most important reasons. Muhammad et.al. (2014) conclude that compensation is an important factor that impacts the employee's performance. Omotayo et.al. (2014) stated in their study that to make the employees more sincere with their jobs organizations should have a reliable compensation system because the compensation system includes employees' performance.

2.1.3 Types of Compensation

According to Dessler (2011), compensation can be divided into 2 forms namely: Direct and indirect compensation which are discussed below in detail. Employees in an organization receive compensation in the form of direct/financial and indirect/non-financial compensation that contributes to employee retention and happiness while also improving performance. Total compensation return is more transactional. They include both direct cash pay (such as base salary, merit pay, incentives, and cost-of-living adjustments) and indirect cash pay (like benefits) (like pensions, medical insurance, programs to help balance work and life demands, and brightly colored uniforms). A pay-for-performance scheme can be designed in a variety of ways, and most firms employ several. Paychecks alone do not constitute compensation, albeit they are a component of it.

Direct Compensation/ Financial Compensation

Employees that are paid directly for their services to the organization are referred to as receiving direct remuneration. Dessler (2008) states that direct payments include bonuses, commissions, wages, and salaries. Dessler (2008) defines direct compensation as payment to employees that enhance employees' financial position when paid to them. Direct compensation is categorized into base pay and contingent pay. He emphasized that direct compensation is typically confined to direct monetary benefits that employees receive on a monthly, bi-monthly, or weekly basis in exchange for their services as employees of a certain business. It could also take the form of stock bonus compensation, in which employees are given the chance to own shares in the organization for which they work, and at the end of each year, they are offered the opportunity to gain some dividend in the form of equity on their shares. Basic pay can be expressed in the form of a normal rate which can be weekly, hourly, monthly, or annually and allowances which may include overtime, and adjustments in the cost of living (Amstrong, 2008). Direct compensation refers to the amount of money or benefits that are rendered and given to employees in exchange for the services they rendered to the organization. The benefits include salaries, house allowance, medical allowance, special allowance, etc. These benefits are provided for the employees at a concurrent interval at a specified time. This includes basic salary and any intensive pay. Direct compensation typically involves a predetermined reward (such as a basic wage) as well as short-term and long-term incentives (like overtime and bonuses). The direct benefits include payment for time not worked for example sick leave, vacation, and maternity leave), insurance benefits (for example job-related accidents and illness benefits), retirement benefits (for example pensions, profit-sharing plans), any compensation or payment for services rendered (Dessler, 2008). Direct compensation stipend could be a reward/punishment is known as the incomes or salaries square measure paid regularly by the due date fastened. In line with the understanding that wages or pay rates are also taken as an installment inside the sort of cash in money or in a comparable way gotten by specialists of the usage work, (Baker, 2012). Direct compensation is a monetary award or penalty that is paid regularly within a specified time frame. According to this interpretation, wages or salaries are also interpreted as a payment in the form of money in cash or in-kind received by workers of the implementation task. Many definitions of wages and salaries have been established to demonstrate the differences between the two ideas. A basic salary for non-manual workers is a fixed monthly payment with no

productivity increases, usually expressed in annual terms. Wage refers to annual laborers' salary, which is always based on hourly or piece rates. One of the purposes of someone who works for a firm is to make money in the form of pay or wages and salary to cover basic needs such as food, clothing, and housing. Anything that falls short of fair and equal pay or incentive will soon irritate workers in a country like Nigeria. Wages and pay are a big concern for many Nigerian employees. They are critical because, without them, the lives of workers and their families become exceedingly unstable. Workers place the greatest emphasis on wages and salaries as direct financial remuneration, but they take center stage when it comes to job incentives. Types of direct compensation are basic salary, rent allowances, leaves travel allowances, reimbursement, special allowances, conveyance, and bonuses.



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Indirect/Non-Financial Compensation

According to (Dessler, 2011) Indirect Compensation is the indirect monetary and non-monetary remuneration employees get for continuing their job with the organization that is an essential element of every employee's compensation. Armstrong (2009) says Indirect Compensation or Employee benefits are elements of remuneration given in addition to the various forms of cash pay. They also include non-monetary items such as annual vacations. Management uses it ostensibly to facilitate its recruitment

effort or influence the potential of employees coming to work for a company, influence their stay or create a greater commitment, raise morale, reduce absenteeism in general and improve the strength of the organization by instituting a comprehensive programme in this area (Noe et al, 1996). The employee's continued employment with the company is the main advantage of the fringe perk. The maintenance of a workforce competing with organizations, the preservation of some labor-management harmony in collective bargaining agreements, and the maintenance of acceptable levels of general morale are all examples of the practical operational worth to the employing firm. A person's family security anxiety is decreased with life insurance, which allows them to focus more intently at work. Cafeterias in businesses encourage balanced lunch consumption, which lessens afternoon weariness. A reduction in absenteeism is achieved through providing medical treatments that keep the workforce healthy. The employer's investment in benefits should be considered. According to (Chhabra, 2001), Indirect or Supplementary Compensation includes 'fringe benefits' rendered via several employee services and benefits like housing, financial assistance for food, medical allowance, daycare centers for children's and so on. Organizations compensate employees for their membership, attendance, or engagement. Some people coined the phrase "hidden payroll" for them due to the ongoing increase in the costs of fringe perks. Currently, these benefits account for around 40% of the overall compensation costs for each employee of the firm. The primary goal of fringe benefits or indirect pay is to attract, motivate, and retain skilled human resources in the organization. A successful benefits program includes reputation, the feeling of keeping one's word, and goodwill in its soft returns. If the business can afford to pay a bonus, employers may decide how to distribute the money, or the incentive amount may be specified in a contract. If the company can afford to give a bonus, employers may decide how much to give at random, or a contract may specify the bonus payment's value. Types of indirect compensation leave policy, overtime policy, hospitalization, insurance, leave travel, retirement benefits, holiday homes, and flexible timings.



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Indirect Compensation and Performance

Employees must do their assigned tasks for their employer to assess their productivity level, it is critical to research what various authors have stated regarding performance. Understanding and appreciating what performance is can help us establish how effective it should be measured in any institution. It has been pointed out by Bates and Holton (1995) that: “Performance is a multi-dimensional construct, the measurement of which varies depending on a variety of factors.” There are various definitions of performance. It can be regarded as simply the record of outcomes achieved. On an individual basis, it is a record of the person’s accomplishments. (Armstrong 2003). Outcomes (both positive and negative) might be influenced by the environment (for example, supervisors, coworkers, or the organization's reward system) or by the task itself (for example, feelings of accomplishment, personal worth, or achievement). People sometimes perform well yet do not earn the rewards outlined in the organization's Conditions of Service. However, as the performance-reward system loop repeats, real events provide additional evidence to support a person's beliefs (expectations), and beliefs influence how people are motivated in the future. The Expectancy Theory also suggests that satisfaction is best characterized as a result of performance rather than as a cause of it. Casio, on the other hand, emphasized that

enjoyment can inspire people by reinforcing their views about the consequences of accomplishment. In other words, the more content people are with their occupations as a result of the benefits they expect and receive from their supervisors or the organizations for which they work, the better they will perform since they believe their efforts will not be in vain.

2.1.4 Compensation Mechanism and Administration

Compensation management and administration is a branch of human resource management that focuses on the planning, coordination, and regulation of direct and indirect payments earned by workers for tasks completed. Compensation includes both direct and indirect forms such as salary, merit and incentive pay, and medical benefits. The primary objectives of management compensation are as follows:

- a) Efficiently maintaining a productive workforce,
- b) Pay equity and adherence to federal, state, and local regulations
- c) Furthermore, local regulations are based on what businesses can afford.

Compensation Management, as the name implies, involves providing a compensation scheme in which an employee who performs better than the average workforce output is paid better (Livinstone, 2015).

2.1.5 Wages and Salaries

Wages are paid to employees who are not permanently employed and are typically based on hourly rates of pay (the more hours worked, the higher the pay), whereas salary is paid to people who are permanently employed and is based on a fixed weekly, monthly, or an annual rate of pay. The basic salary is a fixed periodic payment usually expressed in annual terms for non-manual workers, paid monthly with no productivity additions. Wage is a term used to describe the salary of manual workers, which is always based on hourly or part-time rates. Salary means an annual salary that an individual receives for his work while wages mean a variable pay that an individual receives based on the number of hours spent completing a specific amount of work. Surbhi (2015) also described wages as a fixed amount paid to employees at regular intervals for their performance and productivity, while wages are the hourly payment given to labor for the amount of work done in a day. He also

argued that while salaried workers are commonly said to do "white-collar office jobs," which means that some company is well educated, qualified, and employed by an individual and has a good place in society, "blue-collar work" is said to be performed by the salaried worker, which means that an employee is involved in the unskilled job and receives salaries daily. One goal of a corporation employee is to receive income in the form of salaries or wages. Salary earned to accommodate basic needs such as food, clothing, and shelter. Every business must be feasible in deciding the number of wages paid to the employee so that the lowest pay is provided to meet the needs of their lives (Kanzunnudin, 2007).

Agburu (2012) stressed the significance of salaries and wages in Nigeria, stating that not only should salaries be adequate, but they should also demonstrate some element of equity, specifically from the point of view of employees. In a country like Nigeria, anything less than fair and equal pay or reward will quickly enrage workers. Wages and salaries are critical issues for many Nigerian workers. They are critical because, without adequate supplies, life for the worker and his or her family members becomes extremely precarious. Workers emphasize wages and salaries as direct financial compensation, but they take center stage in the scheme of things when it comes to job rewards.

Bonuses

Bonus, as defined by Heathfield (2016), is the compensation over and exceeding the amount of pay that the employees received as a base salary or hourly rate of pay. Bonus plans play a significant role in reward systems. This is because the employees' bonuses will be dependent on their present success in the organization. However, it can be viewed as an additional amount of money paid by the firm when employee performance is exceptional throughout the year. This bonus plan is designed to improve employees' job performance and effectiveness. The payment of a bonus is commonly made at the end of the performance period that has been set up by an organization's policies which is a year (Romanoff, 2008). He emphasized that bonuses are given to employees to recognize their exceptional efforts throughout the year to motivate them. Bonuses also serve as an incentive for employees to outperform low performers in the organization.

Bonuses are frequently given to employees based on year-end business success or the individual's achievement of established goals. The decision is

sometimes left to the manager's discretion. Bonuses might be granted on an annual, quarterly, or even project-by-project basis. Incentive pay includes commissions and bonuses, as well as piece rate, profit sharing, stock options, and shift differentials. Employers can allocate bonus pay arbitrarily if the company can afford to pay a bonus, or the value of the bonus payments can be specified in a contract. A bonus payment according to Bardot (2014) is backward-looking and typically contingent or at least not required from the employee(s). A decision is made to pay it to one, a group, or all workers based on parameters chosen by management to reward past accomplishments, such as achieving a particular benefit or other significant milestones for the company, or in a completely arbitrary manner, but defined an incentive as a forward-looking strategy. Payment is based on the achievement of specific goals that have been pre-determined and communicated to employees on the agenda. The incentive scheme aims to manipulate behavior by providing an incentive to work toward the organization's goals. She went on to say that rewards, such as certain gifts or flights, could be paid in monetary or non-monetary awards, such as some gifts or travel (particularly for sales). The incentive package is not discretionary: the payout or reward is made only if the original, agreed-upon goals are met.

Allowances

Allowance is a component of employee welfare that increases employees' monthly income. According to Sadili (2006), it is said that one of the functions is given a performance allowance so that employees are motivated to work well, with the aim of increasing employee productivity. An allowance is an additional benefit provided by the organization to employees as a result of their responsibilities. Simanjorang and Tumbuan (2016) contend that performance allowance is an employee welfare program comes from the organization. Hasniati (2017) shows that the performance allowance influences the employees' work achievement. That is, the higher the performance allowance, the higher is the quality of work quality of the employees' (Simanjorang and Tumbuan, 2016).

The amount of something permissible, particularly within a set of rules or for a specific purpose. An allowance is a reserve set aside for future expenses. The establishment of a reserve essentially accelerates the recognition of an expense into the current period from the later period in which it would have otherwise been

recognized. A reserve's purpose is to match expenses with the sales transactions that they are associated with. The term "allowance" can also be applied to a customer order, where the sales staff provides an allowance that is essentially a price reduction, perhaps based on year-to-date order volume, or because the order is placed during a discount period. The allowance concept can also be applied to per diem travel and entertainment arrangements, in which employees are paid a set amount per day for their travel expenses, regardless of the actual amount incurred. Employees may become overly frugal to profit from the per diem amounts paid to them as a result of this practice.

2.1.6 Compensation Mechanism and Employees' Performance

Employee compensation is linked to the motivation of the organization's workforce to perform better. However, organizations may face difficulties in determining which type and combination of compensation strategies to employ. Several studies have shown that pay has a positive effect on employee health and workplace safety. It's one of the factors that sought to increase employee's engagement within the workplace, which is the key element within the work performance among employees (Furtado et al. 2015; Lawler & Worley, 2016).

The rationale for using various components of employee compensation is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non-financial, and thus demonstrate improved performance. Failure to try to do so, employees is going to be tempted to go away from the organization (Azasu, 2017). As a result, it is clear that subjecting employees to different compensation strategies motivates them and, as a result, leads to improved performance. The current study investigated the effect of salary on employee performance, the effect of benefits on employee performance, and thus the effect of recognition on employee performance.

2.1.7 SALARY AND EMPLOYEES' PERFORMANCE

A basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity (Braton & Gold, 2013). As a result, it is clear that subjecting employees to different compensation strategies motivates them and, as a result, leads to improved

performance. The current study investigated the effect of salary on employee performance, the effect of benefits on employee performance, and thus the effect of recognition on employee performance. Bohan (2014) explains that traditional pay systems were based on three factors: the job, maintaining the level of equality in standard pay among employees in the organization, and paying competitive salaries.

Swanepoel (2013) describes that employees were rewarded according to the position held without considering their performance. Basic pay increases were determined by internal and external job evaluations. Drafke (2012) emphasis this point by pointing out that money can increase employee performance but this is often limited to short term increase. On the other hand, DeNisi and Griffin (2014) argues that in general higher levels of pay and more attractive benefits tend to result in greater satisfaction thus promotes employee performance, a point that is affirmed by Bretz and Thomas (2012) who stated that pay dissatisfaction reduce employee performance and morale. In support, Clegg and Birch (2012) argues that “pay peanuts and you will get monkeys”, and in addition to that they said that if you show that you value people by paying a reasonable wage then they appreciate it. According to Armstrong (2016), good practice requires employers to keep pace with inflation by rewarding employees with salaries that are market-related to avoiding strikes and poor performance by workers. Nowadays, organizations are under financial strain with salaries continually rising and becoming a major fixed expense. According to Livingstone (2015), regardless of basic pay inefficiencies, it remains a rule that employees should be paid at, or above market rates as negotiated by labor unions who are concerned with the welfare of employees.

Higher basic pay is used in a competitive market to attract and retain employees who already have the experience to improve their performance. Otherwise, breaking this rule has negative consequences for the organization. Thus, pay communicates a commitment to employees and serves as the baseline for evaluating other pay systems such as skill and competency pay.

RECOGNITION AND EMPLOYEES' PERFORMANCE

Recognition as an intrinsic reward is defined as ratification, confirmation or acknowledgment that something done by another person in one's name and one's authority (Danish et al., 2016). According to Nel et al. (2011), intrinsic rewards like

recognition, growth, feedback, and opportunities lead employees more towards high job performance and motivation than extrinsic rewards like salary. Robbins (2014) described that through the recognition employees get appreciation of status which make them feel part of an organization. Barton and Gold (2013) described that recognition is considered the most important factor among non-financial rewards in order to increase job satisfaction level of employees and thus their performance. Romano (2013) pointed out that recognition is the component that is used to strengthen the relationship between an organization and people. Employees feel rewarded and motivated when they receive recognition. He claims that by recognizing employees, a competitive advantage can be gained and, as a result, performance can be improved.

Lawler (2013) suggested that the well-being of any organization depends on how its human resource is treated. Organizations achieve their well-being through giving rewards and recognition their employees to enhance their performance. Andrew (2016) described that employees become more loyal to their organization and perform much better if the organization recognizes and appreciates their work in terms of certification, verbal appreciation among other components. Organizations are missing a critical component: recognition. Sarvadi (2015) however says that the cost of practical implementation of this component is very low in many organizations. Employees are made aware of their worth to the organization through recognition, and employees feel appreciated as a result.

Nelson and Spitzer (2013) posit that people of fresh blood are more energetic and dynamic so they want recognition regarding their work than others and this could improve their performance. Employees can be recognized by involving them in decision making, increasing their responsibility, showing empathy for them, and providing them with succession planning and various opportunities to advance in their careers. Robbins (2013) described that Maslow's theory talks about the self-esteem need of employees'. According to this theory, factors such as recognition, status, development, and growth lead to motivation, which leads to job satisfaction and, ultimately, employee performance. According to Herzberg's theory, recognition is one of the motivating factors that lead employees from dissatisfaction to satisfaction with the task at hand, thereby improving their performance.

2.1.8 Employees' Performance

The term performance is derived from the word performance which refers to a person's work performance or actual achievement. The definition of performance (work performance) is the work quality and quantity achieved by an employee in performing his function by the responsibilities assigned to him. According to (Al Mehrzi & Singh, 2016) Performance is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, targets or targets, or predetermined criteria that have been mutually agreed upon. A person's performance is closely related to the work results concerning quality, quantity, and timeliness. The performance also means a comparison of the work achieved by employees with predetermined standards (Ronny, 2020). According to Mabaso and Dlamini (2017), compensation plays a vital role in attracting, motivating and retaining talented employees. Employee job performance has always been a major challenge in organizational management and adopting effective ways to motivate employees to achieve and deliver higher job performance as well as increase organizational competitiveness is the main objective of every business organization (Lee & Wu, 2011).

The employees are regarded as the major business resources that facilitate the daily activities and operations of an organization (Mudah, Rafiki & Harahap, 2014). Similarly, Oluwafemi (2010) asserted that organizational effectiveness and efficiency depend on how effective and efficient the employees in the organization are. Employee productivity and performance will be greatly influenced by the employer's ability to comprehend employee satisfaction with schedules and daily responsibilities. Furthermore, (Yang et al., 2016) state that performance is basically what employees do or do not do. Performance management encompasses all activities undertaken to improve a company's or organization's performance, including the performance of each individual and work group within the company. According to Shmailan, 2016, employee performance is an action that employees do in carrying out the work done by the company. Individual skills, abilities, and traits influence performance in carrying out its functions, which is not independent of employee job satisfaction and the level of reward given. Job satisfaction represents the enormity to which optimism is aligned with real rewards and benefits.

According to Mowday, Porter, and Steers (2013), most employees of today have a high degree of job dissatisfaction which creates attitudes that are undesirable on the job and in turn degenerate their performance ability and their working place as well. Kinicki and Kreitner (2007) document that employee performance is higher in happy and satisfied workers and the management finds it easy to motivate high performers to attain firm targets. A good compensation package encourages effective employees to remain in employment for a longer period of time (Ibrahim & Borerhaneoddin, 2010). Additionally, Ibrahim and Borerhaneoddin (2010) suggested generous reward retains employees and ultimately results in job satisfaction, commitment, and loyalty. These are some of the key factors that contribute to effective employee performance. Moreover, if employees believe that they are not compensated well, therefore a state of emotional dissatisfaction grows in their minds of the employees and these emotional discrepancies will grow and accumulate over time which in turn leads to low employee performance for the organization (Mabaso & Dlamini, 2017). Greenberg and Baron, (2008) indicated that a perceived low salary leads to job dissatisfaction and is a major contributor to employee turnover. Khan et al, (2014) also agree that employee commitment can be enhanced and their degree of satisfaction can be improved through the adjustment in the compensation package. As a result, we can conclude that there is some kind of link between compensation package and employee performance.

Human resources are regarded as an organization's most valuable asset, but very few organizations fully realize their potential. Employee performance has not only bothered businesses all over the world, but has also fueled a great deal of research in the fields of management, occupational health, work, and organizational psychology. Numerous studies on employee performance have been conducted. However, different approaches to studying employee performance are available in today's literature. Whereas the field of management has primarily focused on how to make an employee as productive as possible, work and organizational psychologists are interested in the impact of determinants such as work engagement, job satisfaction, and personality on individual work performance. Van Dyk and Herholdt (2004) disputed the organization's claim that people are their greatest asset and are convinced that, even though possibly subconsciously, the belief still exists that people need the organization more than it needs them. He argues that in fact, organizations and

institutions have to market membership as much as, and perhaps more than, products and services. They claimed that institutions should attract and retain people, recognize and reward people, motivate people, and serve and satisfy people. Furthermore, they argue that performance is about behavior or what employees do, not what employees produce or the outcomes of their work. Perceived employee performance reflects the employee's overall perception of his behavior and contributions to the organization's success. Employee performance may be taken from the perspective of three factors that make it possible to perform better than others, determinants of performance may be such as declarative knowledge, procedural knowledge, and motivation (McCloy et al., 1994). Human Resource practices have a positive impact on the performance of individuals. Huselid (1995) argued that the effectiveness the HR practitioners will transfer on the behavior of employees, which also proves a positive association. Teseema and Soeters (2006) have carried out a study on eight HR practices including recruitment and selection practices, placement practices, training, compensation, employee performance evaluation, promotion, grievance procedure, and pension or social security in relation to the perceived performance of employees. They concluded that these HR practices have positive and significant associations with the perceived performance of employees.

According to Ivancevich, Konopaske, and Matteson (Busro, 2018), that performance shows the ability and skills of workers. The opinion emphasizes the competence of human resources possessed by the organization, starting from the cognitive, affective, and psychomotor abilities of employees.

2.1.9 Performance Management

Many academics have used the term performance management to describe a variety of issues. Sloltje (2000) recognizes that this term has two-fold meaning. Sloltje (2000) perceive “performance management as a ubiquitous term in today’s business environment, being embedded in the body of knowledge of various disciplines and used at all employee levels”. Performance management is concerned with managing performance, whereas performance is defined as the accomplishment, execution, carrying out, and working out of anything ordered or undertaken by the Oxford English Dictionary. Aguinis (2007) states that “performance management is basically related with finding out weaknesses, their improvement and establishment of performance of individual”. He also states that this process includes the alignment of

vital goals with individual performance and proper feedback. Performance management provides the way for managers to overcome and improve the sudden changes very soon (Cokins, 2004).

The performance management study has gained prominence in the field of human resource management research. Performance management is a system that seeks to improve individuals' knowledge, skills, and competencies for them to work towards shared meaningful goals within an organizational context. Performance management is a mechanism in which motivational techniques, approaches, and factors are developed and implemented to turn the raw potential of human resources into performance (Azasu, 2017). Similarly, performance management is a management process that ensures employees focus on their work efforts in ways that contribute to the organization's mission. Armstrong (2012) explains that performance management processes are associated with individual performance in terms of contribution expectations and assess performance provided for regular constructive feedback and results in connection to performance, improvement, learning, and personal development.

Motivation

According to Hasubian (2012) motivation is the complex of forces starting and keeping a person at work in an organization so that they want to cooperate with each other, work effectively, and be integrated with all their efforts to achieve satisfaction. Motivation according to Ranupandojo and Hasan in Abrivianto et al. (2014) is the set of forces that initiate, directing and keep people in their efforts to achieve goals. Motivation is primarily intended to facilitate behavioral change. It is a force that enables an individual to act in the direction of a specific goal. According to the study of Grant (2008) held on employee motivation; motivation forced such result as productivity, performance, and persistence (Grant, 2008).

Motivation is the process by which a person's needs motivate him or her to engage in a series of activities that result in the achievement of specific goals; once these goals are achieved, they satisfy or fulfill the individual's needs. Producing, guiding, maintaining, and demonstrating intensity, being consistent, and having a purpose are all aspects of motivation. Companies require both extrinsic and intrinsic motivation to help increase employee performance (extrinsic and intrinsic). Extrinsic motivation refers to the actions that the company will take to motivate employees,

whereas intrinsic motivation refers to internal factors or causes that motivate employees toward specific goals. To measure the motivation of employees or others, dimensions and indicators of motivation such as the need for achievement, the need to affiliate, and the need for power must be known. The distribution of each dimension and indicator for measuring motivation is shown below.

Target Achievement

Achievement goals can affect the way a person performs a task and represent a desire to show competence (Harackiewicz, Barron, Carter, Lehto, & Elliot, 1997). Workers with high target achievement have more realistic career goals than workers with low target achievement. Workers with high target achievement set challenging but attainable personal goals, whereas those with low target achievement set goals that are either extremely easy or nearly impossible. A high target achievement employee must or prefers to set very high goals for his or her work and encourages persistence. This employee encourages himself/herself to try harder rather than complain or make excuses for poor performance. Target achievement and job performance are intertwined and interdependent, like two sides of a coin. Furthermore, the achievement motive refers to the desire to do well relative to the standard of excellence (McClelland, 1985).

A goal, benchmark, or value that represents success in achieving a specific outcome. When possible, each achievement goal should specify the desired level of performance (satisfaction, productivity, efficiency, and performance) as well as the time frame. Target achievement is a performance-based goal agreed upon by the company and the managers. These targets or professional development goals are usually intended to be measurable, relevant, attainable, and time-bound. Such goals are sometimes set by employees or management and must be completed within a specific time frame. Such goals are sometimes set by employees or management and must be completed within a specific time frame. As a result, meeting weekly or monthly goals is an important responsibility for any manager. A manager not only guides and supervises improvement but also collaborates tirelessly with other employees to meet monthly or weekly goals. So, when you achieve such goals, you must congratulate your manager.

Work Efficiency

Work efficiency is the ability to produce the greatest amount of output from the least amount of input. It entails getting more done with less. Working smarter rather than harder when you improve efficiency, you can get more output from the same - or even less - input. Employees will benefit from being able to accomplish more in a limited amount of time: the workday. In the workplace, efficiency usually refers to the tasks and labor completed by an individual employee in a single workday. Work efficiency includes tasks and work completed by a team or department.

Work efficiency is critical in employee activities. Not only must firms do the right thing such as offering high-quality products, but, they must also produce their products efficiently (Everard & Burrow, 2001). According to Schermerhorn et al. (2017), Drucker has distinguished effectiveness from efficiency through his memorable quote: “There is surely nothing so useless as doing with great efficiency what should not be done at all”. Something is only efficient when it is effective. In other words, something is efficient if it has a useful effect. It has to be functional (Noordzij, 2013). As a result, efficiency can only be discussed once effectiveness has been established. Efficiency is defined as the ability to act or produce effectively while expelling as little waste or unnecessary effort as possible. Work efficiency is an employee characteristic that refers to an employee's speed and accuracy on the job. The concept relates to employee productivity, which provides that the more efficient an employee is, the more productive they will be if well-managed (Fandom, 2017). Akerele (1991) has blamed the efficiency of Nigerian workers on a number of factors among which are the failure of employers to provide adequate compensation for employees based on their diligence, and the indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to the working class to such an extent that it reduces their productivity. Love (1991) opined that how successfully resources are assigned in order to achieve organizational goals in the right way determines the efficiency of such an organization. In other words, how well an organization converts inputs such as products, programs, and services into outputs speaks volumes about its efficiency. As a result, efficiency helps an organization succeed.

Compensation Management

2.2 Conceptual Framework

Employees' Performance

Bonuses

Wages and Salaries

Motivation

Target Achievement

2.3 Theoretical Review

This section focuses on the relevant theories that the study is based on, which aid in informing the study's findings. The goal of this study is to investigate the relationship between pay and employee performance at Unilever Nigeria plc. The research will be guided by the following theories:

1. Expectancy theory
2. Reinforcement theory
3. Equity theory
4. Agency theory

2.3.1 Expectancy Theory

According to Armstrong, (2010), in the expectancy theory, motivation is likely to be when there is a perceived and usable relationship between an outcome, with the outcome being seen as a means of rewarding needs. In other words, there must be a relationship between a certain reward and what has to be done to achieve it. This theory is very important in the context of this research. It is instrumental especially when designing performance-based employee wellbeing programs. This theory helps explain why an organization's staff would feel confident that they can grow in the same organization, hence remain there, or seek development elsewhere by exiting the organization. Expectancy theory (Vroom, 2014) centers on the connection amongst recompenses and deeds (instrumentally sensitivities), in spite of the fact that it highlights anticipated (rather than skilled) recompenses (i.e., enticements). Inspiration

is moreover a work of other two variables: hope, the alleged interface between exertion and execution, and valence, the anticipated esteem of results (e.g., recompenses). Compensation frameworks vary concurring to their influence on these motivational mechanisms. In general, talking, pay frameworks to vary furthestmost in their effect instrumentally: the seen interface between behaviors and pay is too alluded to in the paid writing as a "line of prospect." The valence of reimbursement results ought to stay the same beneath distinctive pay frameworks. Anticipation perceptions frequently have more to do with work plans and preparation than pay frameworks.

2.3.2 Reinforcement Theory

Behaviorist Skinner, (1953) determined the reinforcement hypothesis, one in each of the most seasoned theories of motivation, as how to explain laborer behavior and why we have a propensity to do what we tend to do. The theory is moreover alluded to as behaviorism or conditioning. The theory states that "an individual's behavior could be an introduction of its results" (Administration Consider Direct, 2013) Reinforcement theory outlines that a reaction taken after a gift is extra possible to be futuristic and repeat itself (Thorndike's Law of Impact). The suggestion for remuneration administration states that the top laborer 9 execution followed by money related remunerate can make future high execution extra probably. By an equivalent token, high enactment not taken after by a gift can make it less likely in the future. The theory emphasizes the significance of an individual encountering the remunerate.

2.3.3 Equity Theory

Theoretical Framework This study is anchored on Equity theory propounded by Stacey J. Adams. The theory suggests that employee perceptions of what they contribute to the organization, what they get in return, and how their return-contribution ratio compares to others inside and outside the organization,' determine how fair they perceive their employment relationship to be (Adams, 1963). Perceptions of inequity are expected to cause employees to take actions to restore equity. According to this theory, employees who see themselves as being under-rewarded will experience distress. The theory, primarily, focuses on ensuring that the distribution of compensation and benefits is fair to all members. The theory is

applicable to the current study in the sense that pay inequality affects employee satisfaction because the pay is positively related to employee job satisfaction. Employees are satisfied or dissatisfied with their pay based on comparisons of their benefits to those enjoyed by others in the same field, rather than the total amount received. According to this theory, the pay structure of an employee's remuneration should be equitable or uniform. Lower productivity increased turnover, and high absenteeism will result if an employee believes he is not being fairly compensated for the amount of work he does in a day. The compensation system should adhere to three types of equity:

Internal Equity: The employee perceives the fairness of different pay for different jobs based on the nature of the work involved, i.e. he must believe that pay differentials between jobs are reasonable. The employee perceives the fairness of different pay for different jobs based on the nature of the work involved, i.e. he must believe that pay differentials between jobs are reasonable.

External Equity: The employee should believe that what they are being paid is fair in comparison to what other players in the same industry pay their employees for the same type of job.

Individual Equity: The employee perceives pay disparities between individuals performing the same type of job and working for the same company. Regardless of the nature of the job, an individual with more experience typically receives higher pay than a fresher.

2.3.4 Agency Theory

An agency relationship arises when one individual (the principal) hires another person (the agent) who possesses specialized expertise and skills, according to Buchan et al (2000). The Agency's theory focuses on the diverse priorities and goals of the company's stakeholders and how remuneration should be used to align these interests and goals.. The remuneration owed to workers is the expense of the business and it is normal for staff to anticipate high agency costs as the employer tries to reduce them.

Thus, these theories suggest that remuneration should be settled on in the form of wages or salaries based on an employee's result or actions (Aswathappa, 2007).

2.4 Empirical Review

Because of the peculiarity of compensation as a concept and as an issue affecting both the employee and the employer, various scholars all over the world have written extensively on the subject of compensation.

Onuorah, Okeke and Ikechukwu (2019) examined the effect of compensation management and employee performance in Nigeria organization. The study aims at investigating the influence of performance-based compensation, competency-based-compensation, and equity based-compensation on employee performance. Relevant conceptual, theoretical and empirical literature was reviewed. The study was anchored on Human Capital Theory and Expectancy Theory. The study adopts a descriptive survey research design. The study was carried out in Anambra State. The population of the study comprises 257 public secondary schools in Anambra State. The sample size for the study consists of 257 employees drawn from the population of the study. The sample consists of the entire population. The instrument for data collection is a structured questionnaire. The face content validity of the instrument was an employee. The instrument was trial-tested on a representative sample of 20 employees randomly selected of Anambra State. In analyzing the data for the null hypotheses, Z-test was be used to test the hypotheses at 0.05 level of significance. Equity-based compensation has no negative significant effect on employee performance in Nigeria organization. Competency-based compensation has no negative significant effect on employee performance in Nigeria organization. Performance-based compensation has no negative significant effect on employee performance in Nigeria organization. Therefore, the study concludes that compensation management has a significant effect on employee performance in Nigeria organization. The study recommends that every organization should make equity-based compensation as a compulsory policy since equity-based compensation is used more extensively in firms for ensuring maximum performance. Every organization should formulate competency-based compensation policy, the only thing standing between the employees and a greater wage is how much they contribute and how well they perform. Management should have Performance-based compensation plans at a program at every level of an organization.

Onwuka and Onwuchekwa (2018) aimed at establishing the influence of compensation policy on employee commitment of selected pharmaceutical companies in Anambra state. Primary data was collected using a self-administered questionnaire and the data were analyzed by use of Pearson product correlation. The data was presented using simple percentage table. Generally, the study found that pay for performance policy was popular compensation. It was also established that the compensation policy influences employee commitment owing to the level of the relationship established between the variables and this led to enhanced performance, trust in management and strong relationship in the organization. Further, the cash rewards were reflective of individual skills and effort which included allowances for extra duties and responsibilities. The employees' compensation included pension schemes; personal security through illness, health or accident insurance covers; safety in the work environment, financial assistance for loans, purchase of organizational products and work life.

Oburu and Atambo (2016) examined the effect of non-financial compensation on employee performance of micro-finance institutions in Kenya. Their study established that indeed the micro finance industry especially WakenyaPamoja Sacco-Kisii, does employ non-financial compensation measured in terms of participation and/or recognition, better workplace environment, job design, career development, training motivate employees and drive up their performance as well as to retain staff.

Okwudili (2015) carried an empirical study on the effect of non-monetary rewards on productivity of employees among selected government parastatals in Abia State, Nigeria. The findings of his study indicated that non-monetary rewards and productivity of employees have a positive relationship which is significant at 5% level of probability (2- tailed). He concluded that “higher productivity and efficiency of employees in government parastatals is possible with the effective exploitation of human resources through non-monetary rewards and recommends amongst others that Government should motivate their staff more by involving them in self-developmental programs with good remuneration payment, incentive packages etc that will signify that the organization needs their personal outputs”. Okwudili (2015) analysed the influence of monetary rewards on performance of employees in food service industry in Abia state, Nigeria. He concluded that “all round development of the food service

industry for higher productivity and efficiency is possible with the effective exploitation of employees through monetary rewards”.

Idemobi, Onyeizugbe, and Akpunonu (2011) carried an empirical study on compensation management as tool for improving organizational performance in the public sectors in Anambra state civil service of Nigeria. Their findings revealed that “financial compensation for staff members in the public service do not have a significant effect on their performance and that financial compensation received are not commensurate with staff efforts”. Their study further found that “reform programs of the government do not have a significant effect on the financial compensation policies and practices in the public sector due to poor compensation management”.

Obasan (2012) studied the effect of compensation strategy on corporate performance of Nigerian Firms. From Obasan’s finding, it was shown that compensation strategy has the potential beneficial effects of enhancing workers’ productivity and by extension improving the overall organisational performance.

Jane and Silas (2013) conducted an empirical study on the effect of compensation on performance of public secondary school teachers in Eldoret Municipality Kenya. Their study concluded that compensation package provided by teachers service commission in Kenya was overall “not satisfactory” as many of the teachers were uncomfortable with the compensation package and policies in place

Osibanjo et al. (2014) examined the effect of compensation packages on employees’ job performance and retention in a selected private University in Ogun State, South-West Nigeria. The results of their study showed strong relationship between compensation packages and employees’ performance and retention.

Chun-His and Setyabudi (2008) investigate how age, tenure, employ rank and work status are related to perception of direct and indirect compensation fulfillment in a hazardous work environment. Their study found that age, tenure, employee’s rank and work status are positively related to perception of direct and indirect compensations fulfillment.

Christopher and Bulah (2016) carried out an empirical study on the relationship between total compensation and employee performance in Mayfair Insurance

Company Limited in Kenya. The finding of their study shows that there is a positive significant relationship between total compensation and employee performance at Mayfair Insurance Company Limited in Kenya.

Lauri, Morgan, Dave, and Michael (2014) conducted a study on the tenuous relationship between salary and satisfaction in University of Michigan, United State of America (USA). The study revisited the classic notions of satisfaction of employees within organization using online survey targeted to a sample of working adults which consisted of 79 participants, consisting of 60% male and 40% female with individual annual gross salary and household gross salary. Using hierarchical multiple regression analysis to test their hypotheses, their finding pit salary in a negative relationship to both job and life satisfaction.

Mensah Ruby (2012) employed a survey method in finding out the impact of indirect compensation on employee productivity in Central University College (CUC) of Ghana. There were 280 responses for the survey. Questionnaire administration and condition of service manual of CUC were used to measure the relationship between variables. The study uncovered that though management implements some of the indirect compensation available, there are other benefits which are not satisfactorily administer and this has contributed to a lack of zeal towards work, which has affected the productivity negatively. The study recommends that management of CUC should provide the necessary attention that indirect compensation deserves, as this will help boost the morale of employee which will result in higher productivity. Benita and Anghelache's (2012) study on teachers' motivation and pay found no difference between male and female teachers in terms of overall payment. They posited that job satisfaction derives from adequate and continuous payment by a strong desire for achievement and affiliation. Likewise Azash (2012) study on job characteristics as determinants of work motivation and job satisfaction revealed that skills, task identity, task significance and feedback serve as either positive or negative predictors of employee job satisfaction.

Akter and Moazzam (2016) The effect of compensation (CN) on (JP) in Chittagong, Bangladesh. The theoretical analysis indicated that proper strategy and policy based compensation scheme can enhance the job performance of the employees. Because employees will confer the maximum effort for providing the best performance when a

compatible (with current market situation) compensation scheme is offered and maintained by the organizations. Thus, compensation (CN) has a significant effect on job performance (JP). The quantitative analysis demonstrated that there is a strong and positive relationship between compensation and job performance.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

In this chapter, the research design, target population, and sample process are all included. It also included data collection instruments and procedures, as well as instrument validity and reliability, data presentation, and data analysis methodologies.

3.2 Research Design

This study employs a survey research design it allows for the use of questionnaires to gather information from respondents. Research design is defined as the blueprint for collecting, measuring, and interpreting the data required for a study (Kothari, 2004). The general plan for answering the research question is referred to as the research design. It implies that the entire approach was chosen to combine the various components of the considerations in a logical and systematic manner, so ensuring that the research issue was successfully addressed. Mugenda and Mugenda (2003), further characterize research designs as the arrangement of conditions for collecting, and analyzing information in a way aimed at combining important research purposes with the economy of procedure. The research design refers to the methods and procedures used by the researcher during the research process. This is the most logical and reasonable way for researchers to discover the most scientific and logical method of data collection and analysis. The research design includes this type of information, the method of obtaining it, the timeliness, and the mechanism of the sample distribution. This plan enabled the researcher to use both quantitative and qualitative research strategies in data collection, analysis, and interpretation.

3.2 Population of Study

This research's population of interest is the whole employees' of Unilever Nigeria Plc. The total population of study in this research work is 700 (General Administration Department, Production and Technique Department, Logistic and Supply Department, Finance Department, Marketing Department). As obtained from the organization's human resource department.

3.3 Sample Size

According to Mugenda (2003), a sample of 20 - 30% is good enough if samples are well chosen from the elements for a definite population. The sample size will be 255 which is the total population.

3.4 Sample Size Determination

The sample for the research is respondents for the organization using Taro Yammane formula. Proportional stratification will then be adopted to yield a truly representative sample.

The Taro Yammane formula is $N = n / 1 + N(e)^2$

- Where n signifies the sample size
- N signifies the population under study.
- E signifies the margin error (0.05).
- N to be determined later.

$$N = n / 1 + N(e)^2$$

n= sample size

N= population size

E= margin of error

SOLUTION

$$N = \frac{n}{1 + N(e)^2}$$

$$N = \frac{700}{1 + 700(0.05)^2}$$

$$N = \frac{700}{1 + 700(0.0025)}$$

$$N = \frac{700}{1 + 1.75}$$

$$N = \frac{700}{2.75}$$

$$N = 255$$

3.5 Sampling Techniques

The act, method, or procedure of selecting an acceptable sample from a population that is representative of the full population is known as sampling. Sampling is the process by which a comparatively lesser number of persons, objects or occasions is highlighted, selected and scrutinized in order to find out something about the whole population from which is selected (Kothari, 2001). A sample is a small percentage of the target population that is chosen through a systematic process. The researcher

chose stratified random sampling because it allows for the generalization of a larger population with a statistically determinable margin of error.

3.6 Method of Data Collection

For the purposes of this study, a quantitative data collection method will be used for the following reasons;

- a. It improves the result's simplicity by incorporating a larger study with a greater number of subjects.
- b. It presents data summaries that support the study's simplifications.
- c. It makes results more objective and precise.

3.7 Instrument for Data Collection

In this study, a questionnaire will be employed to collect data. This is because this tool can be administered faster than an interview. Respondents to closed-ended questions will be given a several options from which to choose the one that best meets their judgment. On the other side, open-ended questions will be accompanied by blank spaces where respondents can express themselves in their own words. As a result, the surveys will assist in the collection of both qualitative and quantitative information. The researcher will also use self-administration to administer the equipment. The questionnaire will include questions concerning the payment management system as well as employees' performance as specified in the study aims. The questionnaire consists of:

Section A: This covered questions on socio-demographic variables.

Section B: Will be subdivided into 3 parts (part A-D) based on the research objectives. Likert five-point scales ranging from 1-5 (strongly agree=1, agree=2, undecided=3, strongly disagree=4 and disagree=5) will be used as a questioning foundation.

The question will be organized in a way to avoid imprecision and technical triviality. To this end, the questions will simply call for respondents to tick () against the suitable response.

3.8 Sources of Data

The two sources of data for this study are primary data and secondary data.

3.8.1 Validity of Research Instrument

Frankel and Wallen (2006) said that validity relates to the quality attributed to the degree to which they conform to establish knowledge or truth, it delegates to the extent to which an instrument can measure, or should have been measured.

Concurrent validity refers to a measurement device's capacity to differ straightforwardly with a measure of the same construct or indirectly with a degree of an inverse construct. It permits showing that the test is substantial by comparing it with an already valid test. Content validity is concerned with a test's capacity to incorporate or speak to all of the content of a specific construct. The validity of the instruments will be done by designing the questionnaires and consulting the supervisors of the contents. Adjustments will be made according to the advice of the supervisor. Justification of questionnaire item was carried out through initial consultation of advisor and peer review of the research instrument. The researcher seeks data based on the research objectives to increase the validity of the data collected using questioner & interview. Furthermore, the researcher double-checked that the interview questions were not misleading. Peers and supervisors reviewed the interview question and provided objective feedback on areas for improvement.

3.8.2 Reliability of Research Instrument

A reliability test is a useful tool for determining the degree of consistency of an attribute that needs to be measured. Cronbach's alpha is one of the most often used reliability measurements. Cronbach alpha is a reliability coefficient that is widely used to assess internal consistency or dependability. The test-retest approach will be used to determine the research instruments' dependability in this investigation. The surveys will be given to the eight responders twice over the course of one week. The researcher will then compare the results of the two events to check for any correlation between the responses, (Kumar, 2005). For testing reliability, the test/retest approach is chosen over the internal consistency method since it is easier to administer.

CHAPTER FOUR

Data Presentation, Analysis, and Interpretation

4.0 Introduction

This chapter study focused on the analysis of data collected. The resulting analysis will be interpreted and presented. 255 copies of the questionnaire were carefully administered to respondents for the purpose of this research, however, only 250 copies were correctly filled and returned at the stipulated time to be used for analysis. This indicated 98.0% response rate. Thus, 250 copies of the questionnaire

retrieved were analyzed and presented in tables with the aid the of Software Package for Social Science (SPSS) for easy comprehension.

Table 4.1 Preliminary Survey Details

Response Rate to Questionnaire Administered

S/No	Questionnaires	Frequency	Percentage
1.	Number of questionnaires administered	255	100%
2.	Questionnaires retrieved and used for the final analysis	250	98.0%
3.	Number of questionnaires not properly administered	3	1.17%
4	Number of questionnaires not retrieved	2	0.78%

Source: Field Survey 2022

Table 4.1 above provides the response rate to questionnaires administered. A total of 255 copies of the questionnaire were administered to the employees of Unilever Nigeria Plc according to the sample size determination. The total number of questionnaires retrieved was 250. This means 98.0% response rate was achieved.

Table 4.2. Demographic data of the Respondents.

The following shows the frequency counts and percentage of demographic data of the respondents in terms of their gender, age, educational qualification, experience, and marital status.

Variable	Frequency	Percentage (%)
GENDER		
Male	152	60.8
Female	98	39.2
TOTAL	250	100.0
AGE		
21 – 30 years	60	24.0
31 – 40 years	129	51.6
41 – 50 years	19	7.6
51 years and above	42	16.8
TOTAL	250	100.0
EDUCATIONAL QUALIFICATION		

SSCE	54	21.6
B.Sc	67	26.8
OND	18	7.2
HND	38	15.2
MBA	30	12.0
M.Sc.	43	17.2
TOTAL	250	100.0
EXPERIENCE		
Less than 5 years	21	8.4
6 – 10 years	132	52.8
11 – 15 years	43	17.2
16 – 20 years	30	12.0
21 years and above	24	9.6
TOTAL	250	100.0
MARITAL STATUS		
Single	101	40.4
Married	143	57.2
Divorced	6	2.4
TOTAL	250	100.0
STAFF CATEGORIES		
Senior Staff	47	18.8
Junior Staff	203	81.2
TOTAL	250	100.0
EMPLOYMENT CATEGORIES		
Casual	23	9.2
Permanent	227	90.8
TOTAL	250	100.0
DEPARTMENT		
Production	72	28.8
Human resource	40	16.0
Sales	12	4.8
Purchasing	26	10.4
Accounts	34	13.6
Operations	23	9.2
Finance	35	14.0
Other	8	3.2

TOTAL	250	100.0
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Source: Field Survey 2022

Table 4.2 presented the demographic information of the respondents. As shown in Table 4.2, a total of 152 of the respondents representing 60.8% were males while 98 representing 39.2% of the respondents were females. This simply indicates that the majority of the workers in Unilever Nigeria PLC that participated in this study were males.

Results obtained in table 4.2 indicates that 60 representing 24.0% of the respondents were between the ages of 21 – 30 years, 129 representing 51.6% of the respondents were between the ages of 31 – 40 years, 19 representing 7.6% of the respondents were between the ages of 41 – 50 years and 42 representing 16.8% of the respondents were 51 years and above respectively. This result reveals that the majority of the workers in Unilever Nigeria PLC that participated in this study were between the ages of 31 – 40 years indicating that respondents were young adults.

Regarding the educational qualification of the respondents, it was also revealed that 54 (21.6%) were SSCE holders, and 67 (26.8%) were B.Sc. holders, 18 (7.2%) OND holders, 38 (15.2%) were HND holders, 30 (12.0%) were MBA holders and 43 (17.2%) the respondents were M.Sc. holders. This indicates that the majority of the respondents that participated in the study were B.Sc. holders.

Based on years of working experience, 21 respondents representing 8.4% have less than 2 years' experience, 132 (52.8%) have 6 – 10 years of experience, 43 (17.2%) have 11 – 15 years of experience, 30 (12.0%) have 16 – 20 years of experience and 24 (9.6%) of the respondents have above 21 years' experience. The result indicates that the respondents are experienced in their fields.

Based on the marital status of the respondents as indicated in table 4.2, 101 (40.4%) were single, 143 (57.2%) were married and 6 (2.4%) were divorced. Having had 57% of the entire sample, the majority of the respondents that participated in the study were married.

Based on staff category, 47 respondents representing 18.8% were senior staff while 203 (81.2%) were junior staff respectively. The result indicates that majority of the respondents were junior staffs.

As regards the employment category of the respondents, it was also revealed that 23 (9.2%) were casual workers while 227 (90.8%) the respondents were permanent staffs.

This indicates that majority of the respondents that participated in the study were permanent staffs.

Results obtained in table 4.2 further indicated that 72 representing 28.8% of the respondents were in the production department, 40 representing 16.0% of the respondents were in human resource department, 12 representing 4.8% of the respondents were in sales department, 26 represented 10.4% of the respondents were in purchasing department, 34 representing 13.6% of the respondents were in account department, 23 representing 9.2% of the respondents were in operation department, 35 representing 14.0% of the respondents were in finance department and 8 representing 3.2% are in other department not stated in this study. This result reveals that majority of the workers in Unilever Nigeria PLC that participated in this study in production department.

4.3. Relationship of bonuses on motivation of employees' attitude to work

This section presents the opinion of respondents in response to research question one which seeks to evaluate the relationship of bonuses on motivation of employees' attitude to work

Table 4.3.1. Bonuses paid to workers encourage commitment to duties among

Items	Frequency	Percentage (%)
Strongly Disagree	0	0
Disagree	10	4.0
Undecided	0	0
Agree	98	39.2
Strongly Agree	142	56.8
Total	250	100.0

employees' in my workplace.

Source: Field Survey 2022

Table 4.3.1 above presented the result of the frequency distribution in response to whether bonuses paid to workers encourage commitment to duties among employees' in my workplace. The table showed that majority of the respondents 56.8% strongly agreed, a large percentage (39.2%) agreed while 4.0% disagreed that bonuses paid to workers encourage commitment to duties among employees' in my workplace. Hence,

majority strongly agreed that bonuses paid to workers encourage commitment to duties among employees' in my workplace.

Table 4.3.2: Regular payment of allowances and bonuses is a factor that enhances optimum productivity among workers in Unilever

Items	Frequency	Percentage (%)
Strongly Disagree	11	4.4
Disagree	10	4.0
Undecided	0	0
Agree	109	43.6
Strongly Agree	120	48.0
Total	250	100.0

Source: Field Survey 2022

Table 4.3.2 above presented the result of the frequency distribution of staffs in response to the statement regular payment of allowances and bonuses is a factor that enhances optimum productivity among workers in Unilever. The table showed that majority of the respondents (48.0%) strongly agreed, a large percentage (43.6%) also agreed, a few of the respondents (4.0%) disagreed and 4.4% strongly disagreed. Hence, the majority strongly agreed that regular payment of allowances and bonuses is a factor that enhances optimum productivity among workers in Unilever.

Table 4.3.3: Workers are motivated by the level of fringe benefits put in place, hence, output rises on daily basis in Unilever

Items	Frequency	Percentage (%)
Strongly Disagree	0	0
Disagree	10	4.0
Undecided	0	0
Agree	88	35.2
Strongly Agree	152	60.8
Total	250	100.0

Source: Field Survey 2022

Table 4.3.3 above presented the result of the frequency distribution of staffs in response to if workers are motivated by the level of fringe benefits put in place, hence, output rises on daily basis in Unilever. The table showed that majority of the respondents 60.8% strongly agreed, 35.2% agreed 4.0% disagreed that workers are motivated by the level of fringe benefits put in place, hence, output rises on daily basis in Unilever. Hence, majority strongly agreed that workers are motivated by the level of fringe benefits put in place, hence, output rises on daily basis in Unilever.

Table 4.3.4: Every worker develops positive attitude to work in view of motivational tool such as reward for extra performance among staff in my workplace

Items	Frequency	Percentage (%)
Strongly Disagree	0	0
Disagree	10	4.0
Undecided	11	4.4
Agree	87	34.8
Strongly Agree	142	56.8
Total	250	100.0

Source: Field Survey 2022

Table 4.3.4 above presented the result of the frequency distribution in response to the statement every worker develops positive attitude to work in view of motivational tool such as rewards for extra performance among staff in my workplace. The table showed that majority of the respondents 56.8% strongly agreed, 34.8% agreed, 4.4% were undecided and 4.0% disagreed. Hence, majority strongly agreed that every worker develops a positive attitude to work in view of motivational tool such as reward for extra performance among staff in my workplace.

Table 4.3.5: One unique motivational strategy that encourages high job performance is leadership style

Items	Frequency	Percentage (%)
Strongly Disagree	9	3.6
Disagree	16	6.4
Undecided	27	10.8
Agree	101	40.4
Strongly Agree	97	38.8
Total	250	100.0

Source: Field Survey 2022

Table 4.3.5 above presented the result of the frequency distribution in response to the statement one unique motivational strategy that encourages high job performance is leadership style. The table showed that majority of the respondents 40.4% strongly agreed, 38.8% agreed, 10.8% were undecided, 6.4.0% disagreed and 3.6% strongly disagreed. Hence, majority agreed that one unique motivational strategy that encourages high job performance is leadership style.

4.4: Wages/salaries and target achievement of the employee in Unilever Nigeria Plc.

This section is intended to illustrate the relationship between wages/salaries and target achievement of the employees.

4.4.1: Wages and salaries are paid regularly, hence, all employees achieve their target in my workplace

Items	Frequency	Percentage (%)
Strongly Disagree	11	4.4
Disagree	0	0
Undecided	10	4.0
Agree	51	20.4
Strongly Agree	178	71.2
Total	250	100.0

Source: Field Survey 2022

Table 4.4.1 above presented the result of the frequency distribution in response to whether wages and salaries are paid regularly, hence, all employees achieve their

target in their workplace. The table showed that 71.2% strongly agreed, 20.4% agreed, 4.0% were undecided and 4.4% strongly disagreed that wages and salaries are paid regularly, hence, all employees achieve their target in my workplace. Hence, majority of the respondents strongly agreed that wages and salaries are paid regularly, hence, all employees achieve their target in my workplace.

4.4.2: Regular upward review of wages and salaries promotes ability of employees to meet target given to them in my workplace

Items	Frequency	Percentage (%)
Strongly Disagree	21	8.4
Disagree	0	0
Undecided	10	4.0
Agree	83	33.2
Strongly Agree	136	54.4
Total	250	100.0

Source: Field Survey 2022

Table 4.4.2 shows the response on if regular upward review of wages and salaries promotes ability of employees to meet target given to them in the workplace. The response reveals that 54.4% strongly agreed, 33.2% agreed, a few (4.0%) of the respondents were undecided and 8.4% strongly disagreed that regular upward review of wages and salaries promotes ability of employees to meet target given to them in my workplace. This implies that regular upward review of wages and salaries promotes ability of employees to meet target given to them in my workplace.

4.4.3: Timely payment of salaries and wages will always motivate workers to work harder for target achievement in Unilever

Items	Frequency	Percentage (%)
Strongly Disagree	21	8.4
Disagree	0	0
Undecided	20	8.0
Agree	115	46.0
Strongly Agree	94	37.6
Total	250	100.0

Source: Field Survey 2022

Table 4.4.3 presented the results of respondents on the statement timely payment of salaries and wages will always motivate workers to work harder for target achievement in Unilever. It was shown that 46.0% agreed, 37.6% strongly agreed, 8.0% were undecided and 8.4% strongly disagreed that timely payment of salaries and wages will always motivate workers to work harder for target achievement in Unilever. Hence, majority of the respondents agreed that timely payment of salaries and wages will always motivate workers to work harder for target achievement in Unilever.

4.4.4: In view of robust salaries and wages experienced by workers, many workers even surpass their target.

Items	Frequency	Percentage (%)
Strongly Disagree	21	8.4
Disagree	0	0
Undecided	10	4.0
Agree	121	48.4
Strongly Agree	98	39.2
Total	250	100.0

Source: Field Survey 2022

Table 4.4.4 presented the results of respondents on the statement in view of robust salaries and wages experienced by workers, many workers even surpass their target. It was indicated that 48.4% agreed, 39.2% strongly agreed, 4.0% were undecided and 8.4% strongly disagreed. Hence, from the response, it can be inferred that in view of

robust salaries and wages experienced by workers, many workers even surpass their target.

4.4.5: As long as wages and salaries of workers are increasing, no matter the target set, employees’ will always achieve it in my workplace.

Items	Frequency	Percentage (%)
Strongly Disagree	18	7.2
Disagree	12	4.8
Undecided	65	26.0
Agree	33	13.2
Strongly Agree	122	48.8
Total	250	100.0

Source: Field Survey 2022

Table 4.4.5 presented the results of respondents on the statement as long as wages and salaries of workers are increasing, no matter the target set, employees’ will always achieve it in my workplace. It was indicated that 48.8% strongly agreed, 13.2% agreed, 26.0% were undecided, 4.8% disagreed and 7.2% strongly disagreed. Hence, from the response, it can be inferred that as long as wages and salaries of workers are increasing, no matter the target set, employees’ will always achieve it in my workplace.

4.5: Relationship between allowances and work efficiency of employees’

This section is revealing the connection between allowances and work efficiency of employees’

4.5.1: All workers are entitled to allowances in my workplace, hence, efficiency of work done is guaranteed

Items	Frequency	Percentage (%)
Strongly Disagree	10	4.0
Disagree	11	4.4

Undecided	21	8.4
Agree	53	21.2
Strongly Agree	155	62.0
Total	250	100.0

Source: Field Survey 2022

Table 4.5.1 above presented the result of the frequency distribution in response to if all workers are entitled to allowances in my workplace, hence, efficiency of work done is guaranteed. The response indicated that 62.0% which constitute the majority of the respondents strongly agreed, 21.2% agreed, 8.4% were undecided, 4.4% disagreed and 4.0% strongly disagreed that all workers are entitled to allowances in my workplace, hence, efficiency of work done is guaranteed. Hence, majority strongly agreed that all workers are entitled to allowances in my workplace, hence, efficiency of work done is guaranteed.

Items	Frequency	Percentage (%)
Strongly Disagree	10	4.0
Disagree	21	8.4
Undecided	17	6.8
Agree	68	27.2
Strongly Agree	134	53.6
Total	250	100.0

4.5.2: Allowances are paid as at when due that encourages high job performance in Unilever

Source: Field Survey 2022

Table 4.4.2 presented the results of respondents on the statement allowances are paid as at when due that encourages high job performance in Unilever. It was shown that 53.6% strongly agreed, 27.2% agreed, 6.8% were undecided, 8.4% disagreed and 4.0% strongly disagreed that allowances are paid as at when due which encourages high job performance in Unilever. Hence, majority of the respondents agreed that allowances are paid as at when due which encourages high job performance in Unilever.

4.5.3: Sometimes, allowances paid to workers can sustain them for a long apart from salaries, hence, all workers are efficient in my workplace

Items	Frequency	Percentage (%)
Strongly Disagree	10	4.0
Disagree	11	4.4
Undecided	17	6.8
Agree	103	41.2
Strongly Agree	109	43.6
Total	250	100.0

Source: Field Survey 2022

Table 4.5.3 presented the results of respondents on the statement sometimes, allowances paid to workers can sustain them for a long apart from salaries, hence, all workers are efficient in my workplace. It revealed that 43.6% strongly agreed, 41.2% agreed, 6.8% were undecided, 4.4% disagreed and 4.0% strongly disagreed that sometimes, allowances paid to workers can sustain them for long apart from salaries, hence, all workers are efficient in my workplace. Hence, majority of the respondents strongly agreed that sometimes, allowances paid to workers can sustain them for long apart from salaries, hence, all workers are efficient in my workplace.

4.5.4: Allowances are received upward periodically which is a factor that ensures maximum productivity among staff

Items	Frequency	Percentage (%)
Strongly Disagree	10	4.0
Disagree	0	0
Undecided	10	4.0
Agree	93	37.2
Strongly Agree	137	54.8
Total	250	100.0

Source: Field Survey 2022

Table 4.5.4 presented the results of respondents on the statement allowances are received upward periodically which is a factor that ensures maximum productivity among staff. It revealed that 54.8% strongly agreed, 37.2% agreed, 4.0% were

undecided and 4.0% strongly disagreed that allowances are received upward periodically which is a factor that ensures maximum productivity among staff. Hence, majority of the respondents strongly agreed that allowances are received upward periodically which is a factor that ensures maximum productivity among staff.

4.5.5: Allowances are given in form of cash and other benefits are given to employees’ that necessitate high productivity among staff in my workplace

Items	Frequency	Percentage (%)
Strongly Disagree	52	20.8
Disagree	0	0
Undecided	27	10.8
Agree	80	32.0
Strongly Agree	91	36.4
Total	250	100.0

Source: Field Survey 2022

Table 4.5.5 presented the results of respondents on the statement allowances are given in form of cash and other benefits are given to employees’ that necessitate high productivity among staff in my workplace. It revealed that 36.4% strongly agreed, 32.0% agreed, 10.8% were undecided and 20.8% strongly disagreed that allowances are given in form of cash and other benefits are given to employees’ that necessitate high productivity among staff in my workplace. Hence, majority of the respondents strongly agreed that allowances are given in form of cash and other benefits are given to employees’ that necessitate high productivity among staff in my workplace.

4.6 HYPOTHESES TESTING

Table 4.6.1: Hypothesis One:

Ho¹: Bonuses have no significant relationship with motivation of employees’ attitude to work in Unilever Nigeria Plc.

Correlations

		Bonuses	motivation of employees
Spearman’s rho	Correlation coefficient	1.000	.545
	Sig (2-tailed)		.408
	N	250	250

	motivation of employees	Correlation coefficient	1.000	.545
		Sig (2-tailed)	.408	1.000
		N	250	250

Source: Field Survey 2022

The result above indicated that there is a moderate positive correlation between bonuses and motivation of employees had a correlation coefficient “r” of 0.545. Also, the significant value (sig 2- tailed) “0.408” is higher than the p-value (p-value = 0.05). This implies that the moderate relationship observed between the two variables is not significant. Hence, the null hypothesis is accepted while the alternative hypothesis is rejected. That is, bonuses have no significant relationship with motivation of employees’ attitude to work in Unilever Nigeria Plc.

4.6.2: Hypothesis Two

Ho²: There is no significant relationship between wages and salaries and target achievement of the employee in Unilever Nigeria Plc

Correlations

			Wages and Salaries	Target achievement
Spearman’s rho	Wages and Salaries	Correlation coefficient	1.000	.727
		Sig (2-tailed)		.198
		N	250	250
	Target achievement	Correlation coefficient	.727	1.000
		Sig (2-tailed)	.198	
		N	250	250

Source: Field Survey 2022

The result above indicated that there is a strong positive association between Wages and Salaries and Target achievement. Having had a correlation coefficient “r” of 0.727, the association between Wages and Salaries and Target achievement is strong. However, the significant value (sig 2- tailed) “0.198” is higher than the p-value (p-value = 0.05) which indicated that the strong relationship observed between the two

variables is not significant. Hence, the null hypothesis is accepted and the alternative hypothesis is rejected. This means, there is no significant relationship between wages and salaries and target achievement of the employee in Unilever Nigeria Plc.

4.6.3: Hypothesis three:

Ho³: There is no significant relationship between allowances and work efficiency of the employee in Unilever Nigeria Plc.

Correlations

			Allowances	Work efficiency
Spearman's rho	Allowances	Correlation coefficient	1.000	.575
		Sig (2-tailed)		.071
		N	250	250
	Work efficiency	Correlation coefficient	.575	1.000
		Sig (2-tailed)	.071	
		N	250	250

Source: Field Survey 2022

The result above indicated that there is a moderate positive correlation between allowances and work efficiency. With a correlation coefficient “r” of 0.575, there is an indication that there is a moderate positive correlation between allowances and work efficiency. Also, with a significant value (sig 2- tailed) of 0.071 which is higher than the p-value (p-value = 0.05), it indicates that the variables of consideration were not significant. Hence, the null hypothesis is accepted while the alternate hypothesis is rejected. This means there is no significant relationship between allowances and work efficiency of the employee in Unilever Nigeria Plc.

DISCUSSION OF THE FINDINGS

In this section, the findings from the survey analysis of the Topic **“THE INFLUENCE OF COMPENSATION MANAGEMENT ON EMPLOYEE’S**

WORK PERFORMANCE: A STUDY OF UNILEVER NIGERIA PLC” was discussed.

The general objective of this research was to examine the relationship between compensation management on employee’s work performance: a study of Unilever Nigeria PLC. The specific objectives are to: ascertain the relationship of bonuses with the motivation of employees’ in Unilever Nigeria Plc, investigate the relationship between wages and salaries and target achievement of the employee in Unilever Nigeria Plc, and examine the relationship between allowances and work efficiency of the employee in Unilever Nigeria Plc.

A descriptive survey design was adopted to get information from selected respondents through a structured questionnaire while examining the relationship between compensation management and employee’s work performance: a study of Unilever Nigeria PLC. The data used for the study were collected from 255 respondents while 250 were found valid and therefore were used for analysis. Descriptive statistics and correlation analysis was conducted and the findings from the study are presented as follows.

The relationship of bonuses with the motivation of employees’ in Unilever Nigeria Plc was investigated. The findings showed that bonuses have no significant effect on the motivation of employees’ in Unilever Nigeria. The relationship between the two variables is moderate and insignificant. It implies that bonuses offered to employees are not an influencer of motivation. This finding does not tally with the findings of Okwudili (2015) in a research conducted on the effect of non-monetary rewards on productivity of employees among selected government parastatals which revealed that higher productivity and efficiency of employees in government parastatals is possible with effective exploitation of human resources through non-monetary rewards.

The relationship between wages and salaries and target achievement of the employee in Unilever Nigeria Plc was also investigated by the researcher. Findings showed that there is a positive and strong relationship between wages and salaries and target achievement of the employee. This implies that an increase in wage and salary would cause an increase in target achievement. Although not to a significant level. The finding is similar to the findings of Lauri, Morgan, Dave, and Michael (2014) which revealed that salary in a negative relationship to both job and life satisfaction. This finding does not corroborate the findings of Mw Christopher and Bulah (2016) which

revealed that there is a positive significant relationship between total compensation and employee performance at Mayfair Insurance Company Limited.

Additionally, the researchers analyzed the correlation between allowances and work efficiency of the employee. Ultimately, a moderate positive correlation was observed between allowances and work efficiency of the employee. Dissimilarly, the study by Onuorah, Okeke, and Ikechukwu (2019) revealed that compensation management has a significant effect on employee performance in Nigeria organization. Also, the study by Obasan (2012) revealed that compensation strategy has the potential beneficial effects of enhancing workers' productivity and by extension improving the overall organizational performance.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

Preamble

This chapter includes a study summary, conclusions, and recommendations based on the study findings' implications. The chapter begins with a summary of the study, with a focus on the problem statement, objectives, findings, and general implications of the study; concurrently, the second part articulates conclusions, and the third part deals with research and practitioner recommendations.

5.1 Summary

The general objective of the study was to determine the effects of compensation management on Employees' Performance (A Study of Unilever Nigeria Limited). The specific objectives are as follows:

1. To assess the relationship of bonuses on motivation of employees' attitude to work in Unilever Nigeria Plc.
2. To verify the relationship between wages/salaries and target achievement of the employee in Unilever Nigeria Plc.
3. To investigate the relationship between allowances and work efficiency of the employees in Unilever Nigeria Plc.

The study used a descriptive survey that aims at assessing the effect of compensation management on employees' performance 250 of Unilever Nigeria pc. The study based its findings on a review of the extensive literature on the concepts under consideration which are expectancy theory, reinforcement theory, equity theory, and agency theory. The study was at Unilever Nigeria plc, questionnaires were self-administered to the respondents, and data collected were analysed using the SPSS version 23. The findings from the study are presented as follows:

The effect of bonuses on the motivation of employees' in Unilever Nigeria Plc was investigated. The findings showed that bonuses have no significant effect on the motivation of employees' in Unilever Nigeria. The relationship between the two variables is moderate and insignificant. It implies that bonuses offered to employees are not an influencer of motivation. This finding does not tally with the findings of Okwudili (2015) in research on the effect of non-monetary rewards on productivity of employees among selected government parastatals which revealed that higher

productivity and efficiency of employees in government parastatals is possible with the effective exploitation of human resources through non-monetary rewards.

The relationship between wages and salaries and target achievement of the employee in Unilever Nigeria Plc was also investigated by the researcher. Findings showed that there is a positive and strong relationship between wages and salaries and target achievement of the employee. This implies that an increase in wage and salary would cause an increase in target achievement. Although not to a significant level. The finding is similar to the findings of Lauri, Morgan, Dave, and Michael (2014) which revealed that salary in a negative relationship to both job and life satisfaction. This finding does not corroborate the findings of Mw Christopher and Bulah (2016) which revealed that there is a positive significant relationship between total compensation and employee performance at Mayfair Insurance Company Limited.

Additionally, the researchers analyzed the correlation between allowances and work efficiency of the employee. Ultimately, a moderate positive correlation was observed between allowances and work efficiency of the employee. Dissimilarly, the study by Onuorah, Okeke and Ikechukwu (2019) revealed that compensation management has a significant effect on employee performance in Nigeria organization. Also, the study by Obasan (2012) revealed that compensation strategy has the potential beneficial effects of enhancing workers' productivity and by extension improving the overall organizational performance.

The findings of the study are as presented in the last chapter and the summary of the finding is presented thus;

1. Bonuses have no significant relationship with motivation of employees' attitude to work in Unilever Nigeria Plc ($r= 0.545$, $p= 0.408$)
2. There is no significant relationship between wages and salaries and target achievement of the employee in Unilever Nigeria Plc ($r= 0.727$, $p= 0.198$)
3. There is no significant relationship between allowances and work efficiency of the employee in Unilever Nigeria Plc ($r= 0.575$, $p= 0.071$)

Conclusion

The findings of this study established a link between total compensation and its management and employee performance. Employees frequently do not have a complete picture of their compensation entitlement, which could be due to their

employer's failure to provide them with relevant policy manuals to read and educate themselves, or to their lack of interest in reading those manuals when they are provided for them. In general, the case study results demonstrated the certainty effect of compensation management on employee performance. According to the findings of the study, pay management has a vital impact on organizational productivity. The rationale for this is that it enhances employee morale, motivation, and contentment for the firm or organization for which he or she works, albeit not much, but it affects employee performance. Although some employees view compensation as a routine part of any company's operations, employers and organizational management should always be prepared to implement measurable strategies to improve compensation management. As a result, employee performance improves in response to increased organizational overall productivity. An effective performance management system, which is lacking in many organizations, including UNILEVER NIGERIA PLC, goes a long way toward ensuring equity in the distribution of compensation packages as well as the actual evaluation of the entire compensation system for its review to keep up with the situation on the job floor and thus achieve the desired outcome. This study lays the groundwork for future research on the relationship between compensation systems, performance management, and employee productivity. It could also serve as the foundation for comparing data from similar institutions on the issue.

POLICY RECOMMENDATIONS

Based on the findings of the investigation, the following suggestions could be considered to address the concerns indicated by the study.

Understanding of compensation packages

The study discovered that, even though there were numerous compensation packages available, employees were unaware of them because no channels were offered to educate them on such packages. It is consequently recommended that the institution's management provide a copy of the pay manual to each new employee and address the items in it during orientation.

There is no system in place to evaluate staff performance.

The investigation indicated a lack of a performance management system in the hospital, resulting in a shortfall in performance administration. As a result, management should prioritize the deployment of a performance management system to track employee productivity and utilize it as a tool to award incentive packages to employees. This, according to the researcher, will assure impartiality.

Compensation packages are not properly classified.

The investigation discovered that there was no clear categorization of pay packages and that employees were unaware of how they were managed. It is therefore advised that management create a document that clearly outlines the categorization of compensation packages and associated administrative procedures, and that copies of this material be made available to the whole employee population to soothe their concerns in this respect.

Negligence to specific compensation packages

The study shows that some compensation packages had been ignored, and the researcher recommends that a review of all compensation packages be instituted and undertaken regularly to ensure that all packages are given equal focus and developed to keep up with the current economic conditions.

Regarding Benefits and Employee Productivity

In light of the findings, the researcher would advise management to take the initiative in determining which benefits function well and why. This could be accomplished by fostering an environment that encourages knowledge sharing and brainstorming. Different points of view would then be assessed and applied as needed. This could help the firm save money on unneeded benefits while also increasing productivity.

5.4 Contributions to the knowledge

Based on the findings above, the following knowledge has been contributed to this research work:

Not only increase in wages and salaries affect the level of employee's performance in the organization but also included bonuses and non-financial compensation affect the level of employees' performance.

Bonuses on motivation of employees' on attitude to work is a major requirement for the productivity level of the employees of the organization.

Allowances do not always increase employee productivity, but they do boost employee job efficiency when paid consistently.

5.5 Suggestions for Further Research

Because of the large number of middle-aged people in the organization and their level of productivity the organization the expert would also urge that further research be conducted on what motivates middle-aged people to give their all and the projected length of stay.