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Information Technology and Salary Padding in Nigeria Public Sectors

¹ Osaloni Bankole O, ² Akpan James U, ³ Adeshina Iyanuoluwa O

^{1,2} Department of Accounting, Afe Babalola University, Ado-Ekiti, Ekiti State, Nigeria

³ Department of Conflict, Peace and Strategic Studies Afe Babalola University, Ado-Ekiti, Ekiti State, Nigeria

Corresponding Author: **Osaloni Bankole O**

Abstract

Information technology has had a significant impact on the performance and operations of both private and public sectors. With rapid advancements and increasing complexity, there is a growing need for more efficient methods of carrying out tasks. However, governments face numerous challenges including budget cuts and limited resources that can hinder their ability to provide quality services. This highlights the importance of adopting innovative technologies to streamline processes, reduce costs, and enhance service delivery to meet the evolving needs of citizens. This study aimed to investigate the relationship between information technology (IT) and salary padding in public sectors in Nigeria, with a focus on Ekiti State. The research methodology used was a survey research

design, which utilized a well-structured questionnaire to gather information from managers, auditors, chartered accountants, directors of finance and accounting (DFA), directors of admin and supply (DAS), and parastatal in Ekiti state, Nigeria. 180 respondents were selected using purposive sampling techniques and their responses were analyzed through descriptive statistics and OLS regression. The results showed that IT has a positive and significant effect on salary padding. The study concluded that salary padding can be reduced by implementing salary automation through the use of IT. It was recommended that the government should improve its use of IT to increase transparency and accountability in the salary processing system and prevent salary padding in Nigeria's public sector.

Keywords: Salary Automation, Automation Verification, Automation Validation, Salary Padding, Information Technology

JEL Code: C8, C88, O31, D73, O39

1. Introduction

Globally, salary padding is a common practice in many countries around the world, including Nigeria. It refers to the act of adding false or unnecessary items to an employee's salary, resulting in higher pay than what they are entitled to receive. This unethical practice undermines trust in government institutions and erodes public confidence in the government's ability to manage public resources effectively. According to Transparency International (2020) ^[44], Nigeria is one of the most corrupt countries in the world, with salary padding being just one manifestation of the larger problem of corruption in its public sector. The consequences of salary padding are severe, leading to financial losses for the government, reduced quality of public services, and increased poverty rates among citizens. Addressing this issue requires efforts from the government, civil society, and the private sector to promote accountability, transparency, and good governance, as noted by (Matallah, 2022; Dike, 2019) ^[29, 14].

However, Salary padding, also known as ghost workers' phenomenal syndrome, is a pervasive problem in the public sector where employees receive salaries for work they did not perform. This fraudulent activity has significant consequences on government budgets and inhibits the delivery of essential services to citizens. According to Matallah (2022) ^[29], the practice of salary padding distorts accurate personnel data and leads to over-expenditure of public funds. Similarly, Atakpa *et al.* (2020) ^[9], noted that salary padding contributes to the inefficiency of the public service system and impedes the government's efforts to provide adequate welfare for its workforce. Furthermore, Àkànle *et al.* (2021) ^[3], argued that salary padding fuels corruption, reduces accountability and transparency, and creates an avenue for the embezzlement of public funds. The negative effects of salary padding are not limited to financial implications alone. According to Bonini and Matias (2021) ^[10], it creates a culture of laziness among employees who have no incentive to work since they receive undeserved salaries. It also limits the chances of

qualified individuals from finding employment in the public sector (Adejumo, 2018)^[1]. The miners of salary padding are further compounded by weak internal control systems, which makes it difficult to detect and prevent the practice. Salary padding in the public sector has been an area of concern for several decades. A study by Canice *et al.*(2022) found that salary padding was common among Nigerian civil servants. Similarly, Umoh *et al.* (2023)^[47] found that salary padding was a significant problem in the Nigerian public sector. One of the reasons why salary padding is prevalent in the public sector is because of the lack of transparency and accountability. According to Emmanson and Ajayi (2021)^[17], the absence of clear guidelines on how salaries are determined makes it easier for officials to improperly increase their salaries. Another factor contributing to salary padding is corruption. A study by Nwofia (2017)^[35], found that many cases of salary padding were linked to corrupt practices such as nepotism and favouritism. While some efforts have been made to address the issue of salary padding, more needs to be done. In a review of anti-corruption measures in Nigeria, Uchenu (2022)^[46] noted that existing policies lacked teeth and were not being effectively enforced. In this regard, the phenomenon of salary padding remains a significant problem in the public sector, with negative consequences such as reduced efficiency and effectiveness. Addressing this issue will require concerted efforts from stakeholders, including policymakers, civil society, and citizens. However, based on the phenomenon of salary padding in the public sector in the world, this had made various scholars study the area related to issues of the implementation of effective internal control, anti-corruption policies, and measures that promote transparency and accountability in the Nigerian public sector. While it has been established that salary padding is a common problem linked to corruption and a lack of clear guidelines on how salaries are determined, the existing policies have proven inadequate in addressing the issue. Therefore, there is a need for more robust and enforceable policies and measures that will deter corrupt practices such as nepotism and favouritism and ensure that salaries are determined fairly and transparently. Additionally, the objective of this study varies from past studies, as this intends to investigate the effect of information technology (IT) on salary padding in public sectors in Nigeria, using Salary Automation Verification, Salary Automation Validation, and Salary Biometrics as the predictor variables of ITsub-component that can accomplish the tasks of reducing the issues of salary padding, with special focus on the 3 states out of 6 western states in Nigeria. The public workers of the states shall be engaged as compared to other studies. The remainder of the research is structured as follows: Review of extant literature highlighting several concepts about information technology, Salary Automation Verification, Salary Automation Validation, Salary Biometrics and appropriate theoretical considerations, methodology of the study, data analysis, and discussion of results and conclusion.

2. Literature Review and Hypothesis Development

2.1 Conceptual Review

2.1.1 Information technology

Osaloni *et al.* (2022)^[38], conceptualized Information technology as a set of tools and techniques used to store, retrieve, process, and communicate information. These tools

include hardware, software, and networks intranet. Information technology is concerned with the purpose of collecting, processing, storing, and transmitting relevant information to support the management operation in an organization (Thöni & Tjoa, 2017)^[43]. Information technology is the application of computers and telecommunications equipment to process, store, retrieve, and transmit data (Gunasekaran *et al.*, 2017)^[20]. Information Technology for Management: Digital Strategies for Insight, Action, and Sustainable Performance,(Osaloni *et al.*, 2022)^[38]. Information technology refers to any computer-based tool that people use to work with information and support the information-processing needs of an organization (Akhori *et al.*, 2023)^[4].

One way that information technology can reduce salary padding is by implementing a robust payroll management system that integrates with other human resources (HR) systems. According to Okunogbe and Santoro (2022)^[36], payroll software can automate and streamline payroll processing, reducing errors and saving time and money. The software can also provide detailed reports on employee compensation and benefits, helping companies comply with legal and regulatory requirements and make informed decisions about employee compensation and retention. Additionally, biometric authentication such as fingerprint scanning or facial recognition can ensure that only genuine employees are logging in and collecting their paychecks. Regular checks and balances and conducting regular reviews of employee data can ensure that all employees exist and are indeed working in the public sector. By using machine learning algorithms, public sectors can detect patterns in payroll data that may indicate fraud Zhang *et al.*, (2022)^[50]. With these measures and IT solutions, the public sector can significantly reduce the risk of salary padding and increase transparency in their financial reporting.

2.1.2 Salary Padding (SP)

Salary padding refers to the practice of increasing an employee's reported salary beyond their actual earnings to inflate their perceived status or to justify higher compensation levels (Strah *et al.*, 2022)^[41]. Salary padding can also refer to the act of adding extra or unnecessary expenses to a project budget to increase the overall cost and justify a larger budget allocation. In some cases, salary padding may refer to the act of intentionally overestimating the amount of time or effort required to complete a task or project, to justify charging more for the work performed (Alrasheedi *et al.*, 2023)^[6].

Various researchers, including economists and network architectures, have concluded that salary padding is a technical problem that exists within the public sector which had brought untold hardship to the government Olaniyan *et al.*, (2021)^[37]. Salary padding is a practice where employers add unnecessary amounts to an employee's salary to increase their profits. This is a form of fraud that harms both the employees and the public sector (Elghanayan, 2013)^[16]. Salary padding is often used as a way to retain key employees or to attract new ones, but it can also be used to hide embezzlement or other financial improprieties. Also, Salary padding can have serious consequences for the public sector, including lost revenue, decreased productivity, and damage to the public sector's reputation (Meng *et al.*, 2022)^[31].

2.1.3 Salary Automation (SA)

Salary Automation (SA) is defined as the process of automatically calculating and distributing employee salaries without manual intervention. Also, It involves the use of software and systems to streamline the entire payroll process, from collecting employee hours worked and deductions to generating paychecks or direct deposits (Wanner *et al.*, 2019)^[48]. Similarly, Salary automation is the process of simplifying and streamlining payroll tasks by automating tasks that are typically performed manually. This can include everything from calculating overtime pay to automatically generating tax forms (Lacurezeanu *et al.*, 2020)^[27]. Likewise, Salary automation is the process of using technology to automate the entire payroll process, including collecting data on hours worked and other payroll information, calculating gross pay, and deducting taxes and other withholdings. This can help to reduce errors and save time, making payroll more efficient and accurate (Trautmann & Lasch, 2020)^[45].

Remarkably, one of the biggest benefits of salary automation is that it can significantly reduce errors in the payroll process in public sectors. By automating tasks such as data entry and calculations, it becomes much more difficult for employees to intentionally inflate their salaries through salary padding. Automated systems can also flag any unusual or suspicious entries, making it easier for both accounting and audit departments to identify and investigate potential instances of salary padding (Wanner *et al.*, 2019)^[48]. Automated payroll systems provide greater transparency in the payroll process, making it easier to track and monitor employee salaries. This increased transparency can help to prevent salary padding by making it more difficult for employees to manipulate their pay without detection (Trautmann & Lasch, 2020)^[45]. Salary automation can also enhance the security of the payroll process. Automated systems can provide greater control over access to payroll information, making it more difficult for employees to manipulate their own pay or access sensitive information about other employees (Cooper *et al.*, 2019)^[12]. Additionally, automated systems can help to prevent unauthorized changes to the payroll data by implementing strict access controls and audit trails. Salary automation can help to reduce the risk of salary padding by increasing accuracy, enhancing transparency, and improving security in the payroll process of public sectors in Nigeria.

2.1.4 Automation Verification (AV)

Automation verification is conceptualized as the process of verifying that automated systems, such as software programs or robotic processes, are functioning as intended and producing accurate results (Xia *et al.* 2021)^[49]. This typically involves testing the system against a predefined set of criteria to ensure that it is operating correctly (Moffitt *et al.* 2018)^[33]. In addition, Automation verification is the process of ensuring that automated tasks are carried out correctly and consistently (Agnisarman *et al.* 2019)^[2]. However, this involves verifying that the inputs to the automated process are correct, that the process itself is working as expected, and that the outputs of the process are accurate. According to Javaid *et al.* (2021)^[22], Automation verification is the process of testing and validating automated systems to ensure that they are functioning as intended and meeting the specified requirements. This involves testing the system at various stages of development

and implementation to identify and address any issues or defects that may arise.

However, Automation verification will help to ensure that the automated systems used for payroll processing are producing accurate results. By validating the accuracy of the automated systems, it becomes more difficult for employees to manipulate or pad their salaries without detection in the public sector in Nigeria. Verification tests can also detect errors or discrepancies that may indicate instances of salary padding, helping to prevent such practices from going unnoticed. Likewise, Automation verification can also improve the transparency of the payroll process. By verifying the accuracy and consistency of the automated systems used for payroll processing, it becomes easier to identify any suspicious activity or discrepancies in payroll data. This increased transparency can help to deter employees from engaging in salary padding, as they know that their activities are being closely monitored and scrutinized.

2.1.5 Automation Validation (AV)

Automation validation is defined as the process of ensuring that automated systems, such as software programs or robotic processes, meet the intended requirements and operate as expected. This involves testing the system against a set of predefined criteria to verify that it performs the intended functions correctly (Farrell *et al.*, 2022)^[18]. Also, automation validation is the process of confirming that an automated system is fit for its intended purpose and meets the requirements of its users. This involves validating that the system has been built correctly, that it performs as expected, and that it is reliable and maintainable. Ashmore *et al.* (2021)^[7], conceptualized Automation validation as the process of verifying that an automated system is functioning as intended and meeting the specified requirements. Additionally, testing the system at various stages of development and implementation to ensure that it is delivering the desired results will help the public sector. the importance of ensuring that automated systems are performing as intended and meeting the specified requirements (Krueger *et al.*, 2019)^[26]. Automation validation involves testing and verifying the system at various stages to ensure that it is reliable, accurate, and fit for its intended purpose.

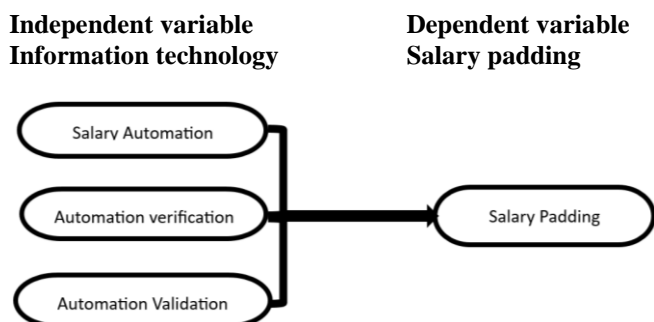
Furthermore, Automation validation can help to ensure that salary calculations and processing are accurate and consistent. This means that employees are paid based on their actual salaries and that there is little room for human error or manipulation. By validating the accuracy of the automated system, it becomes more difficult for employees to engage in salary padding practices without detection. Therefore, Farrell *et al.* (2022)^[18] noted that automation validation can also improve transparency and accountability of the salary processing system. By validating the automated system, it becomes easier to monitor and track payroll data, making it more difficult for employees to engage in fraudulent activities such as salary padding. The increased transparency also makes it easier to identify and investigate any suspicious payroll activities, ensuring that employees are held accountable for their actions.

Conceptual Framework

This study's conceptual framework was purposed to establish the link between the dependent variable and the

independent variable. Salary padding is the dependent variable. The independent variable is information technology (IT), proxied by Salary automation (SA), Automation verification (AV), and Automation validation (AV).

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The conceptual framework shows the interaction between salary automation, Automation verification, Automation validation, and salary padding.

2.2 Theoretical Review

This study is anchored on the Agency Theory, which was propounded by Stephen Ross and Barry Mitnick (1976), before Jensen & Meckling, (1970) published the theory. However, Ross and Mitnick focused on the principal-agent problem, which is at the heart of agency theory. The Agency Theory suggests that there is a fundamental conflict of interest between the principal (e.g., the government or taxpayers) and the agent (e.g., public officials or civil servants) in any organization. The theory posits that the agent may prioritize their interests, such as maximizing their salaries or bonuses, over the interests of the principal. Although, In the context of salary padding in the public sector, the Agency Theory suggests that public officials may engage in salary padding practices to increase their salaries, at the expense of the government or taxpayers (John Rotanna, 2023) [24]. This may be motivated by a desire to maximize their gain or to compensate for perceived injustices, such as low salaries or inadequate benefits.

Information technology can play a critical role in addressing the conflict of interest between the principal and agent in the public sector. For example, automated payroll systems can help to increase transparency and accountability, reduce the potential for human error, and minimize opportunities for salary padding (Kim & Donaldson, 2018) [25]. By leveraging technology to improve the accuracy and reliability of salary processing, the government can ensure that public officials are paid based on their actual salaries and that the interests of the principal are prioritized over the interests of individual agents.

Matinheikki *et al.*, (2022) [30] criticise the application of the Agency Theory that it may be difficult to apply in practice, as it requires a comprehensive understanding of the incentives and motivations of public officials. This can be particularly challenging in developing countries such as Nigeria, where corruption and political interference may be widespread. Remarkably, the Agency Theory provides a useful framework for understanding the dynamics of salary padding in the public sector, and also, the insights into the

underlying causes of salary padding in the public sector, and highlights the importance of leveraging information technology to promote transparency and accountability in salary processing.

2.3 Empirical Review

Various academic researchers have been engaging in different studies on information technology and salary padding across the globe. Few among many include the work of Ha (2022) [21], which examined the digital business and digital public services drivers for better energy security Evidence from a European sample. The study covers a database of 24 European Union countries from 2011 to 2019. The study uses modern digital technology such as big data, and cloud computing to ensure the security of the energy system, especially the availability of energy. The study reveals that the nonlinear association between digitalization in the public sector and energy intensity and energy consumption is significant, and the acceptability and developability of energy security can be enhanced if the digital transformation process achieves a certain level. This supports the study of Thanh and others (2022) [42], and Parmentola *et al.* (2022) [40], who found that Intelligent information technology (IIT) based on AI and intelligent network communication technology is rapidly changing the social structure and personal lives with significant effects on performance expectancy.

Dana *et al.* (2022) [13], X-rayed the urban entrepreneurship and sustainable businesses in smart cities: Exploring the role of digital technologies. The study aims to investigate the effects of urban entrepreneurship on sustainable businesses in smart cities considering the role of digital technologies. The statistical population of this study is all active technology-based firms located in Tehran in 2022. And according to Cochran's formula, 315 firms were selected randomly as the sample. The study shows that urban entrepreneurship that uses technology significantly benefits from digital technologies considering the new needs of cities and achieving business sustainability in smart cities and developing both quantitative and qualitative in the public sector. Also, this correlated with the study of Park *et al.*, (2022) [39].

The study of Moscow, Russia research by Egorova *et al.* (2022) [15], investigates the impact of ESG factors on the performance of information technology (IT) companies. Shown that IT companies are not leaders in this area and ranked lower than most other industries. It also shows that IT companies have weak E-component with insignificant effects. This also confirms the findings of Pekanbaru City researcher Freddy *et al.* (2022) [19], That examined the effectiveness of transformation of public services based on Smart-Government has negative effects that are not significant.

Lutfi *et al.* (2022) [28], Studied the Business Sustainability of Small and Medium Enterprises during the COVID-19 Pandemic: The Role of accounting information System AIS Implementation. Study outcomes showed qualified support of significant positive on external pressure, compatibility, financial support, top management support (TMS), and external assistance significantly impacted accounting information system AIS implementation, which subsequently catalyzed sustainable business performance. The findings of this study justify the results of the survey by Ning *et al.* (2023) [34], and Umoh *et al.* (2023) [47] with a

focus on the Effect of Budget Padding on Nigeria's Economy. The specific objectives were to; evaluate the socioeconomic implications of budget padding. And found that it negatively impacts the implementation of strategic government projects and programs perturbing as it affects known economic indices significantly negative.

3. Methodology

The qualitative research design was used for the study because it aligns with the research question being asked and allows the study to draw more objective conclusions based on empirical evidence to obtain information from the prospective respondent by using a well-structured questionnaire to administered to managers, auditors, chartered accountants, directors of finance and accounting (DFA), directors of admin and supply (DAS), and parastatal in Ekiti state, Nigeria. The study used purposive sampling techniques to select 180 respondents which is the sample size. Questions raised in the questionnaire were streamlined to get reliable and validly measurable data, with a 5-point Likert scale method continuum of 1 to 5 with the following options: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), and Strongly Disagree (SD). The questionnaires were analyzed with descriptive and inferential statistics. This study's conceptual framework was purposed to establish the link between the independent variable and the dependent variable. The independent variable is Information Technology IT (IT), proxied by Salary automation (SA), Automation Verification (AV), and Automation Validation (AV). Salary padding in public sectors (SP) is the dependent variable. The reliability and validity of the research instrument were tested using the Cronbach Alpha reliability test. Data collected was analyzed using descriptive statistics and regression.

3.1 Reliability Test

Cronbach Alpha test was carried out to determine the reliability of the instrument the result showed that Cronbach Alpha for Salary automation, Automation Verification, Automation Validation, and Salary padding were respectively 91.4%, 91.3%, 91.4%, and 91.3%. A careful evaluation of this result showed that each of the items represents the variables employed model as all were above 70%. In general, the entire items have a Cronbach Alpha value of 89.6% which all meet the threshold requirement of 0.7 therefore the research instrument is reliable based on the above result.

Table 1: Reliability Test Items

	Variables	Model
	Cronbach's Alpha	Cronbach's Alpha
Salary Automation (SA)	91.4%	
Automation Validation (AV)	91.3%	
Automatiion Verification(AV)	91.4%	
Salary Padding (SP)	91.3%	
	89.6%	

Source: Research's Computation, (2023)

3.2 Model Specification

The model for the study was developed in line with the research work done in Yogyakarta, Indonesia by Ashsifa and Ali (2019) [8], On the effect of information technology investment governance on information technology

performance and organizational performance: A case study. However, this study deviated by modifying Information Technology Performance as salary automation, IT Investment Governance as automation validation and Organizational Performance as automation verification. Thus, below is the study model:

$$SP_t = \beta_0 + \beta_1 SA_t + \beta_2 AV_t + \beta_3 AV_t + \epsilon_t \tag{1}$$

Where

SP = Salary Padding

SA = Salary Automation

AV = Automation Verification

AV = Automation Validation

t = Period of the survey

β_0 = Parametetr to be estimated (the rate of increase in the dependent variable as a result of an increase in the independent variable by one unit, when independents are held constant).

$\beta_1, \beta_2, \beta_3,$ = Coefficient of slope or gradient of the independent variables.

ϵ = Error term

A-Priori expectation $\beta_1 > 0; \beta_2 > 0, \beta_3 > 0$

4. Data Analysis and Discussion of Findings

Table 2 below presents the descriptive statistics for the study to determine the degree to which the distribution of sample data corresponds to the normal distribution and to access the series characteristics of the variable. Salary padding had a mean value of 4.1488 with a standard deviation of 0.43697, this shows that Salary padding deviated from the mean is very low and positively skewed with a value of 0.093 while its kurtosis value of 0.523 showed that the variable is normally distributed. Salary Automation had an average value of 4.1750 while the standard deviation was 0.45475 which revealed that the deviation is low. Its skewness of -0.330 implied that the variable is negatively skewed with kurtosis values of 0.142.

However, the mean value of Automation Verification was 4.1343, and its standard deviation was 0.40770. This indicates a low deviation rate from the mean value. Additionally, the skewness of 0.327 suggests that Automation Verification has a positively skewed distribution, while the kurtosis of 0.108 implies that it has a leptokurtic distribution (i.e., a distribution with a more concentrated peak and heavier tails than a normal distribution). Similarly, Automation Validation had an average value of 4.2232, with a standard deviation of 0.42649, indicating a low variability from its mean value. It also has a positively skewed distribution, with a recorded value of 0.325. However, its kurtosis value of -0.561 suggests that it has a leptokurtic distribution because its value is below 3.

Table 2: Descriptive Statistics

Variable	SP	SA	AV	AV
Mean	4.1488	4.1750	4.1343	4.42232
Maximum	5.0000	5.0000	5.0000	5.0000
Minimum	2.67	3.14	3.30	3.17
Std. Dev	0.43697	0.45475	0.40770	0.42659
Skewness	0.093	-0.330	0.327	0.325
Kurtosis	0.093	-0.330	0.327	0.325
Observations	289	289	289	289

Source: Research's Computation, (2023)

4.2 Test of Variable

4.2.1 Normality Test

The relationship between the dependent variable (Salary padding) and the independent variable (salary automation, Automation Verification, and Automation Validation) was examined and resulted to be linear. This was revealed by the variance of the residuals which is homogenous across levels of the predicted values as shown by the Normal P-P plot of the standard residual plot in Figure 2.

4.2.2 Linearity Test

Table 3 below the correlation between salary padding and salary automation is positive, with a correlation coefficient of 0.536. This implied that an increase in information technology usage of salary automation will reduce salary padding in the public sector in Nigeria. The correlation between automation verification and salary padding is positive and significant with a coefficient of 0.644 and a p-value of 0.000, which shows that an increase in automation verification application of information technology usage will also reduce salary padding in Nigeria's public sector. Automation validation has a significant positive correlation of 0.695 and a p-value of 0.000 on salary padding in Nigeria. This revealed that an increase in automation validation of information technology usage will reduce salary padding in Nigeria's public sector by 69.5%.

Table 3: Correlation Analysis of Study Variables

	SP	SA	AV	AV
SP	1.0000			
SA	0.536** (0.000)	1.0000		
AV	0.644** (0.000)	0.608**	1.000	
AV	0.695** (0.000)	0.413**	0.621*	1.0000

Source: Research's Computation, (2023)

4.2.3 Multicollinearity Test of Variables

Table 4 presents the results of the multicollinearity test conducted on the variables. The statistics indicate that there is no presence of multicollinearity within the model, as the Tolerance level values for Salary Automation, Automation Verification, and Automation Validation are 0.629, 0.465, and 0.612, respectively. Additionally, the Variance Inflation factor (VIF) values for these variables are 1.590, 2.149, and 1.634, respectively, which fall within the acceptable range of being less than 10 and greater than 0. Therefore, it can be concluded that there is no multicollinearity present. Moreover, the Durbin Watson test was conducted for autocorrelation, and the results fell within the acceptable range of 1.5-2.5 for the models.

Table 4.1: Tolerance and VIF Value

Variable	Tolerance	VIF	VIF
SP	0.629	1.590	0.629
AV	0.465	2.149	0.465
AV	0.612	1.634	0.612
Mean VIF		1.791	

Source: Researcher's Computation, (2023)

Table 4.2: Post Estimation Test Results

Durbin Watson		
Null hypothesis		Probability
There is no serial correlation (P> 0.05)		1.869
Tolerance and VIF Value		
Null Hypothesis	VIF	1/VIF
Absence of multicollinearity among the variable (1VIF >0.10)		1.791

Source: Researcher's Computation (2023)

The results of the ordinary least square performed on salary padding in Nigeria concerning information technology can be found in Table 5 below. The table indicates that the coefficient of determination for the model is 0.582 and its adjusted value is 0.578. This suggests that approximately 58.2% of the changes observed in the dependent variable can be explained by the independent variable, while the remaining 47.8% are due to error terms that were not included in the model. Additionally, the F-statistics value for the model is 132.220, and its associated probability is 0.000. This indicates that all the variations observed are accounted for in the model, as the P-value is statistically significant at 5%.

The model's parameter coefficient analysis indicated that both accounting Salary Automation and Automation verification have a significant positive impact on salary padding in Nigeria. Specifically, accounting Salary Automation showed a positive coefficient of 0.195 units with P=0.000<0.05, indicating that for every unit increase in its usage, there is a corresponding 19.5% reduction in salary padding in Nigeria. Similarly, Automation verification had a positive coefficient of 0.247 units with P=0.000<0.05, meaning that an increase of one unit in automation applications will lead to a 24.7% decrease in salary padding in Nigeria. Moreover, the study found that Automation Validation has a significant positive relationship with salary padding in Nigeria, revealing that a unit increase in Automation validation leads to a decrease in salary padding by 47.9%.

Table 5: OLS Regression Analysis on the Information Technology on Salary Padding in Nigeria

Variable	Coefficient	Std. Error	t-Statistics	Prob.
SP	0.291	0.196	1.485	0.139
SA	0.195	0.046	4.201	0.000
AV	0.247	0.060	4.097	0.000
AV	0.479	0.050	9.557	0.000
R-squared	0.582			
Adjusted R-squared	0.587			
F-statistics	132.220			
Prob (F-statistic)	0.000			

Source: Researcher's Computation, (2023)

4.3 Discussion of Findings

The result indicates that Salary automation has a considerably significant positive relationship with salary padding in Nigeria since its usage in salary will assist in decreasing salary padding in Nigeria by 19.5% which will enable the government to gain more found to implement infrastructural development. This aligns with the finding of Ha (2022) [21]. Thanh and others (2022) [42], and Parmentola

et al. (2022) ^[40], who examined the digital business and digital public services drivers for better energy security Evidence from a European sample and discovered that Intelligent information technology (IIT) based on AI and intelligent network communication technology is rapidly changing the social structure and personal lives with significant effects on performance expectancy in the public sector. In like manner Dana *et al.* (2022) ^[13]; Alkali and Lode (2016) ^[5], who also investigate the effects of urban entrepreneurship on sustainable businesses in smart cities considering the role of digital technologies. And discovered that technology significantly benefits from digital technologies considering the new needs of cities and achieving business sustainability in smart cities and developing both quantitative and qualitative in the public sector.

Remarkably, this contradicts the study of Moscow, Russia research by Egorova *et al.* (2022) ^[15], which investigates the impact of ESG factors on the performance of information technology (IT) companies. Shown that IT companies are not leaders in this area and ranked lower than most other industries. It also shows that IT companies have weak E-component with insignificant effects. This also confirms the findings of Pekanbaru City researcher Freddy *et al.* (2022) ^[19], That examined the effectiveness of transformation of public services based on Smart-Government has negative effects that are not significant. These findings lend credence to the previous conclusion by Lutfi *et al.* (2022) ^[28], which Studied the Business Sustainability of Small and Medium Enterprises during the COVID-19 Pandemic: The Role of accounting information System AIS Implementation. Study outcomes showed qualified support of significant positive on external pressure, compatibility, financial support, top management support (TMS), and external assistance significantly impacted accounting information system AIS implementation, which subsequently catalyzed sustainable business performance.

5. Conclusion and Recommendations

This study empirically established the effect of IT on salary padding practices in Nigeria but lacks statistical evidence. However, the study provided new empirical statistical evidence that Salary Automation, Automation Verification and Automation Validation positively affect salary padding practices in Nigeria's public sector. These variables were regressed on salary padding in Nigeria. Correlation and regression were employed and showed that the explanatory variables were positive and significant in explaining the explained variable. Based on the findings of the study, it is mainly concluded that information technology enhances the level of credibility of the public sector. The adoption of information technology in salary payment portrays transparency and accountability of the salary processing system. In respect of the research findings, the study recommended that;

1. The government needs to encourage salary automation systems which will prevent salary padding and thereby enhance salary payment in all public sectors in Nigeria.
2. Automation Verification should be promoted and facilitated in the public sector to enhance salary calculations to process accurate and consistent payment of actual salaries so that there is little room for human error or manipulation.
3. The study also recommended that government should

build on the information technology system of Automation validation to replace human intelligence in detecting errors or discrepancies that may indicate instances of salary padding, helping to prevent such practices from going unnoticed.

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