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The Effect of Financial Compensation on Employees' Performance in Achievers University, Owo, Ondo State

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Abstract

To remain in today's turbulence and competitive business environment, organization must strive hard to retain its employee, boost their morale and offer them good compensation and incentives in order to keep them on the job and enhance organizational performance. The challenges of poor implementation of financial compensation policies have been the major issues militating against turnover rate of employees in Achievers University, Owo. The study therefore, examined the effect of financial of compensation on employee performance in Achievers University Owo, Ondo State, Nigeria. The specific objectives of the study were (i) to investigate the effect of pension scheme on employees' performance in Achievers University, Owo (ii) to what extent does salaries and wages influences employee's performance in Achievers University, Owo and (iii) to examine the relationship between overtime and excess workload and performance of the employees in Achievers University, Owo. The population of the study consisted all staff of Achievers University, Owo. The total

staff strength was 491. A sample size of 220 respondents was arrived at using the Taro Yamane (1967) formula. A total of 220 copies of questionnaire were administered on the respondents. The study found that (i) the calculated T-score of 0.74, which falls within the acceptance region ± 1.96 , implied that salaries and wages have significant influence on employees' performance in Achievers University, Owo. (ii) the calculated T-score of 2.90, which was outside the acceptance region ± 1.96 , implied that overtime and excess work-load have significant influence on employees' performance in Achievers University, Owo. The study concluded that a good financial compensation will improve significantly, employees' performance in Achievers University, Owo. It recommended among others, that management of Achievers University, Owo, should formulate and structure clear pension scheme that will boost the morale of employees and hence, their performances on job.

Keywords: Compensation, Employees, Achievers University

1. Introduction

In the current era of providing financial compensation to employees, it is still felt that it does not meet the level of needs and satisfaction of employees according to the level of income received. Many employees today crave the provision of financial compensation to be increased in accordance with the feasibility of giving it with the work done, to build employee motivation to be able to work well in carrying out their main tasks and functions in an organization. A phenomenon that can be exemplified regarding the provision of financial compensation is salary, benefits and incentives that impact employees' performance. If financial compensation is fulfilled, it will directly affect performance, otherwise, it will reduce employee performance. The number of complaints and dissatisfaction with the provision of financial compensation received by employees directly or indirectly have an impact on the process of work activities, which affects the implementation of daily work activities, because employees are not motivated in carrying out their work activities, due to the compensation they receive cannot improve income and welfare. On this basis, improving employee performance is heavily influenced by providing financial compensation through salaries, allowances, and incentives.

Organisations and institutions all over the world need the services of other individuals to make it productive Drucker, P. (2012). The success or failure of such organization and systems depend mainly on the ability, intelligence or the character of its workers that are found there Drucker, P. (2016) ^[15]. Human Resource Management (HRM) has never been as significant as

it is today. Companies want to attract, retain and motivate brains to meet objectives. Today, Human resource is regarded as one of every company's asset Doumbia M. O. (2013). So they need to be effective and more managed. One of the tools companies use to attract, retain and motivate its people is Compensation Management Wright, P. M. (2017). According to Lai Wan, H. (2007), one essential of HRM is compensation. Payment, reward, advantage, opportunity are all meanings of compensation and in retaining key executives who can help a company achieve growth and prosperity, all these definitions must come into play Armstrong, M. (2002). Organisations often do not realize their full growth potential because they have yet to develop an incentive program that motivates employees Austin, J. (2012) [7]. Although "compensation" in the business world is often a euphemism for "more money Moniz, J. (2010) most executives would likely agree that it takes more than a hefty pay check to keep them satisfied Buckingham, M., & Coffman, C. (2014) [12]. As Thomas Alva Edison once said, "what you are will show in what you do" Israel, P., & Todd, R. (1998) [25]. These words ring loud and genuine within a company's structure and illustrate the importance of matching the skill sets and talents of key executives to their appropriate role within the organisation. Ideal compensation system will have the positive impact on the efficiency and results produced by employees Moniz, J. (2010). The dynamic nature of the environment has altered the values and expectation of the workers thus, putting pressure on employers to review upwards the contents of any compensation and rewarding package.

The economic situation of Nigeria has changed drastically in recent time such that cost of living has shut up drastically, cost of operation has increased and competition has become more intense. Workers are more sensitive to the value they create and the reward they get in form of wages and benefits. Achievers' university is not left out in the race for better rewards agitating for better pay and incentives. Employees through their unions argue that if they had put in so much effort to help the organization to create value, it is only fair that they be given a fair bite of the cake. Consequently, there are often more frequent demands for pay increases from workers in all the sectors of the economy.

Statement of the Problem

The intention of any compensation management system is to attract, retain and maintain satisfied employees that will always focus on producing quality product and services (Mujtaba & Shuaib, 2010; Karam Dolabadi & Rajaeepour, 2013). Employees are motivated to render quality service and effectiveness, means that motivation is a key factor for progress within an organization. Compensating employees are associated with the motivation of the workforce of the organization for better performance. Poor compensation has over the years lead to low productivity, absenteeism, and labour turn over that is, employees resigning from job due to their distraction in the compensation management policy which is not limited to achievers university alone but cut across almost all other organization be it health sectors, institutions, insurance etc. This study aims to look at the extent to which a successful compensation management can be used as a tool for improving performance in Achievers University, Owo.

The study attempted to provide answers to the following research questions:

1. To what extent does Salaries and Wages influences employees performance in Achievers University?
2. What is the relationship between Overtime and Excess workload and performance of the employees in Achievers University?

Objectives of the Study

1. examine the extent at which salaries and wages influences employees' performance in Achievers University
2. examine the relationship between overtime and excess workload and performance of the employees in Achievers University.

Research Hypotheses

1. H₀₁: There is no significant relationship between salaries and wages and performance of the employees in Achievers University
2. H₀₂: There is no significant relationship between overtime and excess workload and performance of the employees in Achievers University

2. Literature Review

Conceptual Review

Compensation

According to Chhabra, (2017) Compensation is the combination of monetary and non-monetary rewards provided to employees for offering the services to the organization. It is given in the shape of wages, salaries and employee benefits like paid vacations, insurance, maternity leave, free traveling facility, retirement benefits, etc. He says that the terminology 'wage' is used to represent payment to workers doing manual or physical work. So, wages are provided to facilitate the unskilled workers for their services to the organization. Wages can be given on hourly, daily, weekly or on monthly bases. On the other side, According to Chhabra, (2016) the term 'salary' is normally used to mean compensation to employee of the office, foremen, managers, professionals and technical staff. Salary is basically provided on weekly, monthly or yearly basis. The duration for which salaries are given is basically higher than wage payments. He furthermore added that salary is always based on the time spent on the job, while wages are either based on the number of units produced or the time spent on the job.

Direct Compensation

According Dessler (2013), direct compensation is usually limited to the direct cash benefits that the employees receive on monthly, bi-monthly or weekly basis for the services they render as employees of a particular organization. It could also be in the form of stock bonus compensation, where employees of the organization are given the opportunity to own shares in the organization they work for and at the end of every year they have the opportunity again to gain some dividend in the form of equity on their shares. Ivancevich (2006) states that direct compensation includes Base and variable. Base Pay refers to the basic compensation that an employee receives, usually as a wage or salary. Base pay may be hourly and salaried, which are identified according to the way pay is distributed and the nature of the jobs.

Hourly pay is the most common means of payment based on time while people paid salaries receive consistent payments each period regardless of the number of hours worked. Variable Pay, another type of direct pay is compensation linked directly to individual, team, or organizational performance. The most common types of variable pay for most employees take the form of bonuses and incentive program payments.

a) Pay for Performance

Managers are worried about the turnover of their employees in search of highly paid jobs. To retain experienced employees, organizations are focused on the performance of their human resources and at the same time offering different types of incentives. Many fringe benefits include healthcare, housing, free education for the children of employees and excursions are some of the incentives which motivate the employees to stay for long time and to enhance their performance on the job. A satisfied worker is to stay in the organization and has to increase his/her performance to attain its objectives. Besides other incentives, financial incentives can be used as a stimulus. One of the financial incentives is the merit pay or pay for performance. Pay for performance or merit pay is one of the best programs of wage and salary administration adopted by most of the organizations at global level. It gives employers an edge to know about the best performing and worst performing employees of their companies. This system, while based on, a good performance appraisal program, can enhance the productivity of workers and at the same time provides motivations to poorly performing workers to go for improving their work performance to get more and more money. Many organizations use various plans for fixing the salary of their workers. In manufacturing companies, pay per hour or pay per piece of product or part of product has been used widely and is the oldest merit pay plan. Secondly, an organization may focus on the seniority or the market adjustment of an employee. Traditional plan is annual increase in the salaries of workers based on the annual appraisal. A third plan may be increase in the salaries permanently. Fourthly, there are increases in benefits at a percentage rate of the base salary. In this case, base salary is not increased but benefits like house rent allowance, medical insurance, education of the children of employees are focused. Pay for performance or merit pay is one of the best programs of wage and salary administration adopted by most of the organizations at global level. It gives employers an edge to know about the best performing and worst performing employees of their companies. This system, while based on, a good performance appraisal program, can enhance the productivity of workers and at the same time provides motivations to poorly performing workers to go for improving their work performance to get more and more money. Paying top performers is frequently advantageous when a business is successful in order to maintain a positive work environment and promote increased productivity. It may be simple to say that no one should receive a sizable reward if a certain threshold for company performance isn't met, yet this viewpoint can be very naive. Today's top performers are those who will spearhead future gains in overall performance when an organization isn't operating at peak efficiency. Top achievers could be reluctant to provide advantages in challenging situations out of concern for being fired by management. Although the specifics of the

strategies vary greatly from company to company, all of them acknowledge the need of rewarding top performers in both good and poor economic times. Rewards and recognition are forms of appreciation that organizations use to motivate and reward their employees for their hard work and efforts. Rewards are tangible items such as gifts, bonuses, promotions, and other incentives, while recognition is more intangible and can include praise, recognition for achievement, awards, and other acknowledgments. Rewards and recognition programs can be used to build morale, encourage teamwork, and increase productivity. These programs can also help to attract and retain talented employees.

b) Promotion:

In addition to the compensation, job promotion factors are also found to influence the fluctuations of an employee's performance. According to Hasibuan (2016) [23], promotion is a move which enhances the authority and responsibility of employees to a higher position in an organization, resulting in greater obligations, rights, status and income. Promotion is basically a selection process; therefore, this strategy will be very effective if implemented. Thus, those who perform the best must deserve to promotion. However, under the managerial level, promotions are frequently made on the basis of seniority, instead of ability. Moreover, Hasibuan (2016) [23] found that promotion is very influential on the employees' motivation and job satisfaction which eventually has a direct impact on their performance. If there is an opportunity for every employee to be promoted on the basis of fairness and objectivity, they will be encouraged to work hard, disciplined and perform well so that the company's goals can be achieved (Hasibuan, 2016) [23].

Salary and Wages: Salary and wages is a key factor affecting relationships at work. The level and distribution of pay and benefits can have a considerable effect on the efficiency of any organization, and on the morale and productivity of the workforce. It is therefore vital that organizations develop pay systems that are appropriate for them, that provide value for money, and that reward workers fairly for the work they perform. Pay systems are methods of rewarding people for their contribution to the organization. Ideally, systems should be clear and simple to follow so that workers can easily know how they are affected. In considering rewards it should be borne in mind that pay and financial benefits are not the only motivator for worker performance. Other important motivators for individuals may include job security, the intrinsic satisfaction in the job itself, recognition that they are doing their job well, and suitable training to enable them to develop potential.

Pension Scheme: Pension scheme is a critical element in the financial compensation framework, offering long-term financial security to employees post-retirement. Pension scheme is structured retirement savings plans funded by employers, employees, or both, designed to provide individuals with a steady income during retirement. These schemes are overall financial compensation package, ensuring employees' financial stability in their later years (Mitchell & Fields, 1994). Impact of pension scheme on employees performance: motivation and productivity, employees who feel financially secure about their future are more likely to be motivated and productive in their current roles. Reduction of financial stress, financial security

provided by pension schemes can reduce stress among employees, leading to better mental health and enhanced job performance. Commitment and loyalty, pension schemes contribute to increased organizational commitment and loyalty, as employees perceive them as a significant long-term benefit.

Pension Schemes in Nigeria

Balogun (2014) affirms that Nigeria's first ever legislative policy on pension matters was the Pension Ordinance of 1951 which took effect retroactively from 1st January, 1946. Though pensions and gratuities were provided for in the legislation, they were not a right as they could be reduced or withheld altogether if it was established to the satisfaction of the Governor-General that an officer was found guilty of negligence, irregularity or misconduct. In the private sector, the first pension scheme in Nigeria was set up for the employees of the Nigerian Breweries in 1954, followed by United African Company (UAC) scheme in 1957. In all there have been about eight (8) registered pension schemes in the country before 2004 which were largely unfunded, self-administered and uninsured (Fapohunda, 2013).

Theoretical Review

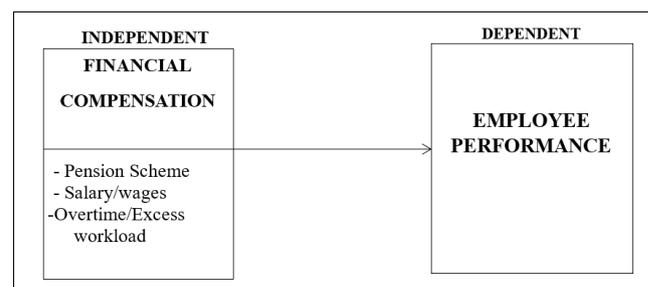
The Reinforcement Theory Behaviorist:

B.F. 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 have a tendency to do. The theory is moreover alluded to as behaviorism, or conditioning. The theory states that "an individual's behavior could be an introduce of its results" (Administration Consider Direct, 2013) Reinforcement theory outlines that a reaction taken after by 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 inside the future. The theory emphasizes the significance of an individual really encountering the remunerate.

Expectancy Theory

Unlike reinforcement theory, expectancy theory Vroom, (2014) [48] centers on connect 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 vary furthest in their effect on instrumentally: the seen interface between behaviors and pay too alluded to in the pay writing as "line of prospect." Valence of reimbursement results ought to stay the same beneath distinctive pay frameworks. Anticipation perceptions frequently have more to do with work plan and preparing than pay frameworks.

Conceptual Framework



Researchers Conceptualization (2025)

Fig 1: Operationalization of Variables

Empirical Review

Kamau (2016), on the impacts of degree of training on employee Productivity wrote that superiority of employees plus their advancement through training and education is one major components in deciding lengthy term productivity of establishments. For an organization to recruit and keep great workforces, it is good approach to contribute in the improvement of their abilities so that they can increase their abilities so that they can increase productivity. Training should cover both new and existing workers to offer assistance alter to quickly changing work necessities. Mkawale (2018), carried out a research on the impacts of worker training on group enactment in an organization established the preparing is exceptionally much important, it closes up being checked as an resource Or maybe than an obligation in spite of downsides it may have. Training improves organization profitability, reduces its costs, increases commitment and inspiration of workers subsequently realizing their possibilities. Remuneration mechanisms can stand to be a capable motivating force in connecting execution to rewards. Recompense frameworks that remunerate individuals forthrightly based on how well they perform their employments are known as pay-for-performance plans (Berger, 2019). These could yield such shapes as "commission plans" utilized for deals work force, "piece-rate systems" utilized for production line laborers and field hands, and "incentive stock choice (ISO) plans" for executives Dunn, Mercer, Carpenter, & Wyman, (2010) and other representatives Bread cook, (2012). However, rewards connected to execution require not be money related. Typical and verbal shapes of acknowledgment for great execution can be exceptionally successful as well Non-Financial Compensation According to Peterson and Luthans (2016), non-financial compensation consists of the satisfaction obtained by a person from the work itself, or from the psychological and/or physical environment in which the person works. Mardiyanti (2018) [33] sees non-financial compensation as a form of compensation given to employees other than in forms other than money. Yousaf *et al.* (2014) opined that non-financial compensation includes; health insurance, a pension plan, and a good working environment.

According to Sabatini *et al.* (2021), non-financial incentives are to reward employees for excellent job performance through opportunities. It usually comes in form of more enabling authority, awards, participation in management,

promotion, holidays, a better working environment, written recognition, gifts, formal dinners, informal parties, plaques, etc. Sabatini *et al.*, (2021).

Non-financial compensation is a type of employee benefit that holds no inherent monetary value. There are many types of non-financial compensation that employers can choose to provide employees ranging from ones that provide convenience to ones that ensure overall health and wellness. Non-financial compensation is any employee compensation that doesn't involve cash. Many companies find creative ways to offer employees benefits that make them feel valued and appreciated. Often, this form of compensation can be a great method for establishing trust and loyalty between an employer and an employee Samuel, *et al.*, (2019). According to Samuel *et al.* (2019), non-financial compensation includes developmental opportunities, recognition, and flexible schedules. Developmental opportunities: Employers can choose to provide developmental opportunities to employees. This can be a useful form of non-financial compensation as it benefits both an employer and an employee. When an employer offers opportunities for employees to develop their skills so they can continue to advance within the company, an employer also benefits from possessing more motivated and skilled employees. Such opportunities may include paid education or certification, developmental classes with experts, or informative conferences and retreats. Samuel, *et al.*, (2019).

Recognition: Many employees prefer to be recognized by their employers for the hard work they complete. Employers can show gratitude for their employees in several ways, including providing free meals to staff for particular efforts, verbalizing appreciation to employees for their hard work, and celebrating achievement. Recognizing employees lets them know that the work they do is valuable to their employer. By doing this, employers may experience an increase in employee engagement, improved efficiency, and greater rates of retention Samuel, *et al.*, (2019).

Flexible schedules: Many employees seek flexible schedules when searching for new roles in an attempt to prioritize a healthy work-life balance when choosing an employer. Some employers allow their employees to set their schedules if it doesn't compromise the quality of their work. For example, someone with children or those who care for an elderly parent might appreciate a flexible schedule because they can take those who depend on them to appointments or complete necessary errands during the day when most businesses are open Samuel, *et al.*, (2019).

Employee Job Performance According to Mardiyanti (2018) [33], an employee's job Performance is the work that can be accomplished by a person or group of persons under the authority and responsibilities of each to achieve legally relevant organizational goals, not against the law and under moral and ethical. Hameed *et al.* (2014) stated that employees' job performance is a result of work both quality and quantity achieved by employees in performing their duties under the responsibilities given to them.

Afriyie *et al.* (2020) stated that an employee's job performance is a working result achieved by someone in doing assignments that are given to him/her which is based on ability, experience, willingness, and time. From some of the opinions above, it can be concluded that employees' performance is both quality and quantity achieved working

result by employees doing assignments that are given to them. According to Garba (2022) [20], employee performance contains quality and quantity of results driven by individual or group struggle completion. In other meaning job performance can be described as the ability of individuals to achieve their respective work aims, then meet their expectations, achieve benchmarks or accomplish their organizational goals, Alabi, *et al.*, (2022) [44]. Employee performance embodies the whole belief of the employee about their conduct and contributions to the accomplishment of the organization and compensation practices, performance evaluation, and promotional practices are determinants of employee performance, Riatmaja & Wibawanto, (2022) [43].

Aktarsachu and Ali (2012) examined the effect of compensation, learning opportunities, challenging work and career advancement. Extrinsic rewards (basic salary and performance bonus) on employee performance in twelve commercial banks of Bangladesh. The study found that each factor which within both extrinsic and intrinsic rewards was highly significant factor which affect employee performance. In contrast the study conducted by Yasmeen, Farooq and Asghar (2013) on the impact of rewards on organizational performance in Pakistan revealed that there exists insignificant and weak relationship between salary, bonus and organizational performance. However it found that there exists moderate to strong relationship between promotion and organizational performance. Research by Eastman (2009) consistently found that intrinsic motivation is conducive to producing creative work, while extrinsic motivation is unfavorable to producing creative work. Gagne (2009) suggested a new model of knowledge-sharing motivation which provides suggestion for design five important human resource management (HRM) practices including staffing job design, performance and compensation system, managerial styles and training. Ali and Ahmed (2009) confirmed that there is statistically significant relationship between reward and recognition respectively; also motivation and satisfaction. Their study revealed that if rewards or recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. Differences in institutional arrangements contribute to the feasibility and effectiveness of various monetary incentives, as do differences in employees' preferences for specific incentives McCollun, (2003). By this, companies are wise to study these issues before implementing changes to existing incentive plans. This is especially pertinent for service organizations, where financial reinforcements tend to produce a stronger effect on task performance than non-financial rewards used alone Diener, (2002). To them, even stronger results are seen with a composite approach. In a similar study by Henema, (2003), one meta-analysis of 72 field studies found that monetary incentives improved task performance by 23%, social recognition improved task performance by 17% and feedback elicited a 10% improvement. Simultaneously combining all three types of reinforcements improved performance by 45%. Henema, (2003) however, suggested that group incentive systems are consistently effective in private sector settings. In general, the effectiveness of compensation is dependent on the characteristics of the reward system, the organization, the team and the individual team members he observed.

3. Methodology

Research Design

Research design, articulates the tools through which the empirical data are gathered and analyzed. However, Singh (2008) defines research design as a mapping strategy and maintained that it is essentially a statement of the object of the enquiry and the strategies for collecting the evidences, analyzing them, and finally reporting the findings. The descriptive research design method will be employed because it is concerned with the collection and analysis of data and also it enables the researcher in gathering data directly from large number of respondents without manipulation through the use of well-structured questionnaire. The area of study for this research is Achievers University, Owo it is an institution of higher education, usually comprising a college of liberal arts and sciences and graduate and professional schools and having the authority to confer degrees in various fields of study.

Population of the Study

According to Olannye (2006) "Population is the totality of any group, persons or objects which is defined by some unique attributes". The population of this study will be a total of 491 employees of the selected from different departments within the institution. The sample size of the study is the proportion of individuals drawn from the population in order to examine the effect of financial compensation on employees performance in Achievers University. A sample size of four hundred and ninety-one (491) will be used for the research work; the sample size was determined using Taro Yamane (1967) statistical formula for determination of the sample size. The sample techniques used was stratified sampling techniques, and it was considered appropriate because it enables researchers to divide the entire population into subgroup known as strata.

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

Where:

N = population, n = sample size, e = level of significance of 5%

$$n = \frac{491}{1 + 491(0.05^2)}$$

$$n = \frac{491}{1 + 491(0.0025)}$$

$$n = \frac{491}{1 + 1.2275}$$

$$n = \frac{491}{2.2275}$$

$$n = 220.42$$

$$n = 220$$

The calculated sample size is 220.

Method of Data Collection

Data for the research was collected from primary and secondary sources. The primary data are materials which were originated by the researcher for the purpose of inquiry

at hand. They were obtained with the use of standardized questionnaire. Physical distribution of the hardcopy questionnaires was made by the researcher. The secondary sources of data in the study were sourced from relevant literature found in scholarly journals, internet, and magazines official publication from government among others. The reason for the use of primary and secondary data in the study is to provide logical answers to the research questions by using raw information obtained from the respondents through the structured questionnaire, process the information through the aid of statistical tools and then explain the resultant information on the basis of extant literature.

Method of Data Analysis

The data analysis technique for this study consist of both descriptive and quantitative methods. The descriptive statistics used include table's frequency count pie chart and simple percentage. The quantitative technique are correlation analysis and ordinary least square regression.

Model of Specification

Model specification is the process of determining which independent variables to include and exclude from an equation. The need for model selection often begins when a researcher wants to mathematically define the relationship between independent variables and dependent variables. Since the study used regression analysis the model was specified to examine the effect of financial compensation on the performance of employee. The compensation focused on pay for performance, promotions, salary or wages, pension scheme and overtime/excess work load. This study investigate the effect of financial compensation on employees performance in Achievers University Owo. Hence, a functional relationship is adapted as follows:

$$EPER = F(\text{FINCOM}) \quad (i)$$

Where:

EPER = Employees Performance

FINCOM = Financial Compensation

It must be noted that financial compensation can be in form of Pension Scheme (PENS), Salaries and Wages (SWAG) and Excess Workload and Overtime (OEXC). Hence:

$$EPER = F(\text{SWAG, PENS, OEXC}) \quad (ii)$$

Equation (ii) can be expressed in linear stochastic term as:

$$EPER = \alpha_0 + \alpha_1 \text{SWAG} + \alpha_2 \text{PENS} + \alpha_3 \text{OEXC} + \varepsilon_t \quad (iii)$$

Where:

α_0 = Intercept/Constant

$\alpha_1, \alpha_2, \alpha_3$ = Coefficients of the variables used in the model

ε_t = Error term

$\alpha_1, \alpha_2, \alpha_3$ are greater than zero. In theoretical term, it is expected that any increase in the level of SWAG, PENS and OEXC will improve the level of EPER.

4. Data Presentation and Analysis

This chapter deals with the presentation and analysis of data collected from the questionnaires which were administered

on the sample selected. For the analysis, tables, pie-chart, bar chart showing percentages were used to present the data.

Table 1: Age distribution of the respondents

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-25	3	1.4	1.4	1.4
	26-35	12	5.5	5.5	6.8
	36-45	32	14.5	14.5	21.4
	46-56	71	32.3	32.3	53.6
	57+	102	46.4	46.4	100.0
	Total	220	100.0	100.0	

Source: Field Survey (2025)

Table 4.1 shows that 3 respondents representing 1.4 % of the total respondents surveyed fall within age bracket of 15-25years while 12 respondents representing 5.5 % were within the age bracket of 26- 35 years. In addition, 32 respondents, representing 14.5% of the respondents fall within the age of 36-45 years while 71 respondents (32.3%) fall within the age bracket of 46-56 years. Finally, 102 respondents (46.4 %) were 57 years and above. This information indicates that all respondents are matured in age to present reliable information. The above information is further depicted in the bar chart in figure 1.

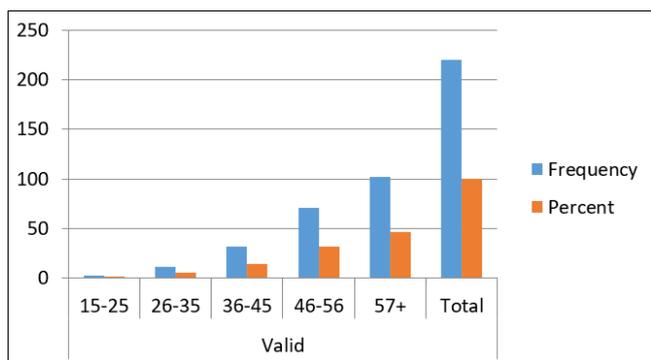


Fig 1: Age distribution of the respondents

Table 2: Sex Distribution of the Respondents

		Sex			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	124	56.4	56.4	56.4
	Female	96	43.6	43.6	100.0
	Total	220	100.0	100.0	

Source: Field Survey (2025)

Table 4.2 presents the sex distribution of the respondents. The table shows that 124 respondents are males representing 56.4 % and 96 respondents being females represent 43.6% of the total 220 respondents. Responses from these questionnaires are therefore fairly gender balance. Figure 4.2 reflect this information in bar chart.

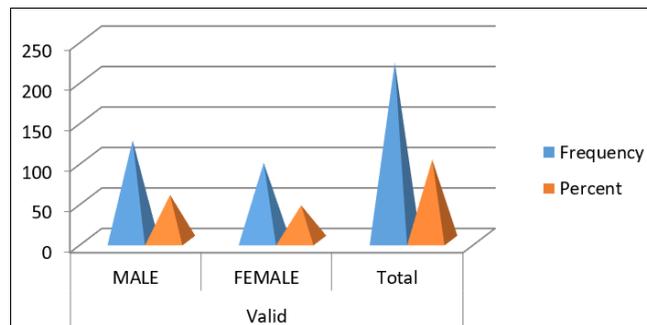


Fig 2: Sex Distribution of the Respondents

Table 3: Education Attainment of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Others	12	5.5	5.5	5.5
	Pry	9	4.1	4.1	9.5
	Sec	17	7.7	7.7	17.3
	NCE/OND	16	7.3	7.3	24.5
	HND/BSC	70	31.8	31.8	56.4
	M.Sc./M.Ed	70	31.8	31.8	88.2
	Ph.D	26	11.8	11.8	100.0
	Total	220	100.0	100.0	

Source: Field Survey (2025)

Table 3 indicates that 70 respondents representing 7.3% are B.Sc./HND certificate holders, and another 70 respondents (7.3%) were Master degree holders. The result also indicated that 26 respondents representing about 11.8 percent of the total respondents were Ph.D holders, while 16 respondents representing about 7.3% of the total respondents have NCE/OND certificate. In addition, 17 respondents and another set of 9 respondents had the secondary school and primary school certificates respectively from the analysis, it shows that more First Degree holders and Masters Holders were employed in the organisation and therefore formed the bulk of the respondents. The implication of this is that, the respondents had sufficient level of education to read, understand and to fill the questionnaire appropriately.

Table 4: Religion of the Respondents

		Religion			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Christianity	133	60.5	60.5	60.5
	Islam	57	25.9	25.9	86.4
	Traditional	24	10.9	10.9	97.3
	Others	6	2.7	2.7	100.0
	Total	220	100.0	100.0	

Source: Field Survey (2024)

Table 4 shows information on the religion of the respondents. It shows 133 respondents representing about 60.5 percent of the total respondents were Christians while

57 of them representing about 25.9 percent were Muslims. However, a total of 6 respondents representing 2.7 percent belong to different other religions. This shows that questionnaire were spread to cut across religious groups and not restricted to only one type of religion. That is, it is not biased on religious matters. This is further depicted in figure 4.3 below:

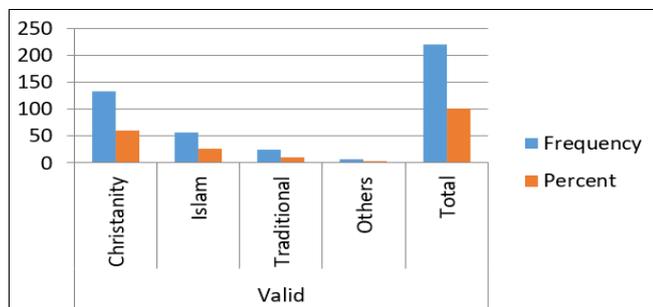


Fig 3: Religion of the respondents

Table 5: Marital Status of the Respondents

		Marital Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	94	42.7	42.7	42.7
	Single	99	45.0	45.0	87.7
	Divorced	17	7.7	7.7	95.5
	Others	10	4.5	4.5	100.0
	Total	220	100.0	100.0	

Source: Field Survey (2025)

On the marital status of the respondents, table 4.5 shows that 94 respondents representing 42.7 % of the total sample surveyed were married. Furthermore, the number of single respondents were 99 representing 45 percent, while just 17 of the respondents were divorced, representing 7.7 % of the total respondents surveyed. It can be inferred from these information that majority of the respondents have life experiences to fill reliable information. Figure 4.4 shows this information in a pie chart.

Ordinary Least Squares Regression Result

The multivariate Ordinary Least Squares Regression was used to investigate the extent and magnitude of the effect of the independent variables on the dependent variables in the study. The result is presented in Table below:

Table 6: Multivariate Ordinary Least Squares Regression Result

Dependent Variable: EPER				
Method: Least Squares				
Sample: 1 220				
Included observations: 220				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.472344	0.219894	2.148059	0.0328
PENS	0.733233	0.041467	17.68251	0.0000
SWAG	0.029708	0.039634	0.749544	0.4543
OEXC	0.125773	0.043301	2.904642	0.0041
R-squared	0.658985	Mean dependent var	3.950000	
Adjusted R-squared	0.654249	S.D. dependent var	1.016867	
S.E. of regression	0.597924	Akaike info criterion	1.827308	
Sum squared resid	77.22284	Schwarz criterion	1.889011	
Log likelihood	-197.0039	Hannan-Quinn criter.	1.852225	
F-statistic	139.1344	Durbin-Watson stat	2.929531	
Prob(F-statistic)	0.000000			

Source: Field Survey (2025)

The result of the Ordinary Least Squares estimates is presented in Table 4.7. It was revealed from the result that Pension Scheme (PENS) is significantly different from zero at five percent significant level. Furthermore, it has a positive coefficient which implies a positive relationship exists between pension scheme and employees performance. The result indicated that if the management increases the remittance of pension funds beneficiary by 1 percent, this will improve the Achievers University staff performance of by 77 percent.

In addition, salaries and wages (SWAG) has a positive coefficient is also statistically significant at 5 percent significant level. Result indicated that a percent increase salaries and wages of workers in form of workers palliatives translates to 29 percent improvement in employees performance. In addition, overtime and excess workload (OEXC) has a positive coefficient and is statistically significantly different from zero at 5 percent significant level. This implies that a direct relationship exists between overtime, excess workload and employees performance. Result also indicated that a percent increase in overtime and excess workload by 12 percent. In addition, the intercept is statistically significant and directly related to employees performance in Achievers University, Nigeria. Evidence from the Ordinary Least squares estimates indicated that in the absence of pension scheme, salaries and wages and overtime and excess workload, employees performance still increase in Achievers University due to other factors such as staff commitment, side hustles among others.

The adjusted R squared for the model stood at 0.654 which implies that about 65 percent variation in the dependent variable (employees performance) in Achievers University is being accounted for by variations in the independent variables. The remaining 35 percent variations can be attributed to other variables of factors outside the model.

The probability value of F Statistic stood at 0.0000 is highly significantly different from zero at 5 percent significant level. This implied that the model is stable and fit to use.

Post Estimation Results

The diagnostic tests carried out for the study include the Breusch- Godfrey Serial correlation LM Test to determine, Ramsey retest test and Heteroskedasticity Test. This is presented in Table 7.

Table 7: Diagnostic Tests

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	42.95323	Prob. F(2,214)	0.0000
Obs*R-squared	63.01772	Prob. Chi-Square(2)	0.0000
Ramsey RESET Test			
t-statistic	1.067873	215	0.2868
F-statistic	1.140353	(1, 215)	0.2868
Likelihood ratio	1.163789	1	0.2807
Heteroskedasticity Test: Harvey			
F-statistic	8.428239	Prob. F(3,216)	0.0000
Obs*R-squared	23.05425	Prob. Chi-Square(3)	0.0000
Scaled explained SS	32.44229	Prob. Chi-Square(3)	0.0000

Source: Field Survey (2025)

The diagnostic tests for the model used in the study showed that the probability value of the Breusch Godfrey Serial correlation test was highly significant at 5 percent significant level. This means that the hypothesis of no serial correlation among the residuals of the independent variables

can be accepted. The Ramsey Reset test was also conducted and the result showed that there was no misspecification error judging by the significant probability value of the likelihood ratio. Finally, the significant probability F-statistic in the Harvey heteroskedasticity test showed that the assumptions of constant variance among the independent variables are not violated. In other words, the variability of the residuals which is the difference between the observed values and the predicted values from the regression models is constant for all levels of the independent variables. Furthermore, the degree of the relationship between overtime and excess workload and performance of the employees in Achievers University is analysed with the help of correlation matrix in Table 9.

Table 8: Correlation Matrix between Pension Scheme, Salaries & Wages, Overtime & Excess Workload and Employees Performance

	EPER	PENS	SWAG	OEXC
EPER	1.000000			
PENS	0.802045	1.000000		
SWAG	0.233479	0.231819	1.000000	
OEXC	0.376561	0.325998	0.222736	1.000000

Source: Field Survey (2025)

Table 4.9 shows the correlation matrix. Within the table, the degree of association between all the identified variables is displayed. The first row of the matrix in Table 4.8 shows the relationships between employees' performance and other selected variables. It was observed that overtime and excess workload had a direct and positive relationship with employees performance in Achievers University. However, the relationships between these variables are very weak which suggest that transitory income from this source alone is not enough to ensure greater performance of employees. The correlation coefficient which stood at 37 percent is fairly weak.

5. Conclusion and Recommendations

Conclusion

Based on the findings of the study, it is concluded that financial compensation have positive and significant effect on the performance of employee in Achievers University, Owo. Hence, a good pension scheme will improve significantly employee job performance in Achievers University, Owo. The impact of salaries and wages on employees performance in Achievers University, Owo will also lead to increases in productivity. The study has also established that overtime and excess work-load has significant effect on job performance. Hence, the study concludes that the staff of Achievers University, Owo would not be dissuaded or discourage even when they perceive that pension scheme and overtime and excess work-load structure is not well managed.

Recommendations

Based on the conclusion of the study, the following recommendations are made:

1. Following the submission from the conclusion that pension scheme have significant effect on the performance of employee, the study recommends that management should formulate or structure a clear pension scheme that will boost the morale of employees and hence, their performance on the job.
2. Since the study revealed that salaries and wages have

significant influences on the performance of employee in Achievers University, Owo, the study therefore recommends that the management should continue to improve on prompt payment of salaries and wages in order to boost the morale of employees and hence, their performance on the job.

3. Since the study revealed that overtime and excess workload have significant influences on the performance of employee in Achievers University, Owo, the study therefore recommends that management should strategically have an overview to manage overtime and excess work load effectively to improve employees performance.

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