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## The Effect of Remuneration on Employee Job Satisfaction: Descriptive Research of a Public Sector Organisation

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**ABSTRACT:** Employee Remuneration is an interesting topic in the field of human resource management to be researched. This study aims to determine the effect of remuneration on job satisfaction among library staff of Bayero University Kano, Nigeria through quantitative research technique. The population taken was 171 employees with a sample size of 119 employees, through simple random sampling technique. Data analysis technique employed was spearman correlation. The results indicate a positive relationship between remuneration and job satisfaction in nature with the goodness of fit measured at .0642. Additionally, job satisfaction has a significant effect on employee salary and recognition, nevertheless allowance and feedback were not found to be significant.

**KEYWORDS:** Employee, Remuneration, Job Satisfaction, Public Sector, Organisation

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### I. INTRODUCTION AND PROBLEM STATEMENT

In the contemporary workplace, management or administration is concerned with increasing productivity and workers' effectiveness on one hand and on the other, also saddled with the task of facilitating mechanism to optimally reward employees that have contributed to the organisational performance. This is based on the premise that culminate into job satisfaction, and if the organisation fashion out appropriate remuneration schemes it may cultivate into multiplier effect through improved employee performance.

It could be noted that the principal responsibility of management in the organisation is to provide latitude for employee to contribute towards attaining the organisational goals. Reward systems is concern with the and implementation of strategies and policies whose purpose is to reward people fairly, and consistency in accordance to the values of the organisation. Intrinsic incentives come in a number of forms, all of which enhance employee happiness and total job productivity. Some of these incentives are in the form of job satisfaction, which has a significant influence on an employee's and organisation's performance. As a result, the study of job satisfaction is important. Employees' satisfaction and overall job-related productivity can be enhanced by a wide range of intrinsic rewards.

Some of these incentives take the shape of job satisfaction, which has a significant influence on an employee's and organisation's performance. As a result, research on job satisfaction is important. The link between these two factors is unquestionably a matter of critical relevance and significant interest for future study and investigation (Pancasila et al. 2020). The enhancement of an organisation overall functioning is achieved by creating a good and cooperative environment inside the business and designing an effective pay package for personnel, which leads to satisfaction, motivation, and dedication, considering the significance of human resources in a company's success (Stefurak et al., 2020).

In order to recruit, motivate, and retain exceptional people, remuneration is critical. Ibrahim and Boerhaneoddin (2016) claim that effective employees are more likely to stay with a company for a longer amount of time if they are compensated and awarded well, eventually contributing to job satisfaction, which is an essential component in determining the organisation's overall effectiveness and performance. A dissatisfied workforce, on the other hand, is relaxed and unfocused.

It has been known that the major issues confronting Nigerian universities including the one taken up in the present study is that there are inadequate remuneration covering poor workplace allowance, non-payment of excess workloads, also for conferences/research/seminar/workshop applicable, responsibility allowance, hazard allowance is not available while pension scheme is there but without financial prudence.

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## II. LITERATURE REVIEW

Job satisfaction as an area of research has been much explored by industrial and organisational psychologists. It is observed that there are two types of people, one who find pleasure in their work and one set of people who find work as only compulsion, thus determining the level of job satisfaction for workers is imperative both for employees as well as organisations. Here the concept of job satisfaction comes to play as a much studied area in organisational behavior (Anwar, 2017).

Fair, just and respectful dealings with the employees within organisations is of paramount importance for employees to feel satisfied with their jobs and subsequent better performance positively affecting the outcomes for a company (Smith et al. 2020). Employee retention, productivity, responsiveness and quality towards the work is driven positively by job satisfaction. As put by Paais and Pattiruhu (2020) intrinsic and extrinsic influences determine the level of success or failure in work, which affect job satisfaction and other dynamics in an organisation like how good employee supervision is or for that matter social relationships within the work groups.

Employees remuneration is very important vis-à-vis job satisfaction. According to Hasibuan (2017) remuneration must be determined based on the principle of fair and proper. The principle of decent fair must be considered as far as possible with the aim that compensation can stimulate passion and increase job satisfaction (Mangkunegara, 2017; Putri & Ramli, 2017). Heathfield (2012), defines remuneration as a fixed amount of money paid to an employee by an employer in exchange for productive work performed. It is imperative to understand here that if not compensated well for their services rendered people may experience emotional discontent with their work with additional organisational problems like absenteeism, employee turnover, psychological withdrawal and poor mental health of employee. This is because people trade labour and loyalty for financial and non-financial compensation with business organisation.

An ideal compensation strategy, therefore, should encourage employees to work harder with more determination and dedication to their duties (Nazir et. al., 2013). In the strategic scheme of things of a company, employee compensation plays a very important part, view Dessler and Gary (2015).

Maicibi (2005) define remuneration as pay or reward given to individuals for work done and basic salary, wages, health schemes, pension schemes, transport allowances, overtime allowance and responsibility allowances as pointers to it. Remuneration can also be termed as monetary or financial benefits in form of salaries, wages, bonuses, incentives, allowances and benefits that is accrued or compensated to an employee or group of employees by the employer (firm) as a result of service rendered by the employee(s), commitment to the organisation or reward for employment. Conferring to the work of Mikkelsen et al. (2017), the notion of remuneration denotes both the internal factors that drive action and to external factors that can act as stimuli to action. They further suggested that direction, intensity, and duration are the three-action influenced by remuneration.

Employers should take into account salary factor, because when it is improved, it can raise the motivation and productivity of the employees (Hassan et al. 2020). Studies have also indicated that employees do not show high satisfaction when it comes to the issue of is the fairness of the salary compared to the tasks they do, anticipating higher salary for their work (Alrawahi et al. 2020). Additionally, according to Andavar and Ali (2020), it is perceived to be very demotivating if a certain set of workers find their salary to be lower than the other workers for performing same jobs.

Allowances are also strong motivational tools used by human resource department of various organisations to shape the behavior of employees to attain desired goals or performance. Further, it is to be noted that allowances are supplementary in nature, not worked for and are usually given to all employees of an organisation irrespective of their difference (Osibanjo et al, 2014).

Besides cash, non-monetary schemes which are rewards that an individual experiences and are directly related to the job itself likewise play an indispensable role in encouraging employee physical, emotional and psychological well-being (Folola, Osibanjo & Ojo, 2014; Kinicki and Williams, 2003), they also contribute to job satisfaction. They include feedback, training, welfare services, flextime, promotion, interpersonal relationship, conducive environment, job enrichment, etc. It is safe to state here that motivated workers perform well, which increases one's willingness to participate in such activities (Anwar & Qadir, 2017).

The theoretical foundation of the study at hand is that remuneration which consists of monetary and non-monetary remuneration significantly influence the job satisfaction. The theory of reinforcement to job satisfaction was proposed by B.F. Skinner in 1970 as a way to explain that if a person is rewarded for a particular behaviour, he or she is more likely to perform those actions again.

The theory highlights the clear goal and appropriate feedback that remunerate employees. Upon consideration of the set performance goal, the employees in turn make demands on their remuneration package. The ability of the employer is to offer the convincing and appropriate feedback to those demands mark the beginning of healthy relationship between the management and the employees. Likewise, the negative reinforcement may lead to job dissatisfaction from the side of employees.

On the basis of above discussion, the main objective of this study is to empirically analyze the effect of remuneration on employee job satisfaction in Bayero University Kano library staff. To achieve this broad objective, specific objectives the researches seek to

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realize are viz. analysis of the relationship between salary and job satisfaction of library staff in Bayero University Kano. Exploration of the connection between recognition and job satisfaction of the said staff along with the examination of the association between feedback and job satisfaction among them. Lastly, investigation of the relationship between allowance and job satisfaction.

### III. STATEMENT OF HYPOTHESES

In order to achieve the above mentioned objectives, the following null hypotheses will be tested in the study:

*Null Hypothesis (H<sub>0</sub>)*

There is no significance relationship between salary and job satisfaction of library staff in Bayero University Kano.

*Null Hypothesis (H<sub>0</sub>)*

There is no significance relationship between allowance and job satisfaction of library staff in Bayero University Kano.

*Null Hypothesis (H<sub>0</sub>)*

There is no significance relationship between recognition and job satisfaction of library staff in Bayero University Kano.

*Null Hypothesis (H<sub>0</sub>)*

There is no significance relationship between feedback and job satisfaction of library staff in Bayero University Kano.

### IV. RESEARCH METHODOLOGY

The present study employed a descriptive and exploratory research design for comparative analysis of employee remuneration and job satisfaction among library staff of Bayero University Kano. Independent variables like salary, allowances, recognition and feedback were used to measure the dependent variable job satisfaction. The principal target population for the study at hand was 171 respondents in Library of Bayero University Kano, which was a study area. Sampling of the study was determined by the use of Taro Yamane (1973) formula, where the sample size adopted according to the formula is one hundred and Nineteen (119) as a sample size.

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However, only 99 responses were taken in the study discarding unfilled/half-filled questionnaires. To increase the probability of fair selection among members of the population, simple random sampling technique was employed, by the researcher to increase the probability of fair selection among members of the population. Likert type scale was used as instrument to collect attitudinal data while spearman correlation was the data analysis technique generated through SPSS version 23.

### V. FINDINGS

#### i. Descriptive Statistics

Gender of the present study suggests that 70.7% were male while 29.3% are female. Majority of the respondents at 53.3% were married followed by 46.5% who were single. The qualification of the respondents suggests that 3.0% are the doctorate degree holders, 14.1% have master's degree, 31.3% have first degree qualification, 27.3% are higher national diploma holders, 22.2% have ordinary diploma and 2.0% have senior secondary school certificate holders. Majority of the surveyed employees at 27.3% were with 10-12 years in service, followed by 26.3% having 7-9 years of service suggest that the respondents had relatively good experience of work.

#### ii. Employee Attitude towards Salary

When we talk of remuneration the primary factor considered by researchers is salary. The library staff researched in majority at 62% expectedly are not satisfied with the basic salary they are getting, or for that matter with the issue of satisfaction with the last salary increment (58%). Nonetheless, the respondents believe that the current level of earning was decent or equivalent to the work they do.

#### iii. Employee Outlook on Allowances

Myriad allowances form very important component of remuneration and to understand the employee attitude towards them is very important to study organisational productivity/performance, motivation, job satisfaction and the allied factors like efficient discharge of duties, in the organisations. Overtime (70%), responsibility (84%), conference (67%) and housing (85%) allowances were found to be factors which were perceived to be positively contributing to employee efficiency and performance. Absenteeism can be checked through subsidized travel or transportation allowances (73%), while employees also believe that their desire to acquire more knowledge can be substituted with education allowance (80%). Allowances for registration with professional club or association was also desired by the respondents to shape interaction with fellow members.

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## iv. Employee Opinion on Recognition and Feedback

Many studies have confirmed that job satisfaction is heavily dependent on recognition given to employees by the employers in their job setting. Majority of the library staff around 82% believe that their organisation provides them with appropriate recognition, feedback as well as formal and informal praise for their contribution and work.

## v. Evidence of Job Satisfaction among Employees

Majority of respondents claim that they work diligently (88%) and have developed new and improved methods which helps them perform better (93%). Also 94% of the staff researched believe that they work efficiently and effectively to achieve their organisational goals and aim at achieving higher productivity (91%). They also responded in very high numbers that they normally give great attention to their work (96%).

## vi. Dynamics of Job Satisfaction and its Factors

### Correlation Coefficient

**Table 1.** Correlation coefficient

	<i>Job satisfaction</i>	<i>Salary</i>	<i>Allowance</i>	<i>Recognition</i>	<i>Feedback</i>
<i>Job satisfaction</i>	100				
<i>Salary</i>	0.033 (0.746)	100			
<i>Allowance</i>	0.117 (0.248)	-0.118 (0.244)	100		
<i>Recognition</i>	-0.023 (0.819)	0.144 (0.156)	0.027 (0.791)	100	
<i>Feedback</i>	.151 (0.136)	-0.082 (0.773)	-0.056 (.0,417)	0.056 (0.580)	100

The decision criteria taken up for correlation was that if the computed value is less than 0.05, the null hypothesis should be rejected and we accept the alternative. Undeniably, from the table 1 above, the calculated  $p > 0.033$  indicate that the relationship between the variables is significant. Also from the top row on the table value of 1.00 indicate positive correlation between job satisfaction and salary of library staff of Bayero University Kano. Therefore, we accept the alternative hypothesis and reject the null hypothesis that there is no significance relationship between salary and job satisfaction of library staff in Bayero University Kano.

If we observe the second column of the table, the  $p = 0.118$  shows that the calculated value has negative relationship with allowance of library staff of Bayero University Kano. Provision of allowance as against salary negatively impacts the job satisfaction of the employees researched, however the relationship is not statistically significant. It accepts the null hypothesis that there is no significance relationship between allowance and job satisfaction of library staff in Bayero University Kano

The computed value of third column shows positive and significant relationship between recognition and job satisfaction with the  $p$ -value of 0.027 and the correlation coefficient of 0.791. It rejects the null hypothesis that there is no significance relationship between recognition and job satisfaction of library staff in Bayero University Kano.

Meanwhile in the relationship between the feedback and job satisfaction, the  $p$ -value is 0.056 and correlation coefficient is 0.580, it shows a positive statistically non-significant relationship between the job satisfaction and feedback. Therefore, the null hypothesis that there is no significance relationship between feedback and job satisfaction of library staff in Bayero University Kano is accepted.

## VI. CONCLUSION

The research concludes that the employees surveyed as supported by many other studies were not content with their basis salary or for that matter any raise in it which their organisation provided. The study nevertheless determines that the employees were satisfied with assorted allowances that they received to further their organisational performance while desiring for transportation and education allowances along with those for professional and social associations. Surprising for a public sector body, the library staff researched were satisfied with, in majority with the non-monetary rewards received by them in terms of recognition, feedback and praise. The present study further suggests that overall the employees are experiencing a high level of job satisfaction which is reflected in their assertion that they like, put efforts and are innovative in their work.

Further, the study statistically confirms that a better salary would ensure more job satisfaction and vice versa, however no such association is observed vis-à-vis allowances. Additionally, a significant relationship was found between recognition and job satisfaction, more the former better the latter. However, there was no statistics considered no association between feedback received by employees from their work place and job satisfaction they were experiencing. Thus the main issue which the study concludes

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and suggests as an area of improvement for the library staff researched and for similar such employees is the monetary reward in term of salary which universities as organisations have to work upon and improve to have more satisfied employees.

### VII. LIMITATION AND SUGGESTION FOR FURTHER RESEARCH

The findings of this study are only reflected in library department of the university. As a result, the generalizability of the study will be increased if other departments are included, which is a suggestion for future research. Secondly, this study was conducted with small sample size 119 respondents. It is not enough to represent the overall determinants of employee job satisfaction. Hence, for further research, or studies with a same or similar subject, questionnaire needs to be conducted with the larger sample. Finally, four factors in this study may explain 58.8 percent of the variance in overall employee job satisfaction. Other elements may exist that have yet to be discovered, therefore further study is needed to find and include such factors in the model.

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