

Evaluation of Work Motivation As A Predictor Of Employee Commitment

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ABSTRACT: *Compensation is a very important component in Human resource management. This study examines the effect of compensation on the organizational commitment of employees. It appraises the effect of this concept on the Nigerian Education sector, a total of four (4) secondary schools were used. The data for the study was collected using self-administered questionnaires. A sample size of one hundred and seventy two (172) was used for analysis. Results of the linear regression analysis and correlation were used to test the hypotheses, which indicated that employees compensation has a strong effect on their commitment to their organization. It was therefore recommended that management strive to design and promote compensation package that are adequate and sufficient in order to increase the level of employees organizational commitment.*

Key words: compensation, organizational commitment, job satisfaction

INTRODUCTION

1.1 BACKGROUND OF STUDY

Education is fundamental to the overall growth and development of any country, therefore there is need for huge investments in the sector, continuous structural adjustments to curricular to make it practical for the society at large and formulation of policies that will ensure the sustainability of the sectors. Education in Nigeria has evolved through a series of historical developments. A high point of this evolution is the launch and introduction of the national policy on education in 1977. The goal of the policy was geared towards self- realization, individual, national efficiency and national unity. It was also aimed at achieving social, cultural, economic, political, scientific and technological developments. In 1985, the objectives of the policy was broadened to include free primary education [1].

This study focuses on post primary education in Nigeria; secondary education in Nigeria is aged, as it was developed alongside western education by Christian missionaries in 1842. Since the attainment of the country's independence status in 1960, secondary education has continued to grow in number and enrolment, the number of secondary schools has continued to increase from one thousand, two hundred and twenty seven (1,227) in 1960 to one thousand , six hundred and fifty four (1,654) in 1965, six thousand two hundred and thirty one (6,231) in 1985, six million two hundred and seventy nine thousand, four hundred and sixty two (6,279,462) in 2004, six million three hundred and ninety eight thousand three hundred and forty three (6,398,343) in 2005 and six million five hundred and thirty six thousand and thirty eight (6,536,038) in 2006 and student enrolment increased from one hundred and sixty eight thousand, three hundred and nine (168,309) in 1960 to two hundred and fifty two, five hundred and eighty six (252,586) in 1965, three million, eight hundred and seven thousand and seven hundred and fifty five (3,807,755) in 1985 and six million five hundred and thirty six thousand and thirty eight (6,536,038) in 2006. [3]. Odia and Omofonmwan (2007) stated that the Nigerian education sector is faced with a myriad of challenges. The major challenges include poor preparation, malpractice, inadequate funding, poor infrastructural deficits. The negative attitudes teachers and poor academic performance.

Inadequate funding and poor infrastructural facilities

According to Ahmed (2003) most secondary schools in the country have their teaching and learning take place under unconducive environment, lacking the basic materials, thus hindering the fulfilment of educational objectives.

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The education sector in Nigeria derives its major funds from the annual budgetary allocation by the federal government, unfortunately, allocation to the Nigerian education sector has been consistently low in spite of the strategic role of the sector in developing capacity for the country. Statistics according to [35] reveals that between the years of 2000 and 2010, allocation to the sector by the Federal Government of Nigeria was not more than 14% of the annual budget, which is low when compared to the allocation of countries such as Kenya, Malawi, Botswana, Angola, Sierra Leone, South Africa, all in sub-Saharan Africa [5]

Human Resource challenge

The Nigerian Certificate in Education (NCE) is the minimum qualification for teaching in the educational system [6]. Many secondary school teachers still parade lower qualifications such as Grade II certificate, thus implying that they are unfit for teaching. Other challenges include the inability of teachers to show commitment to teaching and it has been attributed to the un-seriousness, indiscipline poor academic performance of students in the school [7].

In order to improve the education system in Nigeria, it is important that all stakeholders provide solutions to these challenges, so that the objective of the education sector will not be defeated. Primary to this study, is the challenge of compensation, which is a contributing factor to the decline of secondary schools education in Nigeria.

The minimum wage for the average Nigerian worker is Eighteen thousand Naira (N18000), considering the economy state of the economy of the country, the rate of standard of living, the amount may or may not be sufficient to satisfy the basic needs of the Nigerian workers in the education sector.

The job requirements of teachers is very important and sensitive as it requires dealing with students from different background in order to ensure that they are imparted and trained with the necessary, it therefore, requires a great deal of commitment in order to perform their duties effectively. This study is therefore preoccupied with determining the effect of compensation on organizational commitment.

1.2 OBJECTIVES OF THE STUDY

The main objective of this study is to determine the relationship between compensation and organizational commitment. However the following were the specific objectives of this study:

- I. Ascertaining the relationship between compensation and organizational commitment.

- II. To investigate whether employee's normative commitment are affected by benefits.
- III. Examining how the employee's level of pay affects their level of affective commitment.
- IV. To determine if incentives would increase the level of continuance commitment of employee's.

2.0 LITERATURE REVIEW

According to [8] compensation refers to all forms of financial returns and tangible benefits that employee receives as part of employment relationship. Also [9] defines Compensation as the combination of monetary and non-monetary rewards provided to employees for offering the services to the organization. Direct compensation includes the basic pay that the individual is entitled for his job, it includes all form of salary, wages, overtime pay, bonuses based on performance. Indirect Compensation according to [10] is as greatly important because it affects the wellbeing of the individuals in the concerned organizations. According to [11] indirect compensation includes protection programs, insurance plans, protection programs, insurance plans, educational assistance and pay for time not worked, feeling of advancement, achievement opportunity, opportunity for recognition and other forms of benefits.

Organizational commitment may be viewed as the psychological attachment of an individual to an organization, The concept organizational commitment has grown in popularity in the literature on industrial and organizational psychology [13]. It is as a feeling of identification (trust in organization's value), contribution (eagerness to attempt my best for the interest of the organization) and Loyalty (craving to remain an individual of the organization) usually expressed by the employees [13].

Organizational commitment is a multi-dimensional concept. It is generally considered as three dimensional construct comprising of affective commitment, continuance commitment and normative commitment ([14]). [24] identified three types of commitment; affective commitment, continuance commitment, and normative commitment. Normative commitment is a relatively new aspect of organizational commitment having been defined by [34]

COMMITMENT TYPE	MIND-SET	BASE
Affective Commitment	Desire "Want To"	Employees positive feeling identification impressively, emotional attachment
Normative Commitment	Perceived Obligation "Ought To"	Feeling of obligation to continue employment
Continuance Commitment	Perceived Cost "Have To"	Needful commitment to employees such as economic cost, social

Adapted from S.Rani and K. Mishra (2012)

HYPOTHESIS DEVELOPMENT

Organizational commitment points to the attitudes of employees concerning commitment towards the organizations they work for [18] and Compensation incorporates everything that an employee gets consequently for his work or administrations, which is, fundamental pay and different various monetary and non-monetary rewards which thus decides how well the employee lives in the general society [11]. Thus there is a need to ascertain the relationship between compensation and how it points to the attitudes of employees commitment to their organization, thus this theory is proposed.

H₁: There is a relationship between compensation and organizational commitment.

[15] defined employee benefits as any type of compensation given by an organization other than wages and compensations that are paid for in entire or partially by the employer. According to [16] employee benefits are projects an employer uses to supplement money remuneration that workers get to secure the worker and his or her family from budgetary dangers. As provided by [17] there are three objectives of benefit programs. The first is to meet the lowest physical and psychological demands of employees so that they could fully engage themselves in work. The second is to compete with other corporations at an equal level. When similar employee benefits are adopted by competitors, it is necessary to offer the same level of benefit program in order

to maintain competitiveness. The third objective is to provide social and welfare services. While, [34] defined normative commitment as the commitment that a person believes that they have to the organization or their feeling of obligation to their workplace. [19] discusses normative commitment as being a "generalized value of loyalty and duty". According to Khan (2013) Normative commitment is a feeling of ethical responsibility to continue with the organization and the employee commits to and remain with an organization because of a sense of obligation. Thus, in order to find out if employees feel obliged to be committed to their organization because of benefits received, this hypothesis is formulated.

H₂: Employees normative commitments are affected by benefits.

According to [21] basic pay refers to pay in the form of wages and salaries which is usually fixed. Salary is the altered or ensured normal month to month or yearly gross instalment paid to workers while wage is a consistent, normally week after week or every day instalment paid for work or administrations, as a rule to manual labourers [11] while According to [22] affective commitment is defined as the emotional attachment, identification, and involvement that an employee has with its organization and goals. [23] further characterize affective commitment by three (3) factors,

- I. Belief in and acceptance of the organization's goals and values,
- II. A willingness to focus effort on helping the organization achieve its goals, and
- III. A desire to maintain organizational membership.

[24] also asserts that employees with affective commitment choose to stay with their organization because they genuinely desire to do so not because they feel stuck and see it as a must to do so. Therefore, since affective commitment refers to the desire of workers to be committed to the organization, there is need to determine if employees level of pay affects the desire to want to be committed to the organization, thus the hypothesis is proposed.

H₃: Employees level of pay affects their level of affective commitment.

Incentives as defined by [27] can be described as a stimulus to more noteworthy activity. Incentive is something which is given notwithstanding wages. Financial incentives as defined by [28] includes all means of payment based on increase and or improve productivity. Therefore the more the workers produce the more they earn. while, Umoh (2014) defines continuance commitment as the willingness to remain in an organization because of the investment that the employee has

with non-transferable investments. Reichers (1985) describes Non-transferable investments to include things such as retirement, relationships with other employees, or things that are special to the organization. Continuance commitment also includes factors such as years of employment or benefits that the employee may receive that are unique to the organization. Therefore given that incentives are given to boost the productivity of workers, thus there is need to ascertain if incentives will increase the perceived cost of employees leaving the organization. Thus, this hypothesis is proposed.

H4: Incentives will increase the level of continuance commitment of employees

EXPECTANCY THEORY

The expectancy theory was formulated by [25] and it contains three elements, valency-instrumentality-expectancy. Valency stands for value, instrumentality is the belief that if we do one thing it will lead to another, and expectancy is the probability that action or effort will lead to an outcome. According to [26] a person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence). The expectancy theory predicts that employees will engage in behaviour that will eventually lead to desired or valued outcomes, in relation to organizational commitment, therefore, perceived probability that maintenance of membership with an organization will lead to certain outcomes, thus, if organization continually met the expectations of employees they tend to maintain membership with the organization [33]

2.3 EMPIRICAL FRAMEWORK

The education sector is service based, as the teachers offer their services to the students and [4] proposes that organizational commitment is a key factor in the service sector. Various studies has highlighted the importance of organizational commitment and have discovered a negative relationship between organizational commitment and costly behaviours such as employee turnover, absenteeism and turnover intention [30] In addition, [4] also states that increased commitment can enhance the quality of work, productivity, service quality and organizational cohesiveness. The importance of compensation is proven by a number of empirical researches. Compensation drives organization competitiveness by increasing employee's motivation, performance, initiative, and engagement to the organisation [31]

3.0 METHODOLOGY

The survey research method was adopted in carrying out this study, the population of the study consists of employees, teachers in public and private secondary schools of Isolo local government Area of Lagos state. Before anyone can be deemed qualified for the research survey, the following criteria must be met:

- I. The person must be a teacher, having at least five (5) years of teaching experience
- II. The person must be a teacher for at least three (3) years at current school where teaching.

The above criteria were set in order to conduct the research survey on experienced teachers on the job who would be able to provide relevant data regarding compensation and its effect on organizational commitment. A total of four (4) schools of which there are fifty (50) teachers per school was used but out of the two hundred (200) teachers, only a sample size of one hundred and seventy two actually fit for the research survey. The simple random sampling method or Non probability sampling method was adopted in order to give every subject in a population equal chance of being selected, the instrument used for the collection of data was the questionnaire, In this study the coefficient alpha (Cronbach alpha) was used to test reliability of the measurement scale. The Cronbach alpha reliability test was found to be 0.754 for twenty-three (23) items analyzed together.

4.0 DATA ANALYSIS AND INTERPRETATION

Testing of hypothesis

Restatement of hypothesis 1

H1: There is a relationship between compensation and organizational commitment

Table.1: Correlation relationship between compensation and organizational commitment

	Commitment	Compensation
Commitment Pearson Correlation	1	.363(**)
Sig. (2-tailed)		.000
N	172	172
Compensation Pearson Correlation	.363(**)	1
Sig. (2-tailed)	.000	
N	172	172

** Correlation is significant at the 0.01 level (2-tailed).

Interpretation: From the correlation table above, there is a significant relationship between benefits and employees medium positive correlation that exists between compensation and organizational commitment ($r = 0.363^{**}$, $n = 172$, $p < 0.01$).

Decision: Since the correlation is significant at 0.01 level, this implies that there is a relationship between compensation and organizational commitment.

Restatement of hypothesis 2

H2: Employees normative commitment are affected by benefits

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.464	.213		11.550	.000
	My organization provides me with various types of benefits	.096	.083	.114	1.153	.250
	Benefits package offered by my organization is fair	.049	.089	.055	.553	.581
	I am happy with the various benefits I receive by my organization	.171	.104	.189	1.650	.101
R		.318				
R square		.301				
Adjusted. R square		.285				
F		6.308				
Overall Sig.		.000				

Source: Field Survey, 2015.

The above table summarizes the influence of benefits on employee's normative commitment. It therefore shows that there is

a significant relationship between benefits and employees normative commitment. It yielded a co-efficient of regression $R = 0.318$ and adjusted R square = .285 which implies that 28.5 percent of the variance on employee's normative commitment. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level ($F = 6.308$; $p < 0.05$) which therefore holds that employees normative commitment are affected by benefits.

Restatement of hypothesis 3

H3: Employees level of pay affects their level of affective commitment

Table.3: Regression effects of employees level of pay affects their level of affective commitment

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.112	.320		6.59	.000
	My basic pay is adequate to meet my basic needs	.022	.055	.035	.399	.690
	Salaries are paid as at when due	.104	.069	.117	1.51	.131
	I am being paid based on my performance	.090	.057	.141	1.58	.114
R		.208				
R square		.243				
Adjusted R square		.226				
F		2.538				
Overall Sig		0.58				

Source: Field survey, 2015.

The above table summarizes the influence of employees level of pay on affective commitment. It therefore shows that there is slightly no significant relationship between employees level of pay and affective commitment. It yielded a co-efficient of regression $R = 0.208$ and adjusted R square = .226 which implies that 22.6 percent of the variance on employee's affective commitment. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level ($F = 2.538$; $p < 0.05$) which therefore holds that employees level of pay do not slightly affect their level of affective commitment.

Restatement of hypothesis 4

H4: Incentives will increase the level of continuance commitment of employees

Tab.4: Regression effects of incentives will increase the level of continuance commitment of employees

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	2.936	.209		14.039	.000
	Incentives provided help to boost my morale on the job	-.158	.081	-.221	-1.943	.054
	Incentives make me want to perform better	.007	.071	.010	.104	.917
	I am satisfied with the various types of incentives i receive from my organization	.250	.081	.319	3.093	.002
R		.236				
R square		.076				
Adjusted R square		.059				
F		3.312				
Overall Sig		0.021				

Source: Field Survey, 2015.

The above table summarizes the impact of incentives on employees level of continuance commitment. It therefore shows that there is a significant relationship between incentives and employees level of continuance commitment. It yielded a co-efficient of regression $R=0.236$ and adjusted R square = .059 which implies that 5.9 percent of the variance on employee's continuance commitment. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level ($F=3.312$; $p < 0.05$) which therefore shows that that incentives will increase the level of continuance commitment of employees.

CONCLUSION/RECOMMENDATIONS

The research study has been able achieve its set out objective, and it has shown that compensation has an effect on organizational commitment, and compensation can be used as a tool to improve or increase organizational commitment of employees, based on these findings, it is therefore recommended that:

- Secondary schools should ensure that they give benefits to their teachers, benefits may be monetary or non-monetary, examples of benefits include retirement plans, vacation, medi care, as this as shown to affect their organizational commitment, especially the aspect of normative commitment, as they would feel obliged to stay with the organization.

- I. Incentives should also be given to school teachers, as this would improve their morale and increase their organizational commitment, especially in the area of their continuance commitment, as incentives provided would make employees view leaving the organization to be costly.
- II. This research work has been able to link compensation with organizational commitment, management of secondary schools should therefore look into improving the compensation package of the teachers, as this boost their commitment to the organization.

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