

Effects of Compensation on the Work Performance of Junior Staff of the University of Cape Coast, Ghana

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Abstract

The purpose of this study was to examine the effect of compensation systems on the work performance of employees (junior staff) of the University of Cape Coast (UCC), Ghana. The sample size for the study was 346. Stratified random sampling technique was used to select the junior staff. Also, 24 administrators were selected purposively to help collect data from the respondents. Questionnaire and an annual assessment form were the instruments used in collecting data. Both descriptive and inferential statistics were used in analysing the data. Findings from the study show that the junior staff have positive view on the university's compensation packages as a whole. However, junior staffs' view on the university's compensation packages does not influence employees' work performance directly. It does so only if it boosts their level of satisfaction which in turn boosts their commitment to the university and in the long run increases their work performance. It was recommended to management of the university to ensure a congenial environment and improved its compensation packages, especially non-financial, to encourage and motivate staff to be committed to the university which will lead to a significant increase in the work performance of the staff.

Keywords: Financial Compensation, Non-Financial Compensation, Staff Commitment, Staff Satisfaction, Work Performance

Introduction

People are the assets on which competitive advantage is built, whether in the public, private sector or in the world of education. According to Armstrong (2006), people are “inimitable” assets and that their skills are one thing that competitor organisations cannot imitate. This shows that people are the organisation’s key resource and organisational performance largely depends on them. If, therefore, an appropriate range of human resource policies and processes are developed and implemented effectively, then human resource will make substantial impact on organisation’s performance. Considering the role of human resource in national development, governments all over the world are making several efforts to support their institutions that contribute to the human resource needs of their country. Ghana is no exception. Improvement of the education sector is one of the key issues on Ghana’s development agenda to foster human resource development. Over the years, governments have made various efforts with the view to ensuring that the education service fulfils the expectations of making available the requisite human resource for national development.

Research institutions have not been left out. Institutions of higher education and research have been regarded as key institutions that play important role in socio-economic change and development. They have a crucial role in helping to build new institutions in a civil society, in encouraging and facilitating new cultural values and in training and socialising members of new social elites. It is, however, important to note that these educational and research institutions are human institutions and government’s efforts at improving their performance to produce the human resource need of the country cannot materialise without the people who work in these institutions (Tausif, 2012; Yamoah, 2013). An organisation has the potential to remain viable only when its members choose to participate and engage in necessary role behaviours, and it is important for organisations to provide inducements that are of value to its members to elicit these contributions (Saani, 2013). However, inducements that are financial in nature are perceived to have negative effect on employees’ satisfaction and performance (Quartey & Attiogbe, 2013).

In addition, Sajuyigbe, Olaoye and Adeyemi (2013) assert that for any organisation to succeed, it must not only look up to capital investments but to its employees as the fundamental source of improvement with the understanding that the human element and the organisation are synonymous. This suggests that attracting and retaining skilled, knowledgeable and competent employees in tertiary educational institutions is important for effective delivery of services in the changing environment. Employers expect certain degree of result oriented services that would fall in line with their vision and mission while every employee demands job satisfaction. It is, therefore, imperative to compensate employees with benefits of merits to induce them to give their best to the organisation. Abugre and Sarwar (2013) posit that because of the importance of compensation in people's lifestyle and self-esteem, individuals are very concerned with what they are paid. Employees expect a fair and competitive wage, while organisations are concerned with what they pay because compensation administration affects important decisions such as employee retention, turnover and job performance.

A well-compensated employee contributes highly to the organisational growth and creation of wealth for the organisation and its shareholders (Saani, 2013; Sajuyigbe et al.,

2013). Therefore, it is important for employers to take a serious look at any issue that adversely affects the contributions that human resource can make to the development of an organisation. This may mean that the real success of organisations originate from employees' willingness to use their creativity, abilities and know-how in favour of their organisation and it is the duty of the organisation to encourage and nourish these positive employee inputs by putting effective reward practices in place. If the right compensation along with the right kind of opportunities are made available to people by the institutions in which they work, then work becomes a pleasure and the manager's task made simpler leading to all round benefits for the employee as well as the employer (Saani, 2013). Any organisation that fails to recognise the essence of adequate compensation and its import to both the employer and employee does a great harm to itself. For a business to progress, all the stakeholders in the business must be happy in order to contribute their respective quotas.

Statement of the Problem

Employees' compensation and work performance within the public sector has been the subject of significant scrutiny in the media in recent times but it appears to have received less attention in academic research, especially in Ghana (Abugre & Sarwar, 2013; Odunlade, 2012; Saani, 2013). Following the implementation of the Single Spine Pay Policy (SSPP) in Ghana, the government's wage bill on emolument for public sector workers is said to have increased from 2.4 Billion in 2010 to Nine Billion Ghana Cedis in May 2012 and has increased to 13.7 Billion Ghana Cedis in December 2015 (Fair Wages and Salaries Commission [FWSC], 2016). It is evident that significant improvements have been made in the salaries of public service workers and, therefore, one could have expected a corresponding improved performance for the purpose of which the policy was introduced to be achieved.

However, the implementation of the SSPP has been received with varied reactions (Baah, 2007). Whilst workers think the SSPP has failed to address the problem of low salaries, the government (employer) is also contemplating whether to phase out the policy as a result of high wage bill without corresponding increase in work performance (FWSC, 2016). This contention between the government (employer) and the workers (employees) even after salaries have been substantially improved raises the question of whether compensation has any effect on employees' work performance. These are clear issues of concern that require in-depth investigation which the study sought to accomplish by examining the effect of compensation on the work performance of junior staff of the University of Cape Coast (UCC), Ghana.

Objectives of the Study

The main objective of the study was to examine the effect of compensation on the work performance of junior staff of the UCC, Ghana. Specifically, the study sought to:

1. Ascertain the views of employees on financial and non-financial compensation systems of the university.
2. Examine employees' level of satisfaction and commitment in the university.
3. Examine the effect of financial and non-financial compensation systems on employees' work performance.

Significance of the Study

This study is significant for several reasons. First, compensation decisions influence the work environment and working conditions of employees. It is hoped that findings of the study would advance the understanding of how employers can adequately reward their employees to create harmonious atmosphere at the workplace. Secondly, findings of the study, if implemented, is expected to be of immense benefit to management of the university when making compensation decisions that foster the attraction and retention of a satisfied and motivated workforce. The results of this study would also be significant in the sense that it would enable both management and labour unions to better understand how the various incentive packages could be harnessed to stir staff to increase and sustain productivity. Finally, it is also hoped that the results of the study would contribute to the stock of knowledge in human resource management in general by serving as a source of reference for further studies.

Delimitation

Due to geographical locations of public universities in Ghana, it was not possible to examine all public universities in Ghana. Therefore, the study was delimited to the UCC. Although there are other categories of staff in the UCC, the focus of the study was on only the junior staff of the university. With regard to the variables, the focus of study was on compensation (financial and non-financial), staff satisfaction, staff commitment, and staff performance.

Conceptual Framework

The concept of employee compensation may be categorised into two main dimensions that is, financial and non-financial compensations (Saani, 2013). The conceptual schema focuses on the development of a modified theoretical employee compensation model. This model serves as a systematic way in measuring the influence of compensation on junior staff satisfaction level, their commitment and work performance. The link between the variables is shown in Figure 1.

The argument of the study is that employee compensation, both financial and non-financial, influence employee work performance. However, the influence becomes stronger and more positive when other variables such as staff satisfaction with the various forms of compensation and staff commitment to the university are considered. The study, therefore, hypothesis that if the university expose junior staff to both financial and non-financial compensations it will lead to an increase in their work performance. However, staff work performance become stronger and more positive with regard to it increase when staff are satisfied with the various forms of compensation which in turn boost their commitment to the university. The total effect of staff satisfaction and commitment in the long run will strengthen the significant effect of compensation on staff work performance.

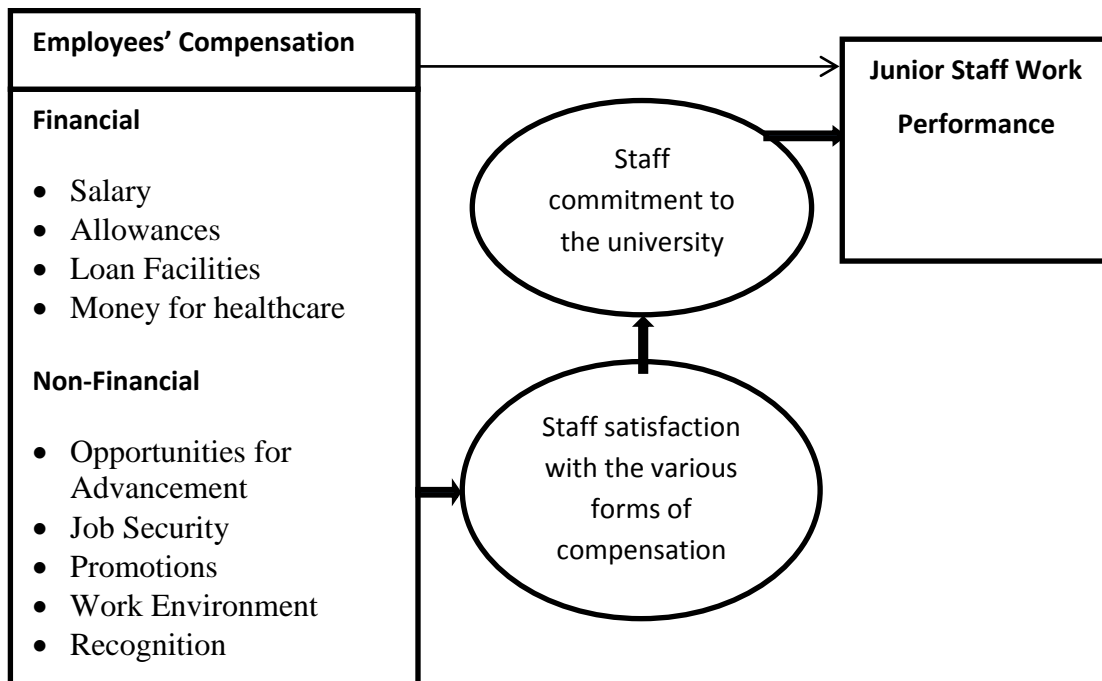


Figure 1: Effect of Compensation on Junior Staff Work Performance

Source: Adapted from Saani, 2013.

Methodology

The study sought to gather and analyse information on existing compensation systems for the junior staff in the UCC, using the descriptive survey design. In descriptive survey design there is accurate description of activities and this goes beyond mere fact-finding. Thus, the study went beyond the 'what' questions to ask 'why' and 'how' questions in order to understand the issues. The target population for the study was the junior staff of the UCC. The university has a junior staff population of 3,078 as at the time of the study (UCC, 2016). UCC was chosen for the study because public universities in Ghana are among the public service institutions which benefit from the SSPP but whose employees are still agitating for better salaries as at the time of the study. Also, there is the perception among the junior staff of the university, especially, the sanitary labourers that they were better off before than after the implementation of the SSPP and, therefore, had been disadvantaged with the implementation of the policy.

Sample and Sampling Procedure

The sample size for the study was 346 junior staff of the UCC. However, 24 administrators under whose direct supervision the selected junior staff work were also selected to assess the performance of the junior staff. The sampling frame was a list of junior staff obtained from the Division of Human Resource, UCC after permission had been granted from

the Deputy Registrar in charge of the Division of Human Resource while the 24 administrators were purposively selected from the schools, faculties, institutes, sections, directorates and halls of residence where the junior staff sample was taken. The 346 junior staff sample was obtained based on the recommendation of Krejcie and Morgan (1970) table for determining a sample size from a given population. Therefore, it was appropriate to sample 346 junior staff from the population of 3078 junior staff.

To obtain a fair representation of the junior staff from the population of 3,078, stratified random sampling technique was used to put the junior staff in the various schools, faculties, sections, institutes, directorates and halls of residence into significant groups according to their job schedule and sex. According to Ary, Jacobs, Sorensen and Razavich (2010), stratified random sampling is a form of simple random sampling in which the population is divided into a number of strata and a sample drawn from each stratum. A sampling proportion was used to select from each group. For example, to obtain the sample for male and female clerks and messengers, the following procedure was followed: First, the total number of clerks and messengers which is 529 was divided by the total number of junior staff which is 3,078, then multiplied by 346 which is the sample for the junior staff obtained from the table for determining sample size of a given population by Krejcie and Morgan (1970). The result was 59.

The same procedure was followed to obtain representations for all the other positions. Since equal representation for male and female was desired for the study, proportional sampling was again used. For the males, the number of male clerks and messengers which was 315 was divided by the total number of clerks and messengers which was 529, then multiplied by their sample which was 59. The answer was 35. The same procedure was followed for the female clerks and messengers, and obtained 24. Thus, among the sub-sampling of 59 clerks and messengers, 35 were males with 24 being females. The same procedure was used to obtain representations for all other positions. The junior staff were grouped into strata to suit the various positions in the junior staff category (See Table 1).

Table 1: Gender Distribution of Junior Staff Population and Sample by Job Position

Junior Staff Job Position	Population Size			Sample Size		
	Male	Female	Total	Male	Female	Total
Clerks/Messengers	315	214	529	35	24	59
Ward assistants	83	69	152	9	8	17
Library assistants/Janitors	94	45	139	11	5	16
Drivers	129	0	129	15	0	15
Security guards	314	8	322	35	1	36
Technical assistants/Tradesmen	418	65	483	47	7	54
Porters	87	52	139	10	6	16
Conservancy Gen. Lab.	1071	114	1185	120	13	133
Total	2511	567	3078	280	66	346

Source: UCC, 2016

Thus, while clerks and messengers are mostly found in the schools and faculties and the central administration, nurses, library assistants/janitors, drivers, security guards, technical

assistants and porters are mostly found in the directorate of health services, the library, transport, security, maintenance sections and the halls of residence respectively. After stratifying them into the various existing job categories, the lottery method of simple random sampling technique was used to select the junior staff from each group by writing their names on sheets of paper, which was folded and put into a bowl. The bowl was shaken and the folded pieces of paper then picked at random without replacement. The bowl was shaken to mix up the pieces of paper after each paper had been picked. The procedure was continued until the required number was obtained in each stratum.

Data Collection Instrument

Questionnaire for the junior staff and an annual assessment form for junior staff to be answered by the administrators were the main research instruments used in eliciting data from the respondents. Each questionnaire had an annual assessment form of junior staff attached to it. The assessment form was used to elicit data on junior staff performance. After answering the questionnaire, all the junior staff handed the completed questionnaires to their immediate respective supervisors (administrators) to complete the assessment form for each staff. The questionnaire was deemed appropriate for the study because it provided a much quicker means of gathering information from a fairly large population. Again it also allows anonymity of the respondents which makes it easier for the respondents to volunteer information without fear of victimisation (Gravetter & Forzano, 2006). However, questionnaire is limited to literate population and does not provide an opportunity to collect additional information. Therefore, for those who could neither read nor write, their items were read and interpreted in the local language (Fante) and their responses filled by the researcher.

Each set of questionnaire was made up of four main sections (A, B, C and D). Section A was used to elicit data on background characteristics of the junior staff. Sections B, C and D elicited data on staff view on compensation, level of satisfaction, and level of commitment to the University respectively. The questionnaire was structured based on numerical scale, using closed ended questions to elicit responses on respondents' knowledge on the issues. The responses in sections B, C and D were measured numerically using unilinear scale.

In relation to the annual assessment form for junior staff, it was made up of two sections (A and B). Section A elicited data on background characteristics of the administrators while section B elicited data on junior staff performance. All items in section B were closed-ended and they were measured using five-point unilinear scale.

Data Collection Procedure

A period of two months was used to collect the data. The data collection process started at the middle of February and ended at the middle of April, 2017. The respondents were given at most 30 minutes to complete the questionnaire. Not all the respondents were met on the day of visit and that demanded a considerable length of time to reach the stipulated number of respondents. After the completion of the questionnaires by the junior staff in each unit, the staff handed all to the administrator in that unit to complete his/her part by assessing respective staff performance using the annual performance assessment form of the junior staff.

Prior to the conduct of the instruments, an informal familiarisation visit was made to the various units for the confirmation of the number of junior staff and administrators.

The data collection procedure involved the collection of list of junior staff from the administrators in charge, the distribution of the instruments and the retrieval of administered instruments. The researcher went through the entire questionnaire with the staff after which the questionnaires were left with the respondents to respond objectively to the items. In the case of those who could neither read nor write, the items were read to them and their responses filled in by the researcher.

The data collection processes were done from one unit to another. With regard to the administrators, the assessment forms were given to them at their offices during break time. In order not to disturb respondents working time, they were asked to complete the instruments during break time or immediately after working hours. The completed instruments were collected back within a two months period. However, majority were collected at the same day they were administered. On the whole, out of the 346 respondents visited, 335 provided completed instruments; the remaining questionnaires and assessment forms were given back uncompleted while others were not retrieved. This resulted in 96.8 percent retrieval of completed questionnaires and assessment forms.

Data Processing and Analysis

The study mainly adopted the quantitative method of analyses which made it possible to use statistical software such as the Statistical Product and Service Solutions (SPSS) Version 16.0. In order to address the specific objectives, the researcher scrutinised the answered questionnaires to ensure that they were devoid of any irrelevant responses before feeding the computer with the data. The data analysis was conducted by using both descriptive and inferential statistics.

Results and Discussion

The rationale for the first specific objective of the study was to ascertain the views of junior staff of UCC on the various forms of compensation (financial and non-financial). The views of the staff were described using descriptive statistics such as means and standard deviation since the distribution was normal. The results are presented in Table 2.

Table 2: Descriptive Statistics and Correlation Matrix on Employees' Compensation, Level of Satisfaction, Commitment to the University and Work Performance

Variables	Mean	Std. Dev.	Employees' performance	
			Correlation coefficient (r)	Sig.
Financial compensation	2.448	0.304	0.013*	0.033
Non-financial compensation	3.275	0.307	0.495**	0.005
Level of satisfaction	3.035	0.301	0.565**	0.004
Commitment to the university	3.064	0.304	0.258*	0.036
Performance	3.845	0.251	1	

Source: Field Data, 2017

As depicted in Table 2, junior staff of the university were not pleased with the various forms of financial compensation (Mean = 2.448, Std. Dev. = 0.304) available or given to them. This shows that junior staff of UCC were not happy with the financial payment (including wages, salaries, commissions and bonuses) they receive as part of their work. This finding is consistent with that of Quartey and Attiogbe (2013) who examined the link between compensation packages and job performance in the Ghana Police Service (GPS). Their study revealed that the staffs of the GPS were not happy with the various forms of financial compensation packages given to them by the government and the institution.

However, in relation to non-financial compensations (Mean = 3.275, Std. Dev. = 0.307), junior staff perceived them positively. This shows that junior staff of UCC are happy with the non-monetary and psychological payments that the university provides for them in exchange for the work they perform. Therefore, junior staff are pleased with the satisfaction they receive from the job itself or from the physical or psychological environments in which they work. This means that non-financial rewards which focus on issues like needs for achievements, recognition, responsibility, influence and personal growth are seen to have positive effect on the junior staff.

The findings that emerged from Table 2 support the comments of Sajuyigbe et al. (2013) who posit that lower rank employees are normally pleased with compensation packages that are concerned with those non-financial rewards that provide intrinsic and extrinsic motivation to employees. In other words, they are happy with rewards that are inherent in job design such as interesting and challenging job, degree of feedback, task variety, and autonomy, and also those that arise from the factors of job context that include financial rewards, developmental rewards, and social rewards (Saani, 2013; Yamoah, 2013).

The second specific objective of the study looked at the level of junior staff job satisfaction and commitment to the university. In dealing with this objective, the first and second researchable hypotheses were formulated to be tested.

H^1_0 : *Employees' are not satisfied with the various compensation packages in the UCC, Ghana*

H^2_0 : *Employees' are not committed to the UCC, Ghana*

As presented in Table 2, junior staff are satisfied (Mean = 3.035, Std. Dev. = 0.301) with the various forms of compensation packages that are available and are given to them at the university. This shows that junior staff are unhappy with the form of financial compensation with regard to their promotion criteria, and the forms of reward given to them does not outweigh their satisfaction with non-financial compensations such as supervision and good working relationship that exist among staff. The study, therefore, rejects the first hypothesis that employees' are not satisfied with the various compensation packages in the UCC, Ghana.

Generally, the findings mean that junior staff in the University has pleasurable feeling that results from their perception on their job fulfils or allows the fulfilment of their own job values. It has to do with what a person consciously or unconsciously desires to obtain. The findings are consistent with the assertions of most researchers. The kind and level of compensation offered by organisations influences who is attracted and who will continue to work for it (Abugre & Sarwar, 2013; Saani, 2013). According to Sajuyigbe et al. (2013), organisations that give the greatest rewards tend to attract and retain most applicants. This

seems to occur because high reward levels lead to high satisfaction, which in turn leads to higher performance.

In addition, results from Table 2 shows that junior staff are committed to the university (Mean = 3.064, Std. Dev. = 0.304). Since staff were unhappy with their financial compensation, it therefore, mean that financial compensation packages such as salary have nothing to do with their commitment level to the university. However, non-financial packages such as good healthcare facilities offered to staff and their family, goals of the university and supervision make them develop strong sense of belongingness to the university. This show that junior staff of the university has emotional attachment to the objectives and values of the university. The study therefore, rejects the second hypothesis that employees' are not committed to the UCC, Ghana.

The views of the junior staff show that they are relatively satisfied with the various forms of compensation given to them and also are committed to the university. The findings support the submission of Abugre and Sarwar (2013) who asserted that compensation induce positive job satisfaction. One of the major conclusions they drawn from the study was that job satisfaction of employees stimulates their commitment to organisations. Their study however, recorded that the employees were dissatisfied with the amount of work they do and the pay they receive.

Furthermore, Table 2 shows that financial compensation ($r = 0.013$, $p = 0.033$), non-financial compensation ($r = 0.495$, $p = 0.005$), level of satisfaction ($r = 0.565$, $p = 0.004$), and commitment to the University ($r = 0.258$, $p = 0.036$) were statistically significant and positively correlated with employees' performance. Using Ary et al. (2010) suggestion for interpreting correlation co-efficient, the association between financial compensation and employees' performance was weak while that of commitment to the university and employees' performance was moderate. However, the relationships between non-financial compensation and employees' performance, and that of level of satisfaction and employees' performance were strong.

This means that if the junior staff view the university's various form of compensation packages in positive terms, there will be an increase in their performance, especially that of non-financial compensation. Similarly, the more employees are satisfied with the various form of compensation, the better they will increase their performance. Furthermore, the more they are committed to the university, the more they will improve their performance in the institution. The finding that employees' positive view on compensation has a significant and positive relationship with employees' performance is consistent with the assertion of Odunlade (2012) who asserts that the more employees are happy with the various forms of compensation given to them the more they complete their work or task on time. As indicated in Table 1, there was a significant and positive relationship between employees' level of commitment to the University and their performance. This finding is consistent with the submission of Armstrong (2006) who asserted that employees' commitment to the organisation has a direct link with their performance.

The last specific objective of the study examined the effect of employees’ view on the various form of compensation packages of the university on their work performance. A research hypothesis was formulated to tackle this research objective.

H³₀: Employees’ views on financial and non-financial compensation have no significant effect on their work performance.

After conducting a diagnostic test to check for multicollinearity among the independent and mediating variables, the multiple regression analysis was employed to test the research hypothesis. Results of the analysis are shown in Table 3.

Table 3: Effect of Employees’ Compensation Packages on their Work Performance

Variables	Model I	Model II	Model III
	Beta	Beta	Beta
Financial compensation	0.134 (0.074)	0.249 (0.074)*	0.380 (0.073)*
Non-financial compensation	0.565 (0.062)**	0.390 (0.060)*	0.405 (0.057) **
Employees’ level of satisfaction		0.260 (0.051)**	0.227 (0.049) **
Employees’ commitment to the University			0.499 (0.044) **
Constant	3.415	2.576	1.830
R	0.534	0.578	0.791
R Square	0.325	0.470	0.753
Adjusted R Square	0.310	0.435	0.739

Source: Field Data, 2017 (Standard errors are in parentheses) **p<0.01; *p<0.05 (N = 335)
 Dependent variable: Employees’ work performance

The multiple regression analysis involved testing of three models. In the first model the two main forms of compensation packages, financial and non-financial, were entered as independent variables. As contained in Table 3, the variable that predicted junior staff performance in the university significantly was non-financial compensation ($\beta = 0.565$, $p < 0.01$). Financial compensation was a non-significant contributor to the variance in the dependent variable ($\beta = 0.134$, $p > 0.05$). The total contribution of the independent variables to the variance in the dependent variable is 0.325 with an adjusted R² of 0.310. This means that financial and non-financial compensation packages predicted or explained about 31 percent of the variance in the junior staff performance in the University.

In the second model junior staff level of satisfaction in the various forms of compensation given to them was entered into the equation to serve as a mediating variable. When the variable employees’ level of satisfaction with their work was used in the equation the beta coefficients of financial and non-financial compensation packages reduced. However, financial compensation which was non-significant became significant and expanded in the second model. The percentage decrease of non-financial compensation which is the only variable that is significant in the first model was 31 percent.

As expected there was a slight increase with regard to the total contribution (R²) of all the independent variables, including junior staff level of satisfaction with their work, to the variance in the dependent variable. It increased from 0.325 to 0.470 with an adjusted R² of

0.435, which means that junior staff level of satisfaction tends to boost the total predictive power of the various compensation packages available and given to them. Junior staff level of satisfaction was statistically significant when it was entered into the second model ($\beta = 0.260$, $p < 0.01$).

In the third model the variable employees' commitment to the university was entered into the equation, and the result was that the beta coefficients of the independent variables were still statistically significant. The confident level for financial compensation was still 95 percent while that of non-financial compensation moved from 95 percent to 99 percent. As indicated in Table 3, the beta coefficients of all the variables increased. Employees' level of commitment to the university was statistically significant when it was used in the second model ($\beta = 0.499$, $p < 0.01$) because it changed the beta coefficients of the other significant variables in the third model. This means that the explanatory power of employees' view on the various forms of compensation packages of the university (financial and non-financial) are shared with the mediating variables. The beta coefficient for financial compensation, non-financial compensation and employees' level of satisfaction with their work variables increased.

The total contribution (R^2) of the variables when employees' level of commitment to the university was added increased from 0.470 to 0.753, while the adjusted R^2 increased to 0.739. The data further showed that when employees' level of commitment to the university was used in the equation the rate of increase of the R^2 was 60.2 percent. This suggests that the junior staff level of commitment to the university is a major condition for increase in junior staff performance. Thus, employees' satisfaction with the work in the university gradually builds up and translates into commitment to the university.

The findings show that junior staff views of the university's compensation packages do not directly influence their performance in the university. First the compensation packages must enhance the junior staff level of satisfaction with their work, and this will in turn ignite their commitment to the university. This increased the level of commitment to the university by the junior staff which resulted in an overall increase in their performance. Thus, compensation packages of the university are not enough to explain employees improved performance unless the employees are satisfied and committed to the university. The study therefore, rejects the hypothesis that employees' views on financial and non-financial compensation systems have no statistically significant effect on their performance. The findings support the argument of Saani (2013) who avers that employee compensation has an indirect effect on employee performance. He further posits that with appropriate compensation packages in the organisation, employees are likely to be satisfied and committed to the organisation. These incremental effects on level of satisfaction and commitment will ignite employees' performance significantly.

Conclusions

Based on the findings, the study concludes that junior staff of the university have positive view on the institution's compensation packages as a whole. However, they are dissatisfied with the financial compensation system of the university which comprises salary, allowances, loan and accommodation facilities. In relation to non-financial compensation

packages such as healthcare facilities, leave of all kinds, job security, good working environment and opportunities for advancement offered by the university, staff were satisfied with them.

In all, one may conclude that whenever the various financial and non-financial compensation packages get staff to be satisfied with their job, it makes them committed as well to the university. This is then translated into a significant increase in their work performance. It is therefore necessary for the university to develop, nurture and maintain attractive compensation packages that will make junior staff satisfied and committed in order to enhance their work performance in the long run. This can be achieved by including the constituency of junior staff in the decision making process when determining the various compensation packages for staff and also improving technical, organisational and human environments of the staff. This will boost their perceived recognition and work environment in the university.

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