

# FINANCIAL RECOMPENSE AND EMPLOYEES PERFORMANCE

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**Abstract:** This study examined the impact of financial recompense on employees' performance, with a focus on achievers university Owo, Ondo state. Specifically, the study examine the relationship between overtime and excess workload and performance of the employees in Achievers University. This study employed a descriptive research design. Data were collected from a randomly selected sample of 220 respondents using a structured questionnaire. In order to test the hypotheses formulated, Pearson product moment correlation coefficient (i.e. simple regression analysis) was performed to test the hypotheses formulated. Data analysis revealed that overtime and excess workload (OEXC) has a positive coefficient and is statistically significantly different from zero at 5 percent significant level. Based on the findings of the study, it can be concluded that the roles played by financial compensation on employees' performance in human resources management cannot be underestimated. It's an important tool that organization need to boost their employee's morale in its performance and major instruments that employers use to influence employees behaviour and attitude to work.

**Keywords:** financial recompense on employees', influence employees behaviour, Achievers University.

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## 1. INTRODUCTION

Human resource plays a very significant role in the growth and development of organizations all over the world. This is because no organisation can achieve short, medium and long term corporate goals and objectives without the contribution of the employees; hence it is important that employees are well compensated financially for the success of such organizations. According to Tella, Adeyemi and Popoola (2017), the management of people at work is an integral part of the management process, put differently; managers need to understand the critical importance of people in their organizations so as to recognize that the human element and the organization are synonymous. Therefore, it is imperative to compensate an employee with benefits if he merits it. Cascio (2023) opines that because of the importance that compensation holds for people's lifestyle and self-esteem, individuals are very concerned about what they are paid – a fair and competitive wage, while organizations are also concerned about what they pay because it motivates important decisions of employees about taking a job, leaving a job and on the job performance.

Compensation as a concept according to (Bernadin, 2017) refers to all forms of financial returns and tangible benefits that employee receives as part of employment relationship. Compensation as it were is divided into two parts and these are cash compensation which is the direct pay provided by employer for work performed by the employee and fringe compensation which refers to employee benefit programs. Cash compensation has two elements which include base pay and pay contingent. Base pay has to do with hourly or weekly wages plus overtime pay, shift differential and uniform allowance while pay contingent is concerned with performance allowances such as merit increases, incentive pay bonuses and gain sharing. Fringe compensation on the other hand refers to employee benefits programs. Fringe compensation also has two parts to it which are legally required benefit programs and discretionary benefits.

### **Research Questions**

The study attempted to provide answers to this research question:

What is the relationship between Overtime and Excess workload and performance of the employees in Achievers University?

### **Objectives of the Study**

To achieve this aim, the following objective are set to:

Examine the relationship between overtime and excess workload and performance of the employees in Achievers University

### **Research Hypothesis**

Ho1: There is no significant relationship between overtime and excess workload and performance of the employees in Achievers University

## **2. LITERATURE REVIEW**

The framework containing theories asserts the concepts in an interrelated manner in guiding research in terms of statistical linkages and things to measure (Thomas & Williams, 2010). The theories important and vital to this study include Abraham Maslows' hierarchy, of needs, Vroom's Expectancy, theory, Goal setting, Theory, Hertzberg's theory, Reinforcement Theory, Scientific Management Theory and Adams equity theory.

Employees would also compare their level of pay with other people doing similar jobs in other organizations (Nick, 2021). A mixed methods study indicated that financial rewards are essential for motivating employee especially in third world countries that are struggling with inflation rates (Yousaf *et al*, 2014). Hence, there is a positive correlation between financial rewards and employee performance.

### **2.1 Human Capital Theory**

Human capital signifies the combined intelligence and experience of staff as a source of competitive advantage that cannot be imitated by rivals Resick (2017). This theory advocates for attracting, engaging, reward and developing people in organizations. In the context of Agriculture and business sector, because some of the employee compensation practices in this research are meant to ensure that the performance of employees is enhanced this theory is relevant. However, this theory has been criticized for not addressing other underlying components of employee performance. Scholars have argued that ultimately, it's only the characteristics that enhance employee performance. The theory is relevant in this study. This is because it considers reward which is also a component of compensation. This means that employees can be rewarded for their efforts despite the fact that the theory does not examine the effect of the rewards.

Human capital arises out of any activity able to raise individual worker productivity (Abdullah, 2014). In practice full-time education is, too readily, taken as the principal example. For workers, investment in human capital involves both direct costs, and costs in foregone earnings. Workers making the investment decisions compare the attractiveness of alternative future income and consumption streams, some of which offer enhanced future income, in exchange for higher present training costs and deferred consumption. Returns on societal investment in human capital may in principle be calculated in an analogous way (Afsal, 2013).

Human capital in a real sense is an 'invisible asset' (Bal, Bozkurt, & Ertemsir, 2022). The importance of the human capital pool (the collection of employee capabilities), and how it is managed through HR processes, becomes apparent, then, to the strategic aims of the organization. If the types and levels of skills are not equally distributed, such that some firms can acquire the talent they need and others cannot, then (*ceteris paribus*) that form of human capital can be a source of sustained competitive advantage. This emphasis on human capital also chimes with the emphasis in strategy research on 'core competencies,' where economic rents are attributed to 'people-embodied skills (Chebet, 2015).

### **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.

### **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

### **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), 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) 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).

### **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).

### **Overtime/Excess work-load:**

Excess workload refers to a situation where employees are required to handle more tasks than they can reasonably manage within their regular working hours. This often leads to extended work hours, reduced work-life balance, increased stress, and burnout. Excess workload as a tool in financial compensation refers to the practice of assigning additional work responsibilities to employees with the understanding that they will be compensated financially for their extra efforts. This approach is often used to motivate employees, recognize their value, and retain top performers.

Types of excess work load.

- i. Overtime pay: additional pay for hours worked beyond regular schedules.
- ii. Bonuses: lump sums paid achieving specific performances targets or projects.
- iii. Commissions: percentage-based earnings tied to sales, revenue, or productivity.
- iv. Merit pay: salary increases based on individual performance and contributions.

### **Employees Performance**

Employees Performance According to Nmadu (2013), employees performance is a degree of accomplishment of task(s) that make up an employee's job. This definition was in line with the definition given by business dictionary (2010), that employees performance is the accomplishment of a given task measured against pre-set standards of accuracy, completeness, cost and speed. Managers at workplace must ensure that employees activities and output contribute to the organization goals. This process requires knowledge of what activities and outputs are designed, observing whether they occur and providing feedback to help improve employees morale and to meet expectation (Nmadu, 2013). However, employees performance is associated with productivity which translates to quantity of output, quality of output, timeliness

of output, presence or attendance on the job, morale at work, efficiency of the work completed and effectiveness of work completed (Mathis, Fredrick and Kenneth 2009). It is the standard to which someone does something such as a job or examination (Macmillan English Dictionary for Advanced Learners 2007). Employees' performance if it is recognized by managers or superiors within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labour market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (Nmadu 2023). Gibson (2012), employee performance is a measure of the morale of employee, effective and efficient completion of mutually agreed tasks by the employee, as set out by the employer. According to Nmadu (2023) performance is measured in terms of productivity, job satisfaction, turnover and absenteeism. Moreover, authors agreed that when conceptualizing employees performance one has to differentiate between an action (i.e., behavioural) aspect and an outcome aspect of employees performance (Richard, 2009). The behavioural aspect refers to what an individual does in the work situation. Moreover, only actions which can be scaled, i.e., measured, are considered to constitute employees performance (Richard, 2019).

## **2.2 Theoretical Review**

### **2.2.1 Equity Theory**

Equity theory recommends that labourer discernments of their contributions towards the organization, what they get correspondingly, and the way their come -commitment quantitative connection compares to others in and also out of the organization,' confirm in any case honest they get it their business relationship to be Adams, (1963). Recognitions of imbalance region unit anticipated to cause staff to require activities to revive value. Tragically, a few such activities (e.g., stopping or need of participation) might not be valuable to the organization. Equity theory centres on 2 sides: the input and hence the result. Associate degree worker compares their job's inputs with associate degree outcomes quantitative relation. If the worker perceives difference, he or she he can act to correct the inequity. The worker could lower productivity or cut back the standard of their job. Persistently inequities will cause a rise in absence and even resignation of a corporation Greenberg, (2015).

Polyglot (2010) examined however a corporation addressed the issue of pay cuts to its staff and hence the effects on high embezzlement rates and perceived equity organizational units got day panoptic pay cuts. A 3rd unit did not receive a salary cut and served as an effect cluster. The clarifications for the pay cuts were being addressed in a few ways that to the 2 pay-cut groups. Inside the "satisfactory clarification" pay-cut cluster, administration given an enormous degree of information to illustrate its reasons for the compensation cut, and conjointly communicated imperative penitence. In qualification, the "insufficient clarification" cluster got plenteous less information and no sign of compunction. The management cluster received no salary cut (and so no explanation).

The crowd in control and the two pay-cut individuals began with same thievery degrees and equity opinions. Later after the pay cut, the thievery rate was 54% higher in the acceptable explanation cluster than in the control group. Though, in the "inadequate clarification" condition, the embezzlement rate was 141% compared to the control group. In that circumstance, communication had an enormous, self-regulating consequence on workers' outlooks and also conducts.

Cowherd and Levine (2012) used an illustration of 102 trade units in forty one firms to look at whether or not the measurements of the pay difference amid the lowest level workers and high administration had any effect on the item quality. Cowboy and Levine guide that labourers 11 regularly compare their pay to those of higher places inside the organization composition. In case the subordinate specialists feel disproportionately handled, they'll get to cut back their effort to realize value. Quality, in their study, was sketched out as client recognitions of the standard of goods and services. They also theorized that further role, or residency actions, like openly giving to help other people, following the spirit instead of letter of rules, and adjusting some of the errors that will usually discharge notice, would be minimal surely once pay differences amid hourly and high social control labourers were enormous. Their results backed up this theory, proposing that organizations got to be extra careful that they not disregard the potential antagonistic mental highlight results of government get the inspiration of diverse workers.

### **Agency Theory**

This theory states that both the employer and the employee are stakeholders of the company and remuneration paid to the employee is the agency cost. The employee will try to get an increased agency cost whereas the employer will try to minimize it. Hence the remuneration should be decided to please the interest of both parties. Agency theory focuses on the

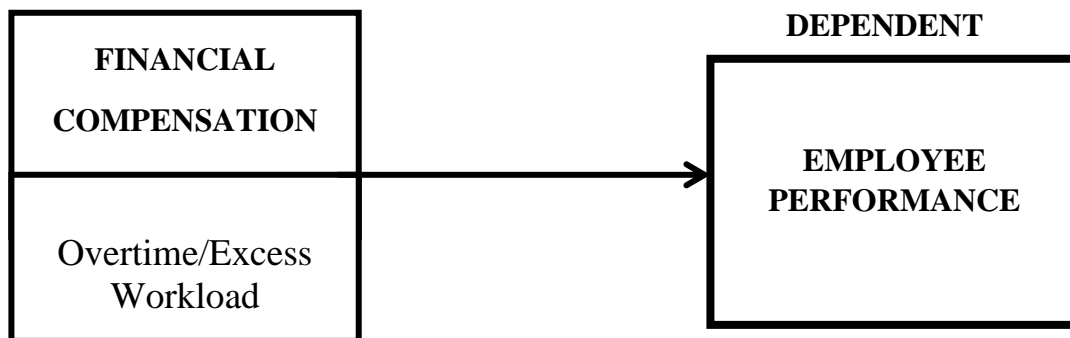


divergent interest and goals of the organization’s stake holders and the way that employee remuneration can be used to align these interests and goals. Employers and employees are the two stakeholders of a business unit, the former is assuming the role of principals while the later the role of agents.

The agency theory says that the principle must choose a contracting scheme that helps align the interests of the agents with the principal’s own interests. These contracts can be classified as either behaviour-oriented (e.g. merit pay) or Outcome-oriented (e.g. stock option scheme, profit sharing and commission). As profits go up, rewards also increase, so also when profits go down, remuneration falls.

**Conceptual Frame Work**

**Figure 1: Operationalization of variables**



Researchers Conceptualization (2024)

**3. EMPIRICAL REVIEW**

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), 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, Alabis, et al., (2022). 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.

Aktar, Sachu and Ali (2022) 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 (2019) consistently found that intrinsic motivation is conducive to producing creative work, while extrinsic motivation is unfavourable to producing creative work. Gagne (2019) 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 (2019) 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, (2023). 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, (2022). To them, even stronger results are seen with a composite approach.

In a similar study by Henema, (2023), 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, (2023) 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.

### 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.

### 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.

### Sample Size and Sample Technique

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 employee’s performance in Achievers University. A sample size of Four Hundred and Ninety-One (491) was 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 signifance of 5%

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

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

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

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

$$n = 220.42$$

$$n = 220$$

**Table 1: Cronbach Alpha Reliability Test**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OEXC	11.7773	5.982	.393	.162	.784
EPER	11.8136	4.892	.662	.659	.812

**Source: Field Survey (2024)**

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:

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 2 below:

**Table 2: Multivariate Ordinary Least Squares Regression Result**

<b>Dependent Variable: EPER</b>				
<b>Method: Least Squares</b>				
<b>Sample: 1-220</b>				
<b>Included observations: 220</b>				
<b>Variable</b>	<b>Coefficient</b>	<b>Std. Error</b>	<b>t-Statistic</b>	<b>Prob.</b>
<b>C</b>	0.472344	0.219894	2.148059	0.0328
<b>OEXC</b>	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 (2024)**

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 3

**Table 3: Diagnostic Tests**

<b>Breusch-Godfrey Serial Correlation LM Test:</b>			
F-statistic	42.95323	Prob. F(2,214)	0.0000
Obs*R-squared	63.01772	Prob. Chi-Square(2)	0.0000
<b>Ramsey RESET Test</b>			
t-statistic	1.067873	215	0.2868
F-statistic	1.140353	(1, 215)	0.2868
Likelihood ratio	1.163789	1	0.2807
<b>Heteroskedasticity Test: Harvey</b>			
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 (2024)**

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 3.

**Table 4: Correlation Matrix between Pension Scheme, Salaries & Wages, Overtime & Excess Workload and Employees Performance**

	<b>SWAG</b>	<b>OEXC</b>
<b>SWAG</b>	1.000000	0.222736
<b>OEXC</b>	0.222736	1.000000

**Source: Field Survey (2024)**

Table 4 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 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.

### **Conclusion and Recommendation**

The roles played by financial compensation on employees’ performance in human resources management cannot be underestimated. It’s an important tool that organization need to boost their employee’s morale in its performance and major instruments that employers use to influence employees behaviour and attitude to work. Hence, it has become important issue in managerial discourse. It is in the light of this that the study sets out to examine the effect of financial compensation on the performance of employee in Achievers University Owo, Ondo State, Nigeria.

As a result, the study attempts to achieve the following specific objectives: to investigate the effect of pension scheme on employees’ performance in Achievers University Owo, to also examine the extent at which salaries and wages influences employees’ performance in Achievers University Owo, and to examine the relationship between overtime and excess workload and performance of the employees in Achievers University Owo.

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