
Compensation Administration and Employee's Performance Among Private Universities in North Central Nigeria

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ABSTRACT: *Compensation plays an important role in determining employees' job satisfaction and thus performance. The perception of being paid what one is worth predicts job satisfaction. However, it is not clear the influence compensation has on employee's performance to cause the many stand offs. This study therefore sought to establish the effects of compensation on employees' performance in private universities in north-central, Nigeria. The objective of the study was to explore the impact of compensation administration on employee's performance in Private Universities in North Central Nigeria. The study employed a descriptive research design. Finite Sample size Determination formula and Simple random sampling was used to select a sample size of 1312 employees drawn from the target population of 1,903. Responses were collected through administration of questionnaire. The validity and reliability of the questionnaire was enhanced through a pilot study carried out in selected private universities. To ensure the validity of the instruments, both face and content validity was used. Data collected was categorized coded and then tabulated using SPSS. The qualitative data was analysed using descriptive statistics and multiple regression analysis. The study established that competitive salaries, indirect compensation and non-financial compensation had a positive and significant influence on employees' performance. The study concludes that a competitive salary package can improve employee motivation, reduce employee turnover and increase productivity, incentive plans motivate workers for higher efficiency and productivity. It can improve the work-flow and work methods, indirect compensation is a non-monetary benefits offered and provided to employees in lieu of the services provided by them to the organization and that that employees become more engaged when their performance is properly recognized by their employer. The study recommends that Employee performance can be influenced by the universities administration by communicating to the employees that they value their contribution and also encouraging employee participation in the decision-making process of the compensation administration system at the universities. When employees feel that their opinions are valued at the organizations they work, they tend to exhibit loyalty and commitment due to the sense of belongingness and trust from the management.*

KEYWORDS: compensation administration, direct financial compensation, indirect financial compensation, job satisfaction.

INTRODUCTION

Today's organizations are operating in a very dynamic and highly competitive environment. To remain relevant in the market, they have to be able to respond quickly to every changing client/stakeholder needs/demands. Compensation administration is one of the methods used by organizations for attracting and retaining suitable employees, as well as, facilitating them to improve their performance through motivation and to comply with employment legislation and regulation (Njanja et al, 2019). In these modern times, there is a lot of interest in the field of compensation management and organizational commitment. Why because, employees are the most significant and valuable resource in any organization therefore, ensuring that they are satisfied with their job and give the organization their best is one of an organization's main objective (Werner & Desimone, 2023). There are several ways to motivate the performance of employees; one of such ways is to build an effective compensation management system (Bresnan & Marshal, 2023). In every organization, employees typically receive different kinds of benefits in the form of wages, salaries, bonuses, commissions etc. Most of these employees who possess good and solid educational backgrounds tend to be unmotivated to perform their best with the job when their compensation package does not measure up to their educational background and standard thus leading to dissatisfaction, withdrawal behaviors, and turnover (Malhotra et al, 2024). Organizations with more appropriate and adequate compensation packages typically record a positive effect on employee performance which leads to an overall decrease in turnover and employees' willingness to remain with such organizations". This could imply that proper compensation packages would motivate employees to commit to the organizations they work for and remain loyal to it. There appears to be mounting concerns that unacceptably high proportions of organizations employees are poorly motivated due to a combination of low morale and job satisfaction, poor incentives, salaries not paid as at when due, inadequate controls and other behavioural sanctions (Kirunda, 2024).

Thus, Anvari et al, (2024), Gungor (2024), Danish and Usman (2018) states that improper compensation plans can invariably land corporations into issues like higher worker turnovers, less commitment, poor service delivery, dissatisfaction, conflicts, stress and stress connected diseases, labour unrest, industrial actions, tainted company image and accidents. Moreover, compensation is usually narrowed to cash and as a result, employers only have a tunneled vision when it comes to the issues of compensation for their employees. Other aspects of compensation which makes up the total compensation package for the employee are not given much attention. Employees themselves fail to recognize the fact that their compensation is a package and not only related to cash. The by-product of the above understanding of compensation is that it is poorly managed and most of the time performance is affected adversely. Furthermore, the foundational literature regarding compensation and performance in the workplace is decidedly mixed. Some authors find positive results. Other researchers fail to find any significant link and some studies identify an inverse relationship. For instance, it has been found that there is a significant relationship between

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compensation administration strategies and employee performance (Shin-Rong and Chin-Wei, 2024).

Mayson and Barret (2024) found that a firm's ability to attract, motivate and retain employees by offering competitive salaries and appropriate rewards is linked to firm performance and growth. Many other studies carried out such as Kipkorir et al, (2018) found out that there is a non-significant relationship between executive compensation and performance. Ngui et al, (2024) study established that financial and non-financial rewards combine to enhance firm performance. Thus, studies investigating the relationship between compensation administration factors and employee performance have revealed somewhat divergent results. In the light of these findings, this study highlights the need for a deeper investigation of the relationship between compensation administration and employee performance with particular reference to selected private universities in North central Nigeria.

Objectives of the Study

The major aim of this research is to explore the impact of compensation administration on employee's performance in Private Universities in North Central Nigeria. The specific objectives include to:

- i. Examine the impact of direct financial compensation on Job satisfaction in Private Universities in North Central Nigeria.
- ii. Evaluate the impact of financial compensation on Employee productivity in Private Universities in North Central Nigeria.
- iii. Examine the impact of indirect financial compensation on Job satisfaction in Private Universities in North Central Nigeria.
- iv. Determine the impact of indirect financial compensation on Employee productivity in Private Universities in North Central Nigeria.
- v. Examine the impact of non-financial compensation on Job satisfaction in Private Universities in North Central Nigeria.
- vi. Evaluate the impact of non-financial compensation on Employee productivity in Private Universities in North Central Nigeria.

Research Hypotheses

In order to answer the research questions, the researcher proposed the following set of null hypotheses:

H₀₁: Direct financial compensation have no significant impact on Job satisfaction in Private Universities in North Central Nigeria.

H₀₂: Direct financial compensation have no significant impact on Employee productivity in Private Universities in North Central Nigeria.

H₀₃: Indirect financial compensation have no significant impact on Job satisfaction in Private Universities in North Central Nigeria.

H₀₄: Indirect financial compensation have no significant impact on Employee productivity in Private Universities in North Central Nigeria.

H₀₅: Non-financial compensation have no significant impact on Job satisfaction in Private Universities in North Central Nigeria.

H₀₆: Non-financial compensation have no significant impact on Employee productivity in Private Universities in North Central Nigeria.

LITERATURE REVIEW

Conceptual Review

This refers to researcher's structural idea which best explains the progression of the phenomenon under study (Adom et al. 2018). Khattak (2018) states that conceptual review is researchers own perceptions about the scope and structure of a problem. This section explains how compensation administration variables relate with the variables of employee performance.

Concept of Compensation Administration

The Journal of Global Business and Economics (2019) defines compensation as "the combination of all cash incentives and the fringe benefits mix that an employee received from a company which constitutes an individual's total compensation". Chabra (2019) views Compensation as a wide range of financial and non-financial rewards given to employees in exchange for their services rendered to the organization. According to him, it is paid in the form of wages, salaries and employee benefits such as paid vacations, insurance, maternity leave, free traveling facility, retirement benefits, etc. He indicated that the term 'wage' is used to denote remuneration to workers doing manual or physical work. Thus, wages are given to compensate the unskilled workers for their services rendered to the organization. Wages may be based on hourly, daily, weekly or even monthly bases.

In order to provide compensation, models predict the development of reward systems that arrange remuneration so that a worker's predicted utility improves with observed productivity. These rewards can take many various forms, including praise from supervisors and co-workers, tacit promises of future promotion possibilities, feelings of self-esteem that come from superior achievement and recognition, and current and future cash rewards related to performance. Economists, while recognizing that nonmonetary rewards for performance can be important, tend to focus on monetary rewards because individuals are willing to substitute nonmonetary for monetary rewards and because money represents a generalized claim on resources and is therefore in general preferred over an equal dollar-value payment in kind (Lawler 1973). In explanation of compensation administration, dimensions of compensation will be explained below;

Direct financial compensation

Direct monetary stipend could be a reward / punishment is named the incomes or wages square measure paid regularly by the due date fastened. In line with the understanding that, wages or pay rates taken also as an installment inside the sort of cash in money or in a comparable way gotten by specialists of the usage work, (Baker, 2018).

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One purpose of someone as Associate in nursing laborer of an organization is to gain budgetary pick up inside the sort of compensation or remuneration. Gotten compensation to fulfill essential needs like nourishment, wear and lodging. Each company in significant to the number of compensation paid to the laborer ought to be conceivable, so rock bottom wage that's given to fulfill the prerequisites of their life (Kanzunnudin, 2019).

Indirect financial compensation

The primary effect of fringe benefit is to retain the employee in the organization. The practical operational value to the employing organization include maintenance of workforce in competition with the organizations, preservation of some degree of labor management peace in collective bargaining arrangements and maintenance of acceptable levels of general morale. It will produce varying values e.g. paid vacation is presumed to provide a mental and physical respite that generates increased interest and activities on the job.

Non-financial compensation

The non-financial rewards incorporate job design, the working atmosphere, career improvement, training, cooperation and also acknowledgment. Work plan points are usually focused at improving worker fulfillment and finishing organizational goals and objectives by planning the content, strategies and association of jobs, according to the preference and capacities of various employees.

Moderating Variable

According to Robbins (2021), the quality of the employees' work place environment brings most impacts on their level of motivation and subsequent performance. How the engage with the organizations, especially with their immediate environment, influence to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long the employee stay in the job. Robbins (2021) advocates that working conditions will influence employee's performance, as employees are concerned with a comfortable physical work environment. In turn this will render a more positive level of performance. Miller et al. (2019) forwarded their view that employees get benefited by work environment that provide sense of belonging.

The physical work environment as defined by Burton (2020) is a component of the workplace structure that can be sensed by human. It can also be electrical detectors which comprises of the facility lay out, machines, furniture's, materials, chemicals as well as cooling and heating system and the methods and procedures presently used in the workstation that can harm the mental and physical safety, well-being and health of an employee. According Health Service and Safety Association, the physical working environment comprises of aspect of the visible and tangible working place environment such as working condition of the employee, fresh indoor air, available technologies as well as the lay out and physical design of the entire workplace.

Employee Performance

Compensating employees is associated with the motivation of the workforce of organization for better performance. However, what type and mix of compensation strategies to use is a challenge for the organizations. Several studies have demonstrated compensation have positive impact on the employee's health and work place safety. It is one of the factors that sought increase employee's engagement in the work place, which is the key element in the work performance among employees (Furtado et al. 2019; Lawler and Worley, 2018; Ong and Teh, 2018). The rationale behind the use of various components of compensation to employees is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non-financial thus demonstrate improved performance. Failure to do so, employees will be tempted to leave the organization (Azasu, 2019). On one hand, employees prefer receiving intrinsic rewards in terms of praise and recognition for certain work accomplishments, while other employees are happy with extrinsic reward in terms of salaries, bonus and incentive offered to employees in order to enhance their performance (Sajuyigbe et al, 2019).

Job Satisfaction

Locke (1976) Clarify that the job satisfaction as "job satisfaction is indeed the case of expressive and exciting everyone in their work fun." Job satisfaction is important to reduce the employees leaving organizations increasing enthusiasm. Prior studies have confirmed that there are different instruments to deal with job satisfaction, such as wages, appreciation and strong work culture (Mathauer et al., 2006). Stated that more loyalty and commitment of employees leads to Compensation plays a significant role in influencing job satisfaction. This is because of two reasons. First, money is an important instrument in fulfilling ones needs; and two; employees often see pay as a reflection of managements' concern for them. Consequently, employees want a pay system, which is simple, fair and in line with their expectations. When pay is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to result.

Employee Productivity

There are several factors that have been identified as influencing the productivity of employees. Compensation is one of the major factors that take the lion share for influencing productivity of employees in the production process. Effect of compensation on employees' productivity could be very strong in some organizations Stajkoric, (2018). Mohrman, (1996) Stated that good compensation for employees will be able to stimulate the emergence of fresh ideas and employees' innovation. With so many ideas from employees, it would be very useful for the company. In a similar study, he found that the existence of a good compensation of employees will make the health of employees also good. With the maintenance of health, the employee will get maximum performance opportunities. The number of working hours or employee present hours is able to obtain a maximum work performance.

Conceptual framework

The researcher used the following operational conceptual model to show the variables which this proposed study covered.

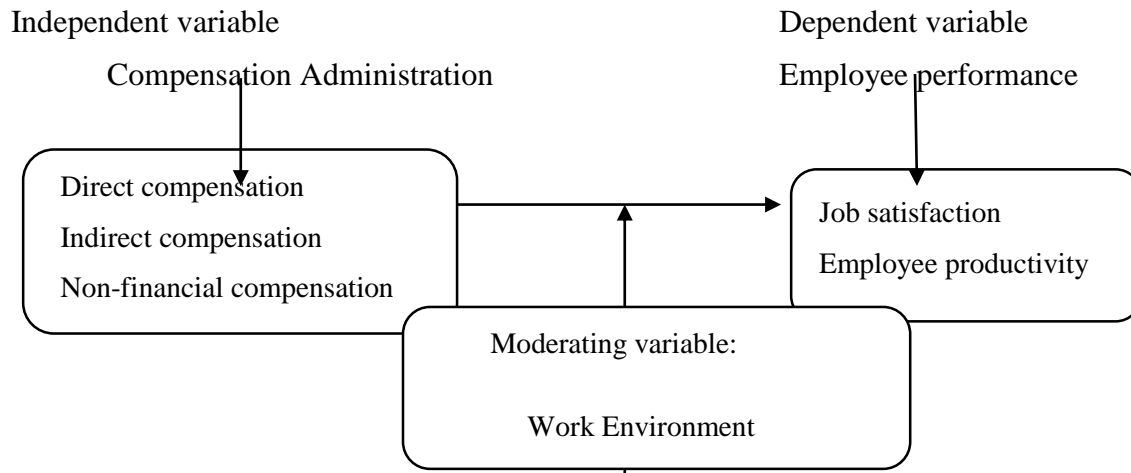


Figure 2.1: Conceptual framework

Source: Researcher (2022)

The above operational conceptual framework model shows that the indices of Direct compensation, Indirect compensation and Non-financial compensation influence employee performance of listed private university in north central Nigeria with job satisfaction and productivity as indices.

Moderating variable- Firms that derive their performance advantage from firm-specific knowledge may wish to provide better working conditions in the hope that this would reduce worker turnover and minimize the risk of their performance advantage spilling over to competing firms (Glass & Saggi (2018). As stated by Gariety & Shaffer (2019), if working conditions are associated with higher performance, the employer should pay more for the added performance of employees in order to not losing the employees. Elywood (2019) says that working conditions contributes either positively or negatively to achieving maximum employees' performance. The factors that contribute either positively or negatively to employee performance are temperature, humidity and air flow, noise, lighting, employee personal aspects, contaminants and hazards in the working environment, types of sub environment.

Yesufu (2018), states that the nature of the physical condition under which employees work is important to output. Offices and factories that are too hot and ill ventilated are debilitating to effort. There should be enough supply of good protective clothing, drinking water, rest rooms, toilets and first aids facilities. Bornstein (2019) states that in organizations where employees are exposed to

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stressful working conditions, performance are negatively influenced and that there is a negative impact on the delivery of service. In respect of this study working environment is being introduced as the moderating variable to determine its effect to the connection between compensation administration and employee performance.

Theoretical Review

Theoretical framework is the ‘blueprint’ or guide for research (Grant & Osanloo, 2019). It is a framework based on an existing theory in a field of inquiry that is related and/or reflects the hypothesis of a study. It is a blueprint that is often ‘borrowed’ by the researcher to build his/her own house or research inquiry. It serves as the foundation upon which a research is constructed. Therefore, for the purpose of this study, the Herzberg Two-Factor theory and Vroom Expectancy theory of work motivation were adopted in this study because they explain and best suit the purpose or objective for which this study is anchored upon.

Reviewing these theories of motivation facilitates our understanding of how monetary and non-monetary incentives can motivate employees to perform in organizational setting. Fredrick Herzberg Two-Factor theory of employee motivation is one of the widely discussed need-based theories of employee motivation. According to Werner & Desimone (2020), Herzberg claimed that people have two sets of basic needs, one focusing on survival and another focusing on personal growth. Herzberg contended that factors in the workplace that satisfy survival needs or hygiene factors, cannot provide job satisfaction but only prevent dissatisfaction. These hygiene factors are pay and security, working conditions, interpersonal relationship, company policy and supervision. The personal growth factors he considered as motivators are achievement, recognition, the work itself, responsibility, advancement and growth.

Herzberg argued that the motivator factors create feelings of job satisfaction but their absence will not necessarily lead to job dissatisfaction. Herzberg two-factor model implies that management must not only provide hygiene factors to avoid dissatisfaction but must also provide motivators (intrinsic factors) for the job itself to have motivating potential. The motivation-hygiene theory constitutes a good framework for the validity of the argument that non-monetary incentives can be as effective as monetary incentives in the motivation of personnel.

Expectancy theory was first proposed by Victor Vroom who asserts that motivation is a conscious choice process (Werner & Desimone, 2020). According to this theory, people choose to put their effort into activities that they believe they can perform and that will produce desired outcomes. Expectancy theory argues that decisions about which activities to engage in are based on the combination of three set of beliefs: expectancy, instrumentality and valence. Expectancy is concerned with perceived relationship between the amount of effort an employee puts in and the resulting outcome. Instrumentality refers to the extent to which the outcomes of the worker's performance, if noticed, results in a particular consequence. Valence means the extent to which an employee values a particular consequence.

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The implications of this theory is that if an employee believes that no matter how hard he works he will never reach the necessary level of performance, then his motivation will probably be low in respect of expectancy. As regards instrumentality, the employee will be motivated only if his behavior results in some specific consequence. If he works extra hours, he expects to be incentivized while for valence, if an employee is rewarded, the incentives must be something he values. An increasingly large number of organizations have explained how incentives, particularly money could be linked to desired behavior and performance outcomes to improve effectiveness (Beer & Cannon, 2019).

The powerful role that monetary incentives can play in influencing behavior has been widely acknowledged over time. Early motivation theories such as expectancy theory have demonstrated intuitive appeal and its basic components have received empirical support. Over the years, organizational research has demonstrated that employees are motivated more than just by monetary incentives alone. However, many organizations rely solely on financial incentives. There are a whole host of alternative motivators that can influence employee behavior and enhance motivation (Silverman, 2019).

Empirical Review

The researcher highlights previous related empirical study independently carried out by other researchers. The study is classified into three categories; the study which conclude that compensation administration positively and significantly affects employee performance, studies that shows that compensation administration positively but not significantly affects employee performance and studies that have variable(s) as moderating or control variable and how they relate with compensation management and employee performance.

Quresh et al. (2019) conducted a comprehensive study to investigate the direct relationship between extrinsic rewards, intrinsic rewards, and employee performance within cement companies in Pakistan. Through the utilization of structured questionnaires, data was collected from a sizable sample of over 100 employees. This data collection method enabled the researchers to gather valuable insights into the perceptions and experiences of the workforce within the context of the study. Subsequently, the amassed data underwent thorough analysis using the Statistical Package for the Social Sciences (SPSS), employing regression and descriptive statistical methods to discern meaningful patterns and correlations.

The findings of the study revealed significant implications for the management of cement factories in Pakistan. It was observed that the implementation of recognition techniques within these factories positively influences employee performance, suggesting a strong correlation between recognition initiatives and enhanced productivity levels. Furthermore, the study highlighted the pivotal role played by monetary incentives, such as wages and bonuses, in promoting employee performance within the cement industry of Pakistan. These findings underscore the importance of

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both recognition strategies and financial rewards in fostering a conducive work environment that encourages maximum employee performance.

In addition to investigating the direct relationship between rewards and employee performance, the research also delved into broader organizational dynamics. While previous studies have explored the relationship between extrinsic rewards, intrinsic rewards, financial rewards, and social recognition rewards with organizational performance, the current study specifically focused on examining the impact of recognition, salary, and benefits on employee performance within cement companies in Pakistan. By narrowing the scope of inquiry, the researchers were able to provide valuable insights that could inform strategic decision-making and policy formulation aimed at optimizing employee performance in the cement industry.

Aktar et al. (2018) conducted a comprehensive study to explore the impact of intrinsic rewards, including recognition, learning opportunities, challenging work, and career advancement, as well as extrinsic rewards, such as basic salary and performance bonuses, on employee performance within twelve commercial banks in Bangladesh. Utilizing a mixed research design, the study aimed to provide insights into the dynamics of reward systems and their influence on employee performance within the banking sector. The target population for the study comprised the management teams across all twelve commercial banks in Bangladesh, totaling 72 individuals.

To gather data, the authors employed a combination of structured and unstructured questionnaires, alongside interview guides, to capture the perspectives and experiences of the selected respondents. This comprehensive approach ensured the collection of diverse and nuanced insights into the factors influencing employee performance within the banking industry. Subsequently, the collected data underwent rigorous analysis, with correlation and chi-square tests employed to discern patterns and relationships among the variables under investigation.

The findings of the study revealed compelling insights into the relationship between rewards and employee performance in the context of commercial banks in Bangladesh. It was observed that each factor within both intrinsic and extrinsic rewards significantly impacted employee performance, highlighting the multifaceted nature of motivation and its influence on workforce productivity. These findings underscore the importance of designing holistic reward systems that cater to both intrinsic and extrinsic motivators to foster a conducive work environment and maximize employee performance within the banking sector.

Ong and Teh (2018) embarked on a study investigating the relationship between reward systems and performance within Malaysian commercial banks. Their research targeted twelve banks, collectively employing an average of 720 individuals. Employing a quantitative research design, the study sampled ten employees from each bank, resulting in a total sample size of 120 participants. Data collection methods included focus discussions and closed-ended questionnaires to gather insights from the selected respondents.

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Upon data collection, Ong and Teh utilized stratified analysis, presenting their findings in tabular form. The study revealed that the majority of commercial banks in Malaysia offer both monetary and non-monetary rewards to their employees. Interestingly, the adoption of reward systems was found to be independent of the age and size of the organization.

However, the study uncovered significant insights regarding the relationship between reward types and organizational performance. While extrinsic rewards exhibited a negative correlation with financial performance, intrinsic rewards showed a positive association. This finding underscores the nuanced interplay between different types of rewards and their impact on organizational outcomes. Furthermore, the proposed study aims to bridge existing gaps by incorporating both financial and non-financial indicators as dependent variables, promising to offer a more comprehensive understanding of the dynamics between reward systems and organizational performance within the banking sector.

Muhammad (2018) conducted a study focusing on the impact of employee compensation on organizational commitment and employee performance within the Republic of Saudi Arabia. Targeting 45 public institutions across the country, with an average of 265 employees per institution, the study aimed to shed light on the relationship between compensation, motivation, and organizational commitment. Employing a positivism research design, the study sought to gather empirical evidence to support its hypotheses.

Data collection for the study involved the use of carefully formulated questionnaires aligned with the research objectives. These questionnaires were distributed to employees within the targeted public institutions. Subsequently, the collected data underwent meticulous cleaning, coding, and entry into statistical software, namely SPSS, for analysis. Through the utilization of SPSS as a statistical tool, the study was able to draw meaningful conclusions regarding the impact of compensation, including incentives and salaries, on employee motivation within public institutions in Saudi Arabia.

The findings of the study highlighted the significant role played by compensation in enhancing employee motivation within public institutions in the Republic of Saudi Arabia. Specifically, incentives and salaries were identified as crucial factors influencing employee motivation and, consequently, organizational commitment. These insights underscore the importance of designing effective compensation systems to foster a motivated workforce and enhance organizational performance within the public sector in Saudi Arabia.

Ozutka (2012) conducted a study exploring the relationship between reward systems and Total Quality Management (TQM). Through a comprehensive review of related literature, reward practices were categorized as organizational-based rewards. The study focused on a sample of 217 businesses operating within the Turkish manufacturing industry and implementing TQM

Publication of the European Centre for Research Training and Development-UK principles. Specifically, the analysis aimed to evaluate the impact of organization-based reward practices on employee outcomes.

The findings of the study were derived from descriptive analysis, ANOVA (Analysis of Variance), and MANOVA (Multivariate Analysis of Variance) analyses. These statistical methods allowed for a nuanced examination of the relationship between reward practices and employee results within the Turkish manufacturing context. The results revealed that the application level of organization-based rewards in the Turkish manufacturing industry was relatively low.

Furthermore, the study highlighted a significant influence of intrinsic rewards on employee outcomes, suggesting that factors such as recognition, personal growth, and job satisfaction play a crucial role in driving employee performance. However, contrary to expectations, extrinsic rewards were found to have a limited impact on employee results within the Turkish manufacturing sector. These findings provide valuable insights for organizations aiming to optimize their reward systems and enhance employee performance within the framework of Total Quality Management. Onuorah, Okeke & Ikechukwu (2019) examined the effect of compensation management and employee performance in Nigeria organization. The study aim at investigating the influence of performance-based compensation, competency-based-compensation and equity based-compensation on employee performance. Relevant conceptual, theoretical and empirical literature was reviewed. The study was anchored on Human Capital Theory and Expectancy Theory. The study adopts a descriptive survey research design. The study was carried out in Anambra State. The population of the study comprises 257public secondary schools in Anambra State. The sample size for the study consists of 257employees drawn from the population of the study. The sample consists of the entire population. The instrument for data collection is a structured questionnaire. The face content validity of the instrument was an employee. The instrument was trial-tested on a representative sample of 20 employees randomly selected of Anambra State. In analyzing the data for the null hypotheses, Z-test was be used to test the hypotheses at 0.05 level of significance. Equity-based compensation has no negative significant effect on employee performance in Nigeria organization. Competency-based compensation has no negative significant effect on employee performance in Nigeria organization. Performance-based compensation has no negative significant effect on employee performance in Nigeria organization. Therefore, the study concludes that compensation management has a significant effect on employee performance in Nigeria organization. The study recommends that every organization should make equity-based compensation as a compulsory policy since equity-based compensation is used more extensively in firms for ensuring maximum performance. Every organization should formulate competency-based compensation policy, the only thing standing between the employees and a greater wage is how much they contribute and how well they perform. Management should have Performance-based compensation plans at a program at every level of an organization.

Onwuka and Onwuchekwa (2018) undertook a study aimed at investigating the influence of compensation policy on employee commitment within selected pharmaceutical companies in

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Anambra state. The researchers employed a primary data collection method utilizing self-administered questionnaires to gather insights directly from the employees. Subsequently, the collected data underwent analysis using the Pearson product correlation technique, enabling a comprehensive examination of the relationships between variables. The findings were then presented using simple percentage tables to facilitate clear interpretation.

The study revealed that the pay-for-performance policy was a prevalent form of compensation within the pharmaceutical companies under investigation. Furthermore, it was established that the compensation policy significantly influenced employee commitment, leading to enhanced performance, trust in management, and the fostering of strong relationships within the organization. Notably, cash rewards were found to be reflective of individual skills and effort, including allowances for additional duties and responsibilities.

In addition to monetary rewards, the employees' compensation packages encompassed various benefits aimed at ensuring their well-being and security. These benefits included pension schemes, personal security through illness, health or accident insurance covers, safety in the work environment, and financial assistance for loans, as well as opportunities for purchasing organizational products. The study shed light on the multifaceted nature of compensation policies and their profound impact on employee commitment and organizational dynamics within the pharmaceutical sector in Anambra state.

Nnubia (2020) undertook an analysis focusing on the impact of monetary incentives on employee performance within manufacturing firms located in Anambra State, Nigeria. Drawing from a combination of primary and secondary data sources, the study involved surveying 287 staff members out of a total workforce of 1,019 employees across various firms in the region. The findings of the study unveiled a notable positive correlation between salary, wages, commission, and workers' performance. This discovery highlighted the significant influence of monetary incentives on the productivity and overall performance of employees within the manufacturing sector.

The study concluded that monetary incentives represent a crucial strategy within human resource management, playing a pivotal role in shaping the productivity and growth trajectory of organizations. Based on the identified relationship between monetary incentives and employee performance, the study advocated for the strategic implementation of bonuses and performance-based rewards to attract, retain, and motivate employees for optimal performance. Furthermore, the study emphasized the importance of considering commissions as part of the reward structure to appropriately recognize and incentivize deserving employees, thereby maximizing overall performance outcomes within the manufacturing firms in Anambra State.

Zekaret and Saber (2017) conducted a comprehensive assessment aimed at understanding the influence of financial rewards on job satisfaction and performance among blue-collar workers in

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the construction, contracting, and printing industries in Lebanon. The study utilized self-administered questionnaires to collect data from a sample of 250 employees employed within these industries. Employing multiple linear regression analysis, the researchers examined the relationship between financial rewards and both job satisfaction and performance.

The findings of the study revealed a significant correlation between financial rewards and job satisfaction as well as performance among blue-collar workers in the specified industries. This indicates that the provision of financial incentives has a noteworthy impact on enhancing job satisfaction levels and improving the overall performance of employees. Based on these results, the study recommended that organizations operating within these sectors should prioritize the implementation of financial reward systems as a means to foster job satisfaction and enhance employee performance.

The study underscores the importance of recognizing the influence of financial rewards in shaping the attitudes and behaviors of blue-collar workers in the construction, contracting, and printing industries in Lebanon. By incorporating financial incentives into their reward structures, organizations can effectively cultivate a more satisfied and productive workforce, ultimately contributing to their overall success and competitiveness in the market.

Literature Gap

Despite the high rate of competition in the market today, a great number of large organizations may not have accepted the importance of offering competitive compensation and accordingly to improve on employee performance. Al-Jahni (1998) states compensations have great potential for improving employee work performance and increasing production efficiency through encouraging individuals or groups to act in a desired and productive way while Kamoche (1997) found that the problem lies not in the lack of skills, but the lack of strong incentives to use these skills optimally, incentives are used not only as an essential tool in an attempt to build and enhance human capacities, but also serve as a core part of the ongoing process (Morgan & Baser 2019).

This call for a review of the compensation offered by the management and improves them in order to improve employee efficiency. A less supportive perspective of the compensation offered has been highlighted as a main cause for poor performance. For Instance, Bornstein (2019) states that infrequent compensation/reward review will yield to, poor performance, employee's turnover, less innovation and employee demotivation. According to Ali and Ahmed (2019) with considerable industry evidence, many organizations and their management still do not regard compensation as an influence to the employee's job performance. Overall, there has been minimal recognition and understanding of the power of offering incentives whether financial or non-financial towards an organization achieving its goals and objectives and most important on the employee job performance.

METHODOLOGY

Based from this constructivism point of view which is quantitatively inclined, survey research design will be adopted in this study. The study populace consists of teaching staff of the study organisations/universities. The study organizations includes eleven (11) private university in north central Nigeria namely Baze university, Nile University of Nigeria, Veritas University, the African university for science and technology, Bingham University, Salem University, University of Mkar, Landmark university, Al-hikmah university, Summit university, and Anan University. The populations are as follows:

Characteristics of the Study Population

STUDY FIRMS	POPULATION (MANAGEMENT STAFF)
Baze university, Abuja	269
Nile University of Nigeria, Abuja	245
Veritas University, Abuja	140
African university for science and technology, Abuja	142
Bingham University, Karu, Nasarawa state	154
Salem University, Kogi state	163
University of Mkar, Benue state	154
Landmark university, Kwara state	208
Al-hikmah university, Kwara state	153
Summit university, Kwara state	135
Anan University, Plateau State	140
Total	1,903

Source: Authors compilation (2022)

The sample size is computed based on the strength of management staff of each firm under study. The researcher used the Taro Yamane's formula (1967) in determining the sample size of the study. The formula is:

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

Above formula indicates, n=sample size, N=number of items in the universe (population), and e^2 = the square of maximum allowance for sampling error. It is the level of significance.

Accordingly, the sample size of each study organization is calculated thus:

Sample size of each listed University

Study universities	Population (Staff)	Sample Size Of Each Universities $N = \frac{N}{1 + N(E)^2}$
Baze university, Abuja	269	161
Nile University of Nigeria, Abuja	245	152
Veritas University, Abuja	140	104
African university for science and technology, Abuja	142	105
Bingham University, Karu, Nasarawa state	154	111
Salem University, Kogi state	163	116
University of Mkar, Benue state	154	111
Landmark university, Kwara state	208	137
Al-hikmah university, Kwara state	153	110
Summit university, Kwara state	135	101
Anan University, Plateau State	140	104
	1,903	Sample size = 1,312

Source: Authors compilation (2022)

The researcher used the probability sampling method, that is the simple random sampling technique using Table of random numbers to select the respondents of the study. The researcher used primary sources of data collection. This helped to beef up the content of the work. The primary source of data collection is questionnaire. The copies of the questionnaire will be distributed to eleven (11) private universities in north central Nigeria under study with assistance from some of the staff of the study firms. For the instruments for data collection, only the quantitative methods of data collection were used for this study. In this study the researcher will use five points Likert scale questionnaires. Therefore, the study adopted the use of a questionnaire as the instrument of data collection. Specifically, it was the semi-structured questionnaire which was made up of open ended and close ended questions that was used to collect quantitative data needed for the study. The semi-structured questionnaire comprised both closed and opened ended questions and was divided into two sections. Section A consisted of questions that solicit for responses on the socio-demographic characteristics of respondents- age, sex, marital status, educational status, length of employment, and department. Section B elicited responses to questions compensation administration variables and employment performance variables.

Model Specification

This study adopted the model specified by Acheampong et al, (2019) in their study on effect of compensation administration on employee Performance in Higher Educational Institutions with modifications as thus;

EP = f(CA)(i)
 EP= f(JS, EP)(ii)
 CA= f(DFC, IFC, NFC)(iii)

Model 1

JS = f (DFC, IFC, NFC)
 MAE = $\beta_0 + \beta_1$ DFC + β_2 IFC + β_3 NFC

Model 2

EP = f (DFC, IFC, NFC)
 SAG = $\beta_0 + \beta_1$ DFC + β_2 IFC + β_3 NFC

Where:

- CA = Compensation Administration
- EP = Employee performance
- JS = Job satisfaction
- EP = employee productivity
- DFC = Direct financial compensation
- IFC = Indirect financial compensation
- NFC = Non-financial compensation

Correlational Analysis of Study Variables

		Correlations						
		DFC	EP	JS	IFC	NFC	WE	EMPER
DFC	r	1						
EP	r	-0.036	1					
JS	r	-0.004	0.047	1				
IFC	r	-.098*	.281**	-.076*	1			
NFC	r	.146**	.083*	-0.06	.078*	1		
WE	r	0.038	.232**	-.105**	.274**	.322**	1	
EMPER	r	0.061	.258**	-.117**	.632**	.624**	.719**	1
	N	1290	1290	1290	1290	1290	1290	1290

*. Correlation is significant at the 0.05 level (2-tailed).

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

Key: Variable Definition			
DFC	Direct financial compensation	IFC	indirect financial compensation
EP	Employee productivity	NFC	non-financial compensation
JS	Job satisfaction	WE	Work Environment
EMPER	Employee Performance		

Source: Researcher's compilation, 2023

Table 4.8 above, portrays the correlation coefficient (Compensation Administration and employee performance) for the extent of relationship measure within the variables recognized in this study. Value of correlation ranges from -1 to +1, where 0.75 - 0.99 indicates a very strong connection between the intersecting variables, 0.5 - 0.74 implies strong relationship within the intersecting variables, 0.35-0.49 indicates a weak association among variables as presented above

Test of Hypothesis

Regression model analytical techniques were adopted to test the six null hypotheses so as to provide answers to the research questions and achieve the research objectives. Table 4.11 Regression Model Coefficients Shows how direct financial compensation, indirect financial compensation and non-financial compensation affect dependent variable job satisfaction while table 4.14 shows how they affect dependent variable employee productivity.

Model Summary

model	R	R Square	Adjusted R Square	Std Error of the Estimate
1.	.398 ^a	.158	.155	1.06145

a. Predictors: (Constant), direct financial compensation, financial compensation and non-financial compensation

As seen from table 4.10 above, the R-square of 15.8% shows the joint explanatory strength of compensation administration variables (direct financial compensation, financial compensation and non-financial compensation) and employee performance (job satisfaction). Leaving about 84% impact to other extraneous variables not featured in the model.

Regression ANOVA^a**ANOVA^a**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	144.157	3	48.052	42.650	.000 ^b
Residual	766.140	680	1.127		
Total	910.297	683			

a. Dependent Variable: job satisfaction

b. Predictors: (Constant), direct financial compensation, financial compensation and non-financial compensation

Also, from the table 4.10 of the regression model ANOVA. The F-test p-value is observed to be 0.000 which less than 0.05 (5%) significant level and thus simplifies that all the compensation administration variables are jointly having a significant impact on employee job satisfaction.

Regression Model Coefficients^a**Coefficients^a**

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients	t	Sig
Constant	1.476	.167		8.828	.000
Direct financial compensation	.044	.033	.048	1.329	.184
Financial compensation	.176	.036	.179	4.822	.000
Non-financial compensation	.242	.029	.306	8.478	.000

a. Dependent Variable: job satisfaction

Note; Regression Model coefficients table 4.11 above is used to interpret Research hypotheses 1,3 and 5.

Research Hypothesis One

H₀₁: Direct financial compensation have no significant impact on Job satisfaction in Private Universities in North Central Nigeria.

The first variable is used to activate the first null hypothesis - H₀₁: There is no significant impact of direct financial compensation and Job satisfaction in Private Universities in North Central

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Nigeria. The variable direct financial compensation has a regression coefficient 0.044. This implies that the direct financial compensation has a positive impact on the job satisfaction of the selected private universities in North-central Nigeria. Thus, suggesting that, with an increase in direct financial compensation of the selected private universities in North-central Nigeria could result to about 0.044 unit increase in job satisfaction of the institutions as perceived by the management. Furthermore, direct financial compensation has a p-value of 0.184 which is greater than 0.05 (5%) level of significance thus implies that the coefficient is not statistically significant. Hence, the null hypothesis “There is no significant impact of direct financial compensation and Job satisfaction in Private Universities in North Central Nigeria” is not rejected. We therefore conclude that the relationship observed between the direct financial compensation and Job satisfaction is not generalisable although a positive relationship is observed.

Research Hypothesis Three

H₀₃: Indirect financial compensation have no significant impact on Job satisfaction in Private Universities in North Central Nigeria.

The third variable is used to activate the third null hypothesis - H₀₃: Indirect financial compensation does not significantly impact on Job satisfaction in Private Universities in North Central Nigeria. The variable Indirect financial compensation has a regression coefficient 0.176. This implies that the Indirect financial compensation has a positive impact on the job satisfaction of the Private Universities in North Central Nigeria. Thus, suggesting that, with an increase in Indirect financial compensation of the Private Universities in North Central Nigeria could result to about 0.176 unit increase in the job satisfaction as perceived by the respondents. Furthermore, Indirect financial compensation has a p-value of 0.000 which is less than 0.05 (5%) level of significance thus implies that the coefficient is statistically significant. Hence, the null hypothesis “Indirect financial compensation does not significantly impact on Job satisfaction in Private Universities in North Central Nigeria” is rejected. We therefore conclude that the relationship observed between Indirect financial compensation and job satisfaction is generalisable and of a positive type.

Research Hypothesis Five

H₅: Non-financial compensation have no significant impact on Job satisfaction in Private Universities in North Central Nigeria.

The fifth variable is used to activate the fifth null hypothesis - H₀₅: There is no significant impact of non-financial compensation and Job satisfaction in Private Universities in North Central Nigeria. The variable non-financial compensation has a regression coefficient 0.242. This implies that the non-financial compensation has a positive impact on the job satisfaction of the Private Universities in North Central Nigeria. Thus, suggesting that, with an increase in non-financial compensation of the Private Universities in North Central Nigeria could result to about 0.242 unit increase in job satisfaction as perceived by the respondents. Furthermore, non-financial compensation has a p-value of 0.000 which is less than 0.05 (5%) level of significance thus implies

Publication of the European Centre for Research Training and Development-UK that the coefficient is statistically significant. Hence, the null hypothesis “There is no significant impact of non-financial compensation and Job satisfaction in Private Universities in North Central Nigeria.” is rejected. We therefore conclude that the relationship observed between the non-financial compensation and the job satisfaction is generalisable with a positive relationship.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437 ^a	.191	.188	1.17099

a. Predictors: (Constant), direct financial compensation, financial compensation and non-financial compensation

As seen from table 4.12 above, the R-square of 19.1% shows the joint explanatory strength of the compensation administration variables (direct financial compensation, financial compensation and non-financial compensation). Leaving about 81% impact to other extraneous variables not featured in the model.

Regression ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	220.458	3	73.486	53.591	.000 ^b
Residual	932.435	680	1.371		
Total	1152.893	683			

a. Dependent Variable: employee productivity

b. Predictors: (Constant), direct financial compensation, financial compensation and non-financial compensation

Also, from the table 4.13 of the regression model ANOVA. The F-test p-value is observed to be 0.000 that less than 0.05 (5%) significance level and thus implies that all the compensation administration variables are jointly having a significant impact on employee productivity.

Regression Model Coefficients^a

Model	Unstandardized coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
Constant	1.367	.184		7.413	.000
direct financial compensation	.077	.037	.074	2.091	.037
financial compensation	.030	.040	.027	.749	.454
non-financial compensation	.373	.032	.419	11.824	.000

a. Dependent Variable: employee productivity

Note; Regression Model coefficients table above is used to interpret Research hypotheses 2, 4 and 6.

Research Hypothesis Two

H₀₂: Direct financial compensation have no significant impact on Employee productivity in Private Universities in North Central Nigeria.

The second variable is used to activate the second null hypothesis - H₀₄: direct financial compensation does not significantly impact on Employee productivity in Private Universities in North Central Nigeria. The variable direct financial compensation has a regression coefficient 0.077. This implies that the direct financial compensation has a positive impact on the Employee productivity of the Private Universities in North Central Nigeria. Therefore, suggesting that, with an increase in direct financial compensation of the Private Universities in North Central Nigeria could result to about 0.077 unit increases in Employee productivity as perceived by the employees. Furthermore, direct financial compensation has a p-value of 0.037 which is less than 0.05 (5%) level of significance thus implies that the coefficient is statistically significant. Hence, the null hypothesis "Direct financial compensation does not significantly impact on Employee productivity in Private Universities in North Central Nigeria" is rejected. We therefore conclude that the relationship observed between the direct financial compensation and Employee productivity is generalisable.

Research Hypothesis Four

H₀₄: Indirect financial compensation have no significant impact on Employee productivity in Private Universities in North Central Nigeria.

The fourth variable is used to activate the fourth null hypothesis - H₀₄: Indirect financial compensation does not significantly impact on the Employee productivity in Private Universities in North Central Nigeria. The variable Indirect financial compensation has a regression coefficient 0.030. This implies that the Indirect financial compensation has a positive impact on the Employee productivity of the Private Universities in North Central Nigeria. Therefore, suggesting that, with

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an increase in Indirect financial compensation of the Private Universities in North Central Nigeria could result to about 0.030 unit increase in Employee productivity as perceived by the respondents. Furthermore, Indirect financial compensation has a p-value of 0.454 which is greater than 0.05 (5%) level of significance thus implies that the coefficient is not statistically significant. Hence, the null hypothesis “Indirect financial compensation does not significantly impact on the Employee productivity in Private Universities in North Central Nigeria.” is not rejected. We therefore conclude that the relationship observed between the Indirect financial compensation and Employee productivity is not generalisable but of a positive type.

Research Hypothesis Six

H₀₆: Non-financial compensation have no significant impact on Employee productivity in Private Universities in North Central Nigeria.

The six variable is used to explain the sixth null hypothesis - H₀₆: Non-financial compensation does not significantly impact on Employee productivity in Private Universities in North Central Nigeria. The variable non-financial compensation has a regression coefficient 0.373. This implies that the non-financial compensation has a positive impact on the Employee productivity of the Private Universities in North Central Nigeria. Therefore, suggesting that, with an increase in non-financial compensation of Private Universities in North Central Nigeria could result to about 0.373 unit increase in Employee productivity as perceived by the respondents. Furthermore, non-financial compensation has a p-value of 0.000 which is less than 0.05 (5%) level of significance thus implies that the coefficient is statistically significant. Hence, the null hypothesis “non-financial compensation does not significantly impact on Employee productivity in Private Universities in North Central Nigeria” is rejected. We therefore conclude that the relationship observed between the non-financial compensation and Employee productivity is generalisable and of a positive type.

DISCUSSION OF FINDINGS

Six (6) distinct empirical results have emerged from the validation of hypotheses above. First, it was discovered that there is no significant relationship between direct financial compensation and Job satisfaction in Private Universities in North Central Nigeria, although is with positive relationship as shown in table 4.12. This finding corroborates with the study carried out by Kwenin et al, (2019) investigated the impact of direct and indirect financial compensation in the performance of employees in customer service companies in the Republic of Ghana. The study found that reward dimensions have significant effect on employees’ performance. In particular, they found that pay, performance bonus, recognition and praise are the tools that management can use to motivate employees in order for them to perform effectively and efficiently. Thus, workers reward package matters a lot and should be a concern of both the employers and employees. The study therefore suggests that for the selected Private Universities in North Central Nigeria to

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The second hypothesis from this study also shows that direct financial compensation significantly and positively relates with direct financial compensation and employee productivity in the Private Universities in North Central Nigeria. Fürmeine Eltern (2019) in his study entitled “Compensation and Performance” noted that Pay decisions have an impact on a wide variety of activities along the HR value chain as they influence activities like recruitment, development, and detainment of employees. Also, pay is an important element for the motivation and satisfaction of employees. As per an study report by the Society of Human Resource Management (2018), 6 out of 10 workers demonstrated that remuneration in type of compensations was imperative to their general employment execution, putting it just three rate focuses underneath circumstances that utilization aptitudes and capacities and just a single rate point beneath professional stability in 2018. It is additionally expressed pay, alongside employer stability, has reliably stayed on the rundown of the best five activity fulfillment factors most vital to workers. The findings then suggest that for Private Universities in North Central Nigeria to be able to improve their organizational performance through employee productivity, they have to ensure that employees are well compensated.

The third hypothesis test reveals that indirect financial compensation significantly influence employee performance (job satisfaction) in Private Universities in North Central Nigerian Nigeria. Given that the development of employee performance by way of rewarding with fringe can boost job satisfaction, shown on table 4.13. It implies the returns of employee benefits to the company can take various forms, these includes; More effective recruitment, improved morale and loyalty, good public relations. A study by Onu, Akinlabi and Fakunmoju (2018) studied motivation and job performance of non-academic staff in private universities in Nigeria with particular reference to Babcock University. The study employed regression and correlation analysis to test the hypotheses whether remuneration, recognition and incentives boost the job performance of employees. The findings of the study revealed that there exist strong positive relationship and significant effect of incentive, remuneration and recognition on job performance and that incentive motivational factor has the highest contribution to boost the job performance of employees in Babcock University. This suggests that manufacturing firms especially Private Universities in North Central Nigeria in Nigeria that want to increase performance should pay attention to employee motivation. They must ensure that their employees are being rewarded with financial or non-financial rewards like fringe benefits, shares and health insurance.

The fourth hypothesis reveals that Indirect financial compensation is positively and not significantly relates with employee productivity in Private Universities in North Central Nigeria in Nigeria. The study also reveals that Indirect financial compensation is positively related to employee performance (job satisfaction) as shown in table 4.16. This means that a unit change in Indirect financial compensation will in the same way lead same unit change to productivity,

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everything being equal. Mamdani and Minhaj (2018) did a study on the effects of motivational incentives on employee performance with a focus on 15 banks of Karachi in Pakistan. The study's main objective was to find out the level motivational incentives and to analyse the impact of those incentives on the employee performance. The study results revealed that motivational incentives had impact on employee performance. In another study by Ahiabor (2019) on the impact of incentives on the productivity of firms in Ghana, the findings revealed positive relationship between incentives and productivity, monetary incentives included. In addition the study found out that non-monetary incentives like health and equipment use amongst other factors were valued by employees more than monetary payments. The study recommended that organizations should establish a unit to look into the issues of incentives that in turn will enhance productivity.

The fifth hypothesis result discovered that significant relationship exists between non-financial compensation and job satisfaction in Private Universities in North Central Nigeria. This suggests that praising employee's contribution through compensation to achieve job satisfaction of employees the Private Universities in North Central Nigeria. There has been a continued debate on whether non-financial compensation affects employee performance. Scott (2019) is of the opinion that non-financial compensation can have more substantial impact on employee performance and motivation as compared to financial compensation. While on the other hand, other scholars are of the opinion financial compensation have greater impact as compared to non-financial compensation. As to whether money is a motivator, the debate is still on (Ejumudo, 2018).

In another study, Emerole (2019) sought to find out the effect of non-monetary compensation on productivity of employees among the selected government parastatals in Nigeria. The study found out that with effective exploitation of human resources by use of non-monetary compensation leads to higher employee productivity and efficiency. The study recommends that the organizations should seek to exploit human resources potential by having non-monetary compensation in their human resource strategy.

The sixth hypothesis reveals that Non-financial compensation significantly relates with employee productivity in Private Universities in North Central Nigeria. There should be awareness about high efficiency and productivity through effective non-financial packages for staff with its associated good decision making, innovations, participation in implementation of the institutional goals and objectives, time and financial management and efficient utilization of their potentials.

Okwudili, (2019) studied Effect of Non-Monetary Rewards on Productivity of Employees among Selected Government Parastatals in Abia State, Nigeria. The study analyzed the effect of non-monetary rewards on the productivity of employees among selected Government Parastatals in Abia State, Nigeria. A total of 78 civil servants were selected across the parastatal in Abia State using simple random sampling technique from which data and information were elicited from the questionnaire. The study concludes that higher productivity and efficiency of employees in government parastatals is possible with the effective exploitation of human resources through non-

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monetary reward strategy. The study concludes that government should motivate their staff more by involving them in self-developmental programs with good remuneration payment, incentive packages etc that will signify that the organization needs their personal inputs.

CONCLUSION

The study findings therefore establish that direct compensation, indirect compensation and non-financial compensation have a positive and significant effect on employee performance of private universities in north-central, Nigeria. In regard to direct compensation, the respondents agree that the universities administration efforts to improve employee's direct compensation have affected the employee performance. The research concludes that there was a positive effect of direct compensation on employee performance of private universities in North-central, Nigeria. On the effect of indirect compensation on the employee's performance of private universities in North-central, Nigeria the respondents agreed with the proposition that indirect compensations such as staff medical cover, staff retirement plans, paid Leave, hardship allowance, staff housing, staff meals among others affect their performance. The research concludes that indirect compensation have significant effect on employee performance of private universities in North-central, Nigeria. On the effect of non-financial compensation on employee performance, the respondents indicated the administration efforts to ensure incentives are in place affects their performance. The inferential statistics indicate a positive and significant effect of non-financial compensation on employee performance. The research concludes that there non-financial compensation have a positive and significant effect on employee performance of private universities in North-central, Nigeria.

The study also concludes, a competitive salary package can improve employee motivation, reduce employee turnover and increase productivity. Employee turnover has a significant cost to businesses, which motivation can help reduce. While salary is not the only motivating factor for employees, it can help workers feel valued by the employer. Compensation plans motivate workers for higher efficiency and productivity. It can improve the work-flow and work methods. When employees are dedicated, supervision costs can be reduced. The rewards usually relate to the achievement of certain goals, either personal, team or organisational, or a combination of all of these. The study concludes that employees become more engaged when their performance is properly recognized by their employer. Through rewards, the organization can ensure that the job satisfaction level of your employee increases, hence would result to better employee retention

Recommendations

Based on the findings, the researcher recommended thus:

- i. Employee performance can be influenced by the universities administration by communicating to the employees that they value their contribution and also encouraging employee participation in the decision-making process of the compensation administration system at the organisation. When employees feel that their opinions are valued at the organizations they work, they tend to exhibit loyalty and commitment due to the sense of belongingness and trust from the management.

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- ii. The study recommends that paying a competitive salary is crucial for organisations wishing to recruit and retain top talent. The organization should establish salary ranges that match all of the job descriptions. To determine salary ranges, research and analyze the competitive salary ranges for all relevant jobs based on geographic location.
- iii. Reward for employee recognition like shopping vouchers, praise dinners and trophies should not be premised on as the main motivators for employee productivity. A conducive working environment with sufficient seating space, proper lighting and due promotions should be facilitated for effective employee productivity
- iv. The results and findings of this study could be used to develop and/or enhance the strategies and policies that guide the compensation administration of employees in not only the Nigerian educational sector but in other part of Africa and the world. This could bring about consistency and stability in the compensation management of all employees throughout organisations thus, leading to conformity in the overall level of employee job satisfaction experienced towards the entire organization.
- v. Non-financial compensation like Fringe benefit is one of the ways to promote and retain an employee in the organization and management should be able to sense the active employees and create ways of appreciating the employees' effort put into action in the universities.
- vi. The capabilities and potentials of employees could be strengthened by adopting several development programs such as training sessions, educational courses, orientation and counseling programs etc. to help improve their abilities and efforts thus, channeling these efforts towards achieving organizational goals and objectives more efficiently and effectively.

Contribution to Knowledge

Despite numerous researchers that have focused on topic that are related to compensation administration and employee's performance of private universities in north central Nigeria, this study have contributed to knowledge by filling the gaps that have been observed in the academic literatures. This empirical study helps to enlarge the understanding of compensation administration and employee's performance of private universities in north central Nigeria. This research focused on direct compensation, indirect compensation and non-financial compensation as the proxies of compensation administration and also employee job satisfaction and employee productivity as that of employee performance, thereby establishing uncommon contractual relationships. This provided a gap as the previous researchers did not relate same variable; same geographical area and same sector. In addition to that the study also considered work environment as the moderating variable between the dependent variable (employee performance and independent variable (compensation administration). The researcher revealed that work environment is an important variable to be considered when private universities in Nigeria want to achieve increased employee performance through effective compensation administration. The study has been able to gather relevant literatures and has given in-depth knowledge about how to increase compensation in the

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workforce and how management can benefit from it. More over the study concluded with six postulated research results are available for further investigation.

Suggested Areas for Further studies

Future researchers should examine the following areas:

The study only employed a quantitative methodology to establish the compensation administration and employee's performance of private universities in north central Nigeria. Thus, future studies can employ both qualitative and quantitative methodologies to obtain a more objective view of the relationship. Moreover, another study can be done to establish how compensation management influences the organisational performance and if the findings would be different from this study that focused on employee performance.

Similar study should be conducted comparatively on public universities. This study focused on compensation administration; however similar study can be conducted focusing on how different dimensions of compensation affects employee performance and longevity.

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