

THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE IN NIGERIA CIVIL SERVICE: A STUDY OF RIVERS STATE BOARD OF INTERNAL REVENUE SERVICE

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Abstract *The present study examines the effect of compensation on employee performance in Rivers State Board of Internal Revenue. It adopted a cross-sectional research survey. Target population comprises employees of Rivers State Board of Internal Revenue Service. Accessible population for this study is 45. Sample size is 40 using Krejcie and Morgan (1970) sample size determination table. Only 32 questionnaires were completed and returned. Convenience sampling technique was adopted. Spearman Rank Order Correlation Coefficient was used with the aid of Statistical Package for Social Sciences (SPSS) version 20.0. The finding of this study revealed that direct compensation is positively associated with employee performance. Secondly, indirect compensation was found to significantly associate with employee performance. The study concludes that civil service should see compensation as a tool that will enhance employee performance. The study recommended that civil service commission should employ qualified human resource personnel that will oversee the affairs of employee compensation as this will remove the bottleneck surrounding the non-implementation of employees' compensation. Secondly, allowances due to workers should be promptly paid to them to avoid ineffectiveness in the civil service.*

Keywords: *Compensation, Direct Compensation, Indirect Compensation, Extrinsic Rewards, Intrinsic Rewards, Employee Performance*

INTRODUCTION

Compensation is one aspect of human resource management that has generated a lot of controversies over the years. This is as a result of its significance in employee motivation and organisational progress. Compensation plays a major role in attracting new talents. This implies that what is giving to existing workers will determine how new job seekers will be attracted to the organisation. Motivation of an employee is directly proportional to the compensation he/she receives. There is a saying that even in freetown, nothing is free which in other words mean that, no compensation no effort. It has been contended in many quarters that retention of talents cannot be possible if management does not compensate them continually. This implies that effective compensation packages help in employee retention, which has become essential for sustaining firms' competitive advantage (Bhattacharyya, 2007). It has also been shown that talents tend to match their commitment to the compensation they

receive in return from their masters called employers. Arguing further, Amah (2006) contended that successful organisations were known for their reputation as a result of effective implementation of compensation packages they rolled out for their workers. Krafft, DeCarlo, Poujol, and Tanner (2012) in their argument elucidated that compensation can be used as a mechanism for directing sales force energy, activity and workers' performance. Another contribution of compensation is that it reduces turnover and improves strong relations with unions (Cassandro, 2008). Finally, Bhattacharyya (2007) asserts that human resource managers can make use of compensation as a tool to enforce performance of employees at workplace to sustain competitive advantage.

Nonetheless, one of the challenges facing the Nigerian civil service is the inability of both the federal and state governments to pay compensation to its workforce. It can be argue that there is no single year that compensation will not be an issue between government and the civil servant.

Sometimes the government will argue that they are short of money due to a fall in the oil price therefore, workers should be patient and wait with empty stomach pending when the price of oil increases. Even the issue of minimum wage that government claims they will be paying the civil servants is forthcoming. In 2016, most state government owed their workers for good six months arguing that it is as a result of a fall in the oil price. The president of the Nigerian Labour Congress, Aliyu Wahid on Monday 22 August, 2016 after meeting with its executives on the issue of non-payment of salaries to workers across the country pointed out that since most states are owing workers for five to six months, they have decided to embark on “no pay no work policy” which is the same thing with “no work no pay” on the side of the government. One question that needs to answer is that “is a worker entitled to his/her wages?” If the answer is yes, then federal and state government should endeavour to ensure that workers are being compensated for their effort.

OBJECTIVES OF THE STUDY

The aim of this study is to examine the effect of compensation on employee performance in the Rivers State Board of Internal Revenue Service. However, the specific objective is to:

Examine the association between direct compensation and employee performance in the Rivers State Board of Internal Revenue Service.

Examine the association between indirect compensation and employee performance in the Rivers State Board of Internal Revenue Service.

RESEARCH HYPOTHESES

From the specific objectives, the following null hypotheses were formulated.

HO1: Direct compensation does not significantly associate with employee performance in the Rivers State Board of Internal Revenue Service.

HO2: Indirect compensation does not significantly associate with employee performance in the Rivers State Board of Internal Revenue Service.

LITERATURE REVIEW

Compensation

Scholars have viewed compensation in different dimensions which is influenced by how country's laws that govern compensation are seen by researchers around the globe. However, compensation is a reward that an employee awaits

after putting his/her efforts to achieve enterprise goals and objectives. In the quest to search for a befitting definition of compensation, a human resource scholar Ivancevich (2003) elucidated that “compensation management is a human resource function that deals with every type of reward individuals receive in exchange for performing organisational tasks. Milkovich (1999) viewed compensation as wages and benefit given in exchange for effort or work. Bernadin (2007) on his assertion argues that compensation refers to all forms of financial returns and tangible benefits that employee receives as part of employment relationship. McNamara (2006) in Odunlade (2012) submitted that “compensation includes issues regarding wage and/or salary programmes and structures accruing from job descriptions, merit-based programmes, bonus-based programmes, commission based programmes and so on, while benefits typically refer to retirement plans, health life insurance, disability insurance, vacation, employee stock ownership plan and so on”. Human resource researcher Bhattacharyya (2007) contended that compensation is a methodological approach to assigning a monetary value to employees in return for work performed. Bhattacharyya (2007) also argued the compensation is a term used to describe not only employee salaries but also all other benefits received which he termed remuneration.

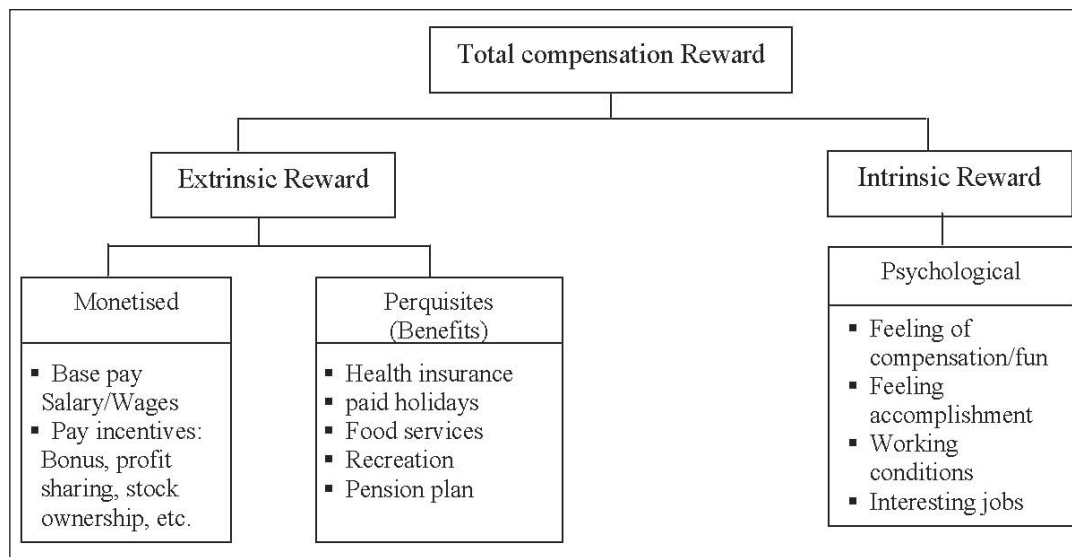
In words of Cassandro (2008), “compensation is the area of human resources management which involves making decisions about pay that are fair, equitable and competitive with current market rates; providing employees with incentives to improve performance; ensuring that benefits packages are cost effective and serve to motivate employees, and making certain that all compensation-related policies and programmes comply with government requirements”. Cassandro (2008) went further to argue that “compensation may be in the form of financial returns, tangible services, and benefits received by employees as part of their employment. It does not include other forms of rewards such as recognition and interpersonal relationships etc”. HR Guide to the Internet (2000) defines compensation as a systematic approach to providing monetary value to employees in exchange for work performed. Balkin and Cardy (2006) in Odunlade (2012) argue that employee compensation is comprised of base pay and fringe benefits. Anumudu, Dialoke and Joseph (2016) accentuate that compensation is money received for the performance of work plus many kind of benefits and services that organisation provide for their employee. Cascio (2007) in Anumudu, Dialoke and Joseph (2016) argued that compensation includes direct cash payment, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher level of productivity. However, American Compensation Association (1995) in Anumudu, Dialoke and Joseph (2016) further defined compensation as the cash and non-cash remuneration provided by an employer for services rendered.

Typologies of Compensation

Compensation can be classified in different ways. Some authors classify compensation as direct and indirect compensation (McCaffery, 2005). Nel, Werner, Du Plessis, Ngalo, Poisat, Sono, Van Hoek, and Botha’s (2011) typology includes (1) total compensation which comprises of direct pay, performance-based pay and indirect pay; (2) value-added compensation which include benefits, base pay, incentives (Bohlander & Snell, 2004 in Nel *et al.*, 2011). Others classify it as intrinsic and extrinsic compensation (Long, 2006 in Cassandro, 2008). Bhattacharyya (2007) classified compensation as follows; base salary, annual incentives, long-term capital accumulation, deferred compensation arrangements, supplemental benefits and perquisites, special severance and retirement arrangements, employment and change of control agreements. Anumudu, Dialoke and Joseph (2016) classified compensation as base wage, merit pay, short and long term incentives, and employee benefits and services. Henderson’s (2006) compensation typology comprises (1) pay for work and performance; (2) pay for time not worked; (3) disability income continuation; (4) deferred income; (5) loss-of-job income continuation; (6) health, accident liability protection; (7) spouse (family) income continuation; and (8) income equivalent payments. Dessler’s (2013) typology includes direct financial payments (wages, salaries, incentives, commissions, and bonuses) and indirect financial payments (financial benefits like employer-paid insurance and vacations).

Drawing from the above compensation typologies, Berger (2000) in Nel *et al.* (2011) argue that 21st century compensation practices are like to be shaped by supply and demand influences within the labour market, quite

apart from an enlightened employee pool whose issues include work environment and learning opportunities, as well as salary and benefits. The contemporary model of compensation according to Berger (2000) includes visible paycheck which corresponds with base salary incentives and; invisible paycheck which are work-life and personal growth incentives. Cassandro (2008) also categories six types of indirect pay to include: (i) benefits mandated by law, including employer contributions to pension plan, employment insurance, and the workplace safety and insurance board; (ii) deferred income plans, more commonly known as retirement or pension plans; (iii) health-related benefits such as life, medical, dental, or disability insurance; (iv) pay for time not worked, such as holidays and leaves; (v) employee services, ranging from employee assistance programmes to food services; and (vi) miscellaneous benefits ranging from provision of agency cars to purchase discounts on agency products or services. McClune (1997) in Nel *et al.* (2011) categorises compensation to include (1) direct compensation (cash compensation, basic salary, deferred cash, share options, share ownership, restricted shares); (2) employee benefits (retirement benefits, death benefits, disability benefits, medical benefits); (3) perquisite/fringe benefits (cars, holidays, loans); and (4) incentives (bonuses, profit-sharing, recognition). According to Osibanjo, Adeniji, Falola, and Heirsmac (2014), “direct compensation includes wages, salaries, bonuses or commission based on performances, overtime work, holiday premium while indirect compensation is paid as medical benefits, housing allowance, meal allowance, utility allowances, incentive bonus, shift allowances, hospitalisation expenses, out of station allowance, vehicle loan benefits, annual leave allowances, car basic allowances, etc.” The contention of this study therefore is that there is a paradigm shift



Source: Okwudili (2016) PhD Class Note.

Fig. 1: Basic Typology of Compensation

in the way and manner human resource managers can handle compensation to the digital age worker compare to the analogue age worker. Come to think of it, since the replacement of typewriting machine with computers in the Nigeria civil service, allowances like hazard allowance, workload allowance, to mentioned but a few has become an issue between the civil servants and their employers. This is the reasons why Okwudili (2016) argues that “instead of keeping the money of civil servants in the pension scheme, it should be given to workers to enjoy it while they are still alive”. Byars and Rue (2008) typology of compensation include; paid vacations; paid holidays; social security; workers’ compensation; retirement plans; other benefits like purchase discounts are normally attractive to employees of an airline or retail store.

Nevertheless, in Okwudili’s (2016) PhD human resources management lecture, he outlined the following as the basic typology of compensation obtainable within the Nigerian work settings as depicted in Fig. 1.

From Fig. 1, it could be seen that extrinsic reward which is the same thing as direct compensation covers monetary aspect of compensation which comprises of base pay (salary/wages); incentives (bonuses, profit sharing, stock options). The intrinsic rewards is also the same thing with indirect compensation which include working conditions, interesting jobs, promotion, job design, career development, etc.

Extrinsic Rewards

These are benefits derived directly from employment and the performance of work, which can be seen and quantified. It is typically given by an outside agent (i.e. the organisation). Examples are financial, material, and social rewards. Extrinsic rewards can be classified into monetised and perquisite (benefits) rewards.

Monetised rewards: These are financial rewards that are paid by organisations to compensate employees for their efforts. These include base pay, wages, incentives (bonus plan, commissions, profit sharing plans, stock options, employee stock ownership plans).

Perquisites (benefits): These are the extra or additional benefits that are paid by organisations to employees which go beyond the normal or agreed compensation.

Intrinsic Rewards

These are self-granted rewards or internally experienced payoffs. In otherworld’s, it is an internal feeling of reward that employees derived from performing their jobs.

Approaches to Determining Compensation

There are many ways to ascertain how compensation can be paid. Human resource scholar, Okwudili (2016) accentuates compensation packages can be ascertained through the following ways:

Seniority-based pay: This is as a result of the employees rank or position in the workplace. The higher the position or rank of a worker, the higher will be their compensation packages.

Job status-based pay: Here, job evaluation is used as a basis to determining how compensation can be awarded.

Skill or competence-based pay: The skill, knowledge, experience and other significance features that individuals bring to bear in the performance of jobs is also a major consideration in the way some organisations approach compensation issues.

Performance-based pay: Compensation is paid to an employee as a result of his/her effort in the work he/she was assigned to do or with a team or group members.

Effective Implementation of Compensation

It is one thing to understand the concept of compensation; it is another thing to effectively implement a compensation plan or system for equitability and transparent allocation of reward to deserving employees who toil day and night to ensure the continuity of the organisation. For compensation to be implemented effectively in the civil service or private businesses, the Nigerian government has formulated policies to settle employee and employer psychological behaviours. In 2004, the National Assembly enacted “Workmen Compensation Act of 2004” designed to protect workers from being dehumanised by their employers and pay workers what is due to them when injury is sustained in the workplace. But in the long run, it was amended in 2010 by the same National Assembly and changed to “Employee Compensation Act 2010”. The payment of compensation under the Employee Compensation Act 2010 is rested on injury sustained but disabled. Section 7(1) of the Act stipulates conditions for employee compensation in the Nigerian workplace which civil service is part. It states clearly that for compensation to be paid to employee, it must arise out of or in the course of employment. However, the phrase “arise out of employment” conveys that the injury should result from the work the employee was employed to do. This implies that, payment of compensation as a result of injury sustained must be associated with the work being assigned to the employee in the workplace. In other words,

the phrase “in course of employment” refers to the scope, time and the level beyond the work an employee is expected to carry out. Expatriating further Worugji (2013) elucidated that in course of employment actually means that accident resulting to the injury must occur at the time and place of the employment while the employee is doing what he or she is employed to do. But Employee Compensation Act 2010 has repeal that of Workmen’s Compensation Act 2004 which restricted the payment of compensation to workers only when they are in the course of employment or must arise out of employment. Nigeria Employee Compensation Act 2010 clearly states that; “any employee, whether or not in a work place, who suffers any disabling injury, arising out of or in course of employment, shall be entitled to payment for compensation in accordance with part IV of this Act (Worugji, 2013). In the final analysis, for civil servants to receive any compensation from their employers, they must be acquainted with the tenets and content of the Employee Compensation Act 2010 before placing their claims.

Employee Performance

In this context, one needs to understand the meaning of performance in human resource management paradigm. According to Bhattacharyya (2007), performance is what we expect to deliver by an individual or a set of individuals within a time-frame. Boddy (2008) in Christopher and Bulah (2016) accentuate that performance is the results of an activity. An employee is said to be performing when duties assigned to such individualis carried out effectively and efficiently to meet organisational goal. According to Christopher and Bulah, (2016), employee performance is about employees achieving the results, goals or standards as per the expectations set by the enterprise. This implies that for an employee to be performing, such individual will achieve goals set by the enterprise with the standard required. Employee performance determines the direction and expansion of any business outfit in the universe. It is on record that when employees are highly motivated by their employers, commitment is said to be on the rise on the part of the employee. There are several dimensions of performance in human resource management. Bhattacharyya (2007) contended that for performance to be measured, the following dimensions must be in place. These are output or result dimension which refers to the consequence of inputs in a summary form or a final or semi-final product or service form (Bhattacharyya, 2007). Examples of this dimension are salary figures, customer numbers, financial targets, production targets, completion of tasks to meet some deadlines (Bhattacharyya, 2007). Input dimension describes in terms of the activities or tasks to be accomplished by the individual (Bhattacharyya, 2007). Time dimension which refers to as performance for a task, for a day, a month, a year, or for life (Bhattacharyya, 2007). Focus dimension means

performance can be ascertained by focusing on a particular thing or objective.

Empirical Studies on Compensation

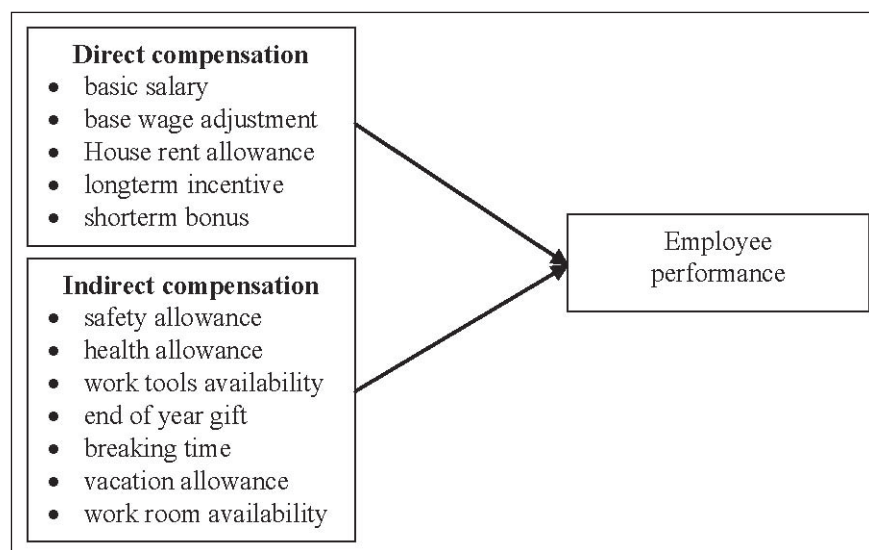
Due to the peculiarity of compensation as a concept and as an issue bordering both the employee and employer, different scholars around the world have written extensively on this subject called compensation. Oburu and Atambo (2016) examined the effect of non-financial compensation on employee performance of micro-finance institutions in Kenya. Their study established that indeed the micro finance industry especially WakenyaPamoja Sacco-Kisii, does employ non-financial compensation measured in terms of participation and/recognition, better workplace environment, job design, career development, training motivate employees and drive up their performance as well as to retain staff. Okwudili (2015a) carried an empirical study on the effect of non-monetary rewards on productivity of employees among selected government parastatals in Abia State, Nigeria. The findings of his study indicated that non-monetary rewards and productivity of employees have a positive relationship which is significant at 5% level of probability (2- tailed). He concluded that “higher productivity and efficiency of employees in government parastatals is possible with the effective exploitation of human resources through non-monetary rewards and recommends amongst others that Government should motivate their staff more by involving them in self developmental programmes with good remuneration payment, incentive packages etc that will signify that the organisation needs their personal outputs”. Okwudili (2015b) analysed the influence of monetary rewards on performance of employees in food service industry in Abia state, Nigeria. He concluded that “all round development of the food service industry for higher productivity and efficiency is possible with the effective exploitation of employees through monetary rewards”.

Idemobi, Onyeizugbe, and Akpunonu (2011) carried an empirical study on compensation management as tool for improving organisational performance in the public sectors in Anambra state civil service of Nigeria. Their findings revealed that “financial compensation for staff members in the public service do not have a significant effect on their performance and that financial compensation received are not commensurate with staff efforts”. Their study further found that “reform programmes of the government do not have a significant effect on the financial compensation policies and practices in the public sector due to poor compensation management”. Obasan (2012) studied the effect of compensation strategy on corporate performance of Nigerian Firms. From Obasan’s finding it was shown

that compensation strategy has the potential beneficial effects of enhancing workers' productivity and by extension improving the overall organisational performance. Jane and Silas (2013) conducted an empirical study on the effect of compensation on performance of public secondary school teachers in Eldoret Municipality Kenya. Their study concluded that compensation package provided by teachers service commission in Kenya was overall "not satisfactory" as many of the teachers were uncomfortable with the compensation package and policies in place. Osibanjo *et al.* (2014) examined the effect of compensation packages on employees' job performance and retention in a selected private University in Ogun State, South-West Nigeria. The results of their study showed strong relationship between

compensation packages and employees' performance and retention.

Chun-His and Setyabudi (2008) investigates how age, tenure, employee's rank and work status are related to perception of direct and indirect compensations fulfillment in a hazardous work environment. Their study found that age, tenure, employee's rank and work status are positively related to perception of direct and indirect compensations fulfillment. Christopher and Bulah (2016) carried out an empirical study on the relationship between total compensation and employee performance in Mayfair Insurance Company Limited in Kenya. The finding of their study shows that there is a positive significant relationship between total compensation and employee performance at Mayfair Insurance Company Limited in Kenya.



Source: Researcher's conceptualisation (2016) from Chun-His and Setyabudi, (2008).

Fig. 2: Conceptual Framework

METHODOLOGY

This study adopted a cross-sectional research survey. Target population comprises employees of Rivers State Board of Internal Revenue Service. Accessible population for this study as at August, 2016 is 45 employees who were available during the course of questionnaire administration. Sample size is 40 using Krejcie and Morgan (1970) sample size determination table. Only 32 questionnaire were completed and returned this was as a result of workers biometric exercise going in Rivers State as at the time this study was conducted. Convenience sampling technique was adopted. Compensation questionnaire by Milcovich (1999) adopted by Chun-His and Setyabudi (2008) was adapted. Direct compensation was measured with 5-items on a 5-point Likert Scale ranging from 5-Strongly Agree, 4-Agree, 3-Disagree, 2-Strongly Disagree, 1-Undecided. Indirect compensation

was measured with 5-items on a 5-point Likert Scale ranging from 5-Strongly Agree, 4-Agree, 3-Disagree, 2-Strongly Disagree, 1-Undecided. For the inferential statistics, Spearman's Rank Order Correlation Coefficient was used for data analysis with the aid of Statistical Package for Social Sciences (SPSS) version 20.0.

Data Analysis

Both descriptive and inferential statistics were employed in this study. Descriptive statistics was used to indicate the response rate on direct and indirect compensation. The inferential statistics include the test of hypotheses with Spearman Rank Order Correlation Coefficient. This was made possible with the aid of Statistical Package for Social Sciences version 20.0. Below is the SPSS output for the correlation between direct, indirect compensation and

employee performance in the Rivers State Board of Internal Revenue. This study will adopted Mehran *et al.* (2014) benchmark for rejecting and accepting null hypotheses using the SPSS as follows: when the p-value (Sig., 2-tailed) is less than the level of significance (0.05), reject the null hypothesis and; when the p-value (Sig., 2-tailed) is greater than the level of significance (0.05), accept the null hypothesis.

Table 1: Response Rate on Direct Compensation

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	8	25	25	25
Agree	13	41	41	41
Disagree	3	9	9	9
Strongly Disagree	5	16	16	16
Undecided	3	9	9	100
Total	32	100	100	

Source: SPSS Output (2016)

Table 1 shows the response rate on direct compensation. 8 respondents representing 25% strongly agree. 13 respondents representing 41% agree. 3 respondents representing 9% disagree. 5 respondents representing 16% strongly disagree. 3 respondents representing 9% were undecided. This shows that 13 out of 32 respondents strongly agree that prompt payment of salary, base wage adjustment, house rent allowance, long-term incentive and short-term bonus will enhance their performance in the board of internal revenue.

Table 2: Response Rate on Indirect Compensation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid-Strongly Agree	15	47	47	47
Agree	9	28	28	28
Disagree	3	9	9	9
Strongly Disagree	5	16	16	16
Undecided	-	-	-	100
Total	32	100	100	

Source: SPSS Output (2016)

Table 2 shows the response rate on indirect compensation. 15 respondents representing 47% strongly agree. 9 respondents representing 28% agree. 3 respondents representing 9% disagree. 5 respondents representing 16% strongly disagree. None was undecided. This shows that 15 out of 32 respondents strongly agree that provision of safety allowance, health allowance, work tools availability, end of year gift, breaking time allowance, vacation allowance and work room availability will increase their performance in the board of internal revenue.

Test of Hypotheses

Spearman Rank Order Correlation Coefficient was used with the aid of SPSS Version 20.0.

HO1: Direct compensation does not significantly associate with employee performance in the Rivers State Board of Internal Revenue Service.

Table 3: Correlations

		Direct compensation	Employee performance
Spearman's rho	Direct compensation	Correlation Coefficient	1.000
		Sig. (2-tailed)	.000
		N	32
	Employee performance	Correlation Coefficient	.822**
		Sig. (2-tailed)	.000
		N	32

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

Based on Mehran *et al.* (2014) benchmark for rejecting and accepting null hypotheses using the SPSS the null hypothesis is hereby rejected on the basis that p-values (0.000) were less than the level of significance (0.05). The study therefore accepts the alternate hypothesis and states as follows: direct compensation is significantly associated with employee performance in the Rivers State Board of Internal Revenue Service. This implies that employees are willing to put more effort in the organisation if the board pay their salary, base wage adjustment, house rent allowance, long-term incentive and short-term bonus.

HO2: Indirect compensation does not significantly associate with employee performance in the Rivers State Board of Internal Revenue Service.

Table 4: Correlations

			Indirect compensation	Employee performance
Spearman's rho	Indirect compensation	Correlation Coefficient	1.000	.715**
		Sig. (2-tailed)	.	.000
		N	32	32
	Employee performance	Correlation Coefficient	.715**	1.000
		Sig. (2-tailed)	.000	.
		N	32	32

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

Based on Mehran *et al.* (2014) benchmark for rejecting and accepting null hypotheses using the SPSS the null hypothesis is hereby rejected on the basis that p-values (0.000) were less than the level of significance (0.05). The study therefore accepts the alternate hypothesis and states as follows: indirect compensation is significantly associated with employee performance in the Rivers State Board of Internal Revenue Service. This means that the provision of safety allowance, health allowance, and work tools availability, end of year gift, breaking time allowance, vacation allowance and work-room availability will enhance employees' performance in the board of internal revenue.

DISCUSSION OF FINDINGS

Result of hypothesis 1 shows that direct compensation has a positive effect on employee performance. This corresponds with findings of Okwudili (2015b); Obasan (2012); and Osibanjo *et al.* (2014). Okwudili (2015b) concluded that "all round development of the food service industry for higher productivity and efficiency is possible with the effective exploitation of employees through monetary rewards". Obasan's (2012) findings show that compensation strategy has the potential beneficial effects of enhancing workers' productivity and by extension improving the overall organisational performance. Osibanjo *et al.*'s (2014) results showed a strong relationship between compensation packages and employees' performance and retention.

However, the result of hypothesis 2 shows that indirect compensation has a positive effect on employee performance. This is in line with findings of Okwudili (2015a), and Oburu and Atambo (2016). Okwudili's (2015a) findings indicate that non-monetary rewards and productivity of employees have a positive relationship which is significant at 5% level of probability (2-tailed). He concluded that "higher productivity

and efficiency of employees in government parastatals is possible with the effective exploitation of human resources through non-monetary rewards and recommends amongst others that government should motivate their staff more by involving them in self developmental programmes with good remuneration payment, incentive packages etc. that will signify that the organisation needs their personal outputs". Oburu and Atambo's (2016) findings revealed that non-financial compensation measured in terms of participation and/recognition, better workplace environment, job design, career development and training drive up employee performance as well as retention of staff.

CONCLUSION

Based on the discussion of findings, the study concludes that compensation measured in terms of direct and indirect compensation, will enhance employee performance in the Rivers State Board of Internal Revenue.

RECOMMENDATIONS

Drawing from the conclusion, the following recommendations were made:

Civil service commission should employ qualified human resource personnel that will oversee the affairs of employee compensation as this will remove the bottleneck surrounding the non-implementation of employees' compensation.

Allowances due to workers should be promptly paid to them to avoid ineffectiveness in the civil service.

Compensation fund should be set aside for compensating workers.

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