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# BASE PAY AND WORKERS COMMITMENT OF NON-ACADEMIC STAFF OF RIVERS STATE OWNED UNIVERSITIES IN PORT-HARCOURT, NIGERIA

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## ABSTRACT

This study examined the relationship between base pay and workers commitment of non-academic staff of Rivers State Owned Universities, Nigeria. The study adopted a cross-sectional survey in its investigation of the variables. Primary data was generated through self-administered questionnaire. The population for the study was (1503) one thousand five hundred and three non-academic staff from the universities of Rivers State Owned Universities, Nigeria. The sample size of 316 was determined using the Taro Yamane's formula for sample size determination. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The study findings revealed that there is a significant relationship between employee compensation and workers commitment of non-academic staff of Rivers State Owned universities Port-Harcourt. The study therefore recommended that management of Rivers State owned universities should adopt the dimensions of employee compensation used in this study as strategies to improve the level of commitment of their non-academic staff. The study recommended that the Management of Rivers State Owned Universities staff should make their base pay package very attractive so that it can serve as incentive and stimulate worker's commitment.

*Keywords:* Base Pay, Workers Commitment, Affective Commitment, Normative Commitment, Cognitive Commitment

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## INTRODUCTION

Workers commitment is the commitment of the employee toward the organization where they are working. Individuals' organizational commitment is one of the guarantees to keep the organization to continue (Robbins, Dan & Timothy, 2008). Robbins et al. (2008) identified three components in workers commitment which are: affective commitment: emotional involvement in the form of love to the organization. Continue commitment: someone's perception of cost and risk of leaving the organization. Normative commitment: Morale dimension based on obligation and responsibility to the organization hiring the employee. Commitment is the bond employees experience with their organization. Broadly speaking, employees who are committed to their organization generally feel a connection with their organization, feel that they fit in and, feel they understand the goals of the organization. The added value of such employees is that they tend to be more determined in their work, show relatively high productivity and are more proactive in offering their support. Employee compensation is problematic for a variety of reasons. One, compensation is arguably one of the most critical influences (if not the most critical influence) on the quality and effectiveness of human capital. Compensation influences the quality of the people who apply, the quality of those hired, the likelihood of job acceptance, the motivation and performance level of the workforce, and the quality of who stays with the company (Dineen& Williamson, 2012; Saks, Wiesner & Summers, 1996; Shaw & Gupta, 2007). According to Gupta & Shaw (2007), employee compensation systems are the neglected area in Human resource management research leading to a gap in literature or knowledge because, it indicates that, there are some aspect of this study or topic that we need to research to get more detailed information. It will enable us to know why it is a neglected area in human resource compensation policy. This issue of human resource management research covers a variety of compensation topics. This study therefore examined the relationship between base pay and workers commitment of non-academic staff of Rivers State Owned Universities, Nigeria.

This study was guided by the following research question:

- What is the relationship between base pay and affective commitment of non-academic staff of Rivers State Owned Universities, Nigeria?
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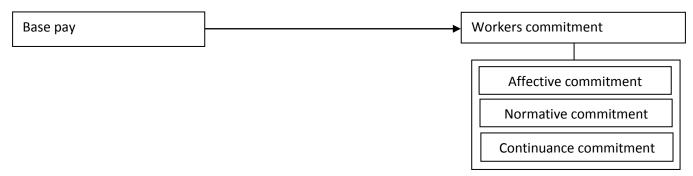


Figure 1: A conceptual framework of the relationship between Base pay and Workers commitment

### LITERATURE REVIEW

### **Theoretical Foundation**

The Baseline theory for this study was drawn from the social exchange theory grounded in an economic model of human behaviour where interaction between individuals is motivated by a desire to maximize rewards and minimize losses; the individual's organizational commitment depends on his or her perceived balance of reward utilities over input utilities. The approach emphasizes the current exchange relation between individuals and organizations. Thus relationships providing more rewards than costs will yield enduring mutual attraction and commitment to the organization; this explains organizational citizenship behaviour (Coetzee, 2005). Social exchange theory grew out of the intersection of economics, psychology and sociology. According to Hormans (1958), the originator of the theory, it was developed to understand the social behavior of humans in economic undertakings. The elementary difference between economic exchange and social exchange theory is in the way actors are viewed. Exchange theory views actors (person or firm) as dealing not with another actor but with a market responding to various market characteristics; while social exchange theory views the exchange relationship between specific actors as "actions contingent on rewarding reactions from others" (Blau, 1964: 91).

Social Exchange theory can be used to demonstrate the connection between organizational culture and workers commitment. Such a connection is a two-way relationship between the organization and its employees (Robinson, Perryman, & Hayday, 2004). When employees feel they are deriving benefit from their employer, they feel a responsibility to return the favours through their work ethic. The Social Exchange Theory implies this when it notes that a longstanding and mutually beneficial relationship will result in loyalty, trust and commitment over time (Cropanzano & Mitchell, 2005).

### Workers Commitment

The concept of organizational commitment should be very reliable as a way of measuring human behaviour in organizational groups; more so in any case than other theoretical constructs such as job satisfaction or job involvement (Jae Moon, 2000). In the competitive environment, most of the organizations have successfully developed, executed, evaluated, refined and perused employee empowerment and improvement as a prime human resource practice with business value (Kandula, 2004). So an employee empowerment and involvement in organization starts with the concept of strategic fit between people, tasks, technology, information processes, rewards and organization structure for which all must be in alignment before the organization can work efficiently.

Employee involvement can also result from providing employees with the skills necessary for decision making, problem solving, shared leadership and overall understanding of the business. The indicators of workplace commitment are the possible results derived from organizational and individual commitment. Employees with strong organizational commitment are emotionally attached to the organization and have strong desire to contribute significantly towards organizational success. This leads to increased competitiveness, accountability, risk taking, highly innovativeness, low wastage, and the desire to improve overall job performance.

## **Affective Commitment**

Is employees' emotional attachment to organization, identification with organization and involvement in the organization. Employees, who have strong affective commitment, stay in the organization because they want to. (Allen & Meyer, 1990) Therefore, this form of commitment is based on desire. However, there has not been a uniform conclusion on what are the mechanisms involved creating it, but Meyer & Herscovitch (2001) propose that any variable that will increase the probability of the following three matters will help individual to become affectively committed. First, an individual becomes involved, meaning motivated by his or her own will or absorbed in the flow, in a course of action. Second, an individual recognizes the value or relevance of the entity or the course of action to him or herself. Last, association with the entity or a course of action will shape an individual's identity.(Meyer & Herscovitch, 2001) out of the three forms, affective commitment has been studied the most(see Meyer, Stanley, Herscovitch, &Topolnytsky, 2002; Bergman, 2006).

### **Normative Commitment**

Refers to person's feelings of obligation to stay with the organization, in other words, employees remain in the organization because they ought to do so. It is proposed that normative commitment is influenced by person's experiences both before and after entering the organization. This means that not only organizational socialization but also socialization that occurs in the families and society at large also affect show employee's normative commitment develops (Allen & Meyer 1990; Markovits, Boer & van Dick, 2013.) Until today, this is the one that has been studied the least out of these three (Bergman 2006). Employee commitment reflects the involvement and psychological attachment that an employee has towards an organization and work which is assigned to him. Meyer & Herscovitch (2001) describes commitment as a force that makes an individual stick to a course of action that is of relevance to a particular goal.

### **Continuance Commitment**

Is commitment based on the costs that would occur if the person left the organization. Therefore, people having high continuance commitment stay in the organization because they need to. In other words, it would cost too much to Leave. This would be the case, for example, if employee has used a lot of time and resources to learn something that can only be used in that particular company or at the time there are no similar or better employment opportunities available than the current position (Allen & Meyer 1990, Meyer & Herscovitch, 2001; Garcia-Gabrera& Garcia-Sot, 2012).

# **Base Pay**

This refers to the wages or salary received by the employee. It can be base pay or merit pay. Base pay is hourly, weekly or monthly pay and merit pay is performance based pay. It is an addition to the base pay. According to Esien (2002) who went further in drawing distinction between wage and salary, he opined that, in the past, important distinctions existed between wages and salary, but today, the words are used interchangeably, reflecting the convergence of method of paying skilled and unskilled employees that has happened over 40 years. A salary was defined as a fixed annual amount, paid monthly. Wages in contrast were variable weekly payments (usually made in cash) that fluctuated in value through overtime, bonuses, and piecework rates. Salaries were determined individually; wages through management/union collective bargaining". Today, however, many salaried workers are unionized and paid according to union negotiated salary scales, with annual increment; while large numbers of wage earners now receive relatively stable time based earnings. Again, an Economic principle showed it as labour, a factor of production, as such; production of goods/services cannot be achieved without the element called labour.

# The relationship between Base pay and Workers commitment

Compensation offers an opportunity for security, autonomy, recognition and improved self-worth (Hoyt & Gerdloff, 2000). Unless the total compensation program is perceived as internally fair and externally competitive, good employees are likely to leave. To effectively enhance employee motivation and productivity, the performance measurement and feedback process must be aligned with the organization's business strategy and organizational culture. For start-up firms, performance-based pay system can be more useful to attract external talents. By aligning personal interests with company objectives, performance-based pay system motivates workers to realize the strategic objectives of the Human resource function (Kim & Sung-Choon, 2013).

- **Ho**<sub>1</sub>: There is no significant relationship between base pay and affective commitment of non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria.
- Ho<sub>2</sub>: There is no significant relationship between base pay and normative commitment of nonteaching staff of Rivers State owned universities in Port Harcourt, Nigeria.
- Ho<sub>3</sub>: There is no significant relationship between base pay and continuance commitment of nonteaching staff of Rivers State owned universities in Port Harcourt, Nigeria.

# METHODOLOGY

The study adopted a cross-sectional survey in its investigation of the variables. Primary data was generated through self-administered questionnaire. The population of this study was drawn from employees of Senior Staff Association of Nigerian Universities (SSANU) and Non-academic staff Union (NASU) of Rivers State Owned Universities in Port Harcourt, Nigeria. The population for the study was (1503) one thousand five hundred and three nonacademic staff from the universities of Rivers State Owned Universities, Nigeria.

The sample size of 316 was determined using the Taro Yamane's formula for sample size determination. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0.

S/No	Dimensions/Measures of the study variable	Number of items	Number of cases	Cronbach's Alpha
1	Base Pay	3	250	0.812
2.	Affective Commitment	3	250	0.711
3	Normative Commitment	3	250	0.776
4.	Continuance Commitment	3	250	0.789

# Table 1: Reliability Coefficients of variable measures on Base pay and workers commitment

Source: Research data output, 2019

### DATA ANALYSIS AND RESULTS

The level of significance 0.05 was adopted as a criterion for the probability of accepting the null

hypothesis in (p> 0.05) or rejecting the null hypothesis in (p < 0.05).

			Base Pay	Affective	Normative	continuance
				Commitment	Commitment	Commitment
		Correlation	1.000	.616**	.730 <sup>**</sup>	.966**
	Daca Dav	Coefficient				
	Base Pay	Sig. (2-tailed)		.000	.000	.000
		Ν	250	250	250	250
		Correlation	.616**	1.000	.803**	.573 <sup>**</sup>
	Affective	Coefficient				
	Commitment	Sig. (2-tailed)	.000		.000	.000
Spearman's		Ν	250	250	250	250
rho		Correlation	.730 <sup>**</sup>	.803**	1.000	.686**
	Normative	Coefficient				
	Commitment	Sig. (2-tailed)	.000	.000		.000
		Ν	250	250	250	250
		Correlation	.966**	.573 <sup>**</sup>	.686**	1.000
	continuance	Coefficient				
	Commitment	Sig. (2-tailed)	.000	.000	.000	
		Ν	250	250	250	250

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

Source: Research Data, 2019 and SPSS output version 23.0

# Ho<sub>1</sub>: There is no significant relationship between base pay and affective commitment of nonteaching staff of Rivers State owned universities in Port Harcourt, Nigeria.

The correlation coefficient (r) showed that there is a significant and positive relationship between base pay and affective commitment. The *rho* value 0.616 indicated this relationship and it was significant at p 0.000<0.05. The correlation coefficient represents a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated was hereby rejected and the alternate upheld. Thus, there is a significant relationship between base pay and affective commitment of non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria.

# Ho<sub>2:</sub> There is no significant relationship between base pay and normative commitment of

# non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria.

The correlation coefficient (r) showed that there is a significant and positive relationship between base pay and normative commitment. The *rho* value 0.730 indicated this relationship and it was significant at p 0.000<0.05. The correlation coefficient represented a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated was hereby rejected and the alternate upheld. Thus, there is a significant relationship between base pay and normative commitment of non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria.

Ho<sub>3:</sub> There is no significant relationship between base pay and continuance commitment of non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria. The correlation coefficient (r) showed that there is a significant and positive relationship between base pay and continuance commitment. The *rho* value 0.966 indicated this relationship and it was significant at p 0.000<0.05. The correlation coefficient represented a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated was hereby rejected and the alternate upheld. Thus, there is a significant relationship between base pay and continuance commitment of non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria.

### **DISCUSSION OF FINDINGS**

The first, second and third hypotheses sought to examine the relationship between base pay and worker's commitment. Hence it was hypothesized that there is no significant relationship between base pay and worker's commitment. These hypotheses were tested using the Spearman Rank Order correlation technique. The study findings revealed that there is strong positive relationship between base pay and worker's commitment of non-teaching staff of Rivers State owned universities in Port Harcourt, Nigeria. The P-value (0.00) was less than the level of significance at (0.05). This finding agreed with previous findings that unless the total compensation program is perceived as internally fair and externally competitive, good employees are likely to leave (Jackson & Schuler, 2005). Furthermore, to effectively enhance employee motivation and productivity, the performance measurement and feedback process must be aligned with the organization's business strategy and organizational culture. For start-up firms, performance-based pay system can be more useful to attract external talents. By aligning personal interests with company objectives, performance-based pay system motivates workers to realize the strategic objectives of the HR function (Kim & Sung-Choon, 2013).

# CONCLUSION AND RECOMMENDATION

This research work studied the relationship between base pay and employee commitment of nonacademic staff of Rivers State Owned Universities, Nigeria. It involved successfully providing fair and equitable rewards that can meet employee's personal needs. This study showed that there is a positive relationship between base pay is a significant predictor of workers commitment of non-academic staff of Rivers State Owned Universities, Nigeria. The study therefore concluded that base pay is a significant predictor of workers commitment of nonacademic staff of Rivers State Owned Universities, Nigeria.

The study recommended that the Management of Rivers State Owned Universities staff should make their base pay package very attractive to that can serve as incentive and stimulate worker's commitment. Incentive pay system such as pay system pay rise and pay benefits should be extended to employees as a motivation tool.

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