COMPENSATION SYSTEM AND JOB PERFORMANCE IN UMARU ALI SHINKAFI POLYTECHNIC SOKOTO NIGERIA

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ABSTRACT

The study examines the compensation system and Job performance at Umaru Ali Shinkafi Polytechnic Sokoto. The questionnaire was adopted as the research instrument to elicit data from 327 respondents. The data analysis employed Smart PLS SEM 3.2.8, a second-generation statistical methodology developed to address the drawbacks of first-generation statistical methods, including Manova, Factor analysis, and Analysis of Variance. The results indicate a significant relationship between bonuses and Job Performance, Benefits Programs and Job Performance, Perquisites and Job Performance, Stock options and Job Performance. The study recommends a reward framework for Polytechnic academic and nonacademic members based on the findings. This would enhance innovativeness and the craving to acquire new knowledge among workers.

Keywords: Compensation System, Job Performance, Bonuses, Benefits programs, Perquisites.

INTRODUCTION

Human resources are the cornerstone of an organization's ability to gain a competitive edge and prosper in a cutthroat and fast-paced corporate climate. Organizations must hire, develop, and keep skilled labor to meet these goals (Edirisooriya, 2014). Employee engagement and a fair and adequate reward system have become more prominent as competitive tools for attracting skilled employees in the current globalized world, where organizations must compete for skilled workers from different countries and in an environment where international laws regulate (Walter et al., 2019). To thrive in the volatile economic climate, globalization has pressured corporate organizations to be creative, inventive, and proactive (Ezigbo, 2011). This suggests businesses require skilled and driven employees to survive this dynamic and intensely competitive business climate (James et al., 2017). Unquestionably, the most crucial element of human resources management, a skilled and motivated workforce, can be attained through an effective employee remuneration system (Ermias, 2017).

Agwu (2013) defines compensation as the advantages one gains from carrying out a task, providing a service, or fulfilling a duty. Pay is the primary incentive for doing a job, providing a service, or fulfilling a duty, and many employers of labor include wages and salary in the compensation package (Agwu, 2013). Health insurance, bonuses, loans, cars, subsidized lunches, and options for profit sharing are typically included in this package (Walter et al., 2019). In order to encourage employees to work toward a set objective, organizations use compensation systems (Nkechi & Okezie, 2013). It indicates that reward structures are a fundamental instrument for luring in skilled workers and keeping them inspired to raise their level of performance.

Various theoretical postulates have been explored to identify the motivational aspects ingrained in an organization's incentive system (Mordi, 2015). Intrinsic and extrinsic rewards were distinguished by Herzberg et al. in 1957. According to Herzberg et al. (2013), intrinsic rewards—such as success, recognition, and advancement—motivate workers more than extrinsic rewards—such as the workplace, pay, job stability, etc. According to Zhou et al. (2009), intrinsic incentives originated from "utilitarianism," which denotes that a person's action might be motivated. As a result, extrinsic rewards may be employed to improve employee performance (Zhou et al., 2009). The phrase "romanticism," which contends that internal rewards encourage employee innovation and creativity, is opposed to utilitarianism (Mordi, 2015).

Employee performance is defined by Thao and Hwang (2012) as the timely completion of a task by an employee based on the acceptable standard of operations while making use of organizational resources in the work environment. Aguinis (2009) argued that employee performance is about the employee's behavior and not necessarily the output. According to Aguinis (2009), employee conduct is determined by how committed an employee is to the company's ultimate objective. Motivation, understanding of the job method, and experience significantly impact employee performance (Thao & Hwang, 2012). However, according to this work, incentives or awards can improve employee performance. Carlson (2006) suggested that company culture, side incentives, and leadership style all impact how well employees perform.

Motivation is a means by which organizations can encourage employees to increase their output. Many researchers, including Pouliakas (2008), Pinar (2008), Arnolds and Venter (2007), have completed studies on the effects of financial and non-financial incentives on the productivity of employees and organizations. Organizations create motivational initiatives to reward and recognize exceptional performance (Schiller, 1996). These incentives may have monetary or non-monetary components, but their purpose is to encourage the employee to put more effort into the tasks given to them. Rewards are effective motivators that push workers to work as hard as possible under the given conditions on some days with a specific aim in mind. However, motivating elements must be created to encourage performance from the workforce and support the retention of the most talented and productive individuals (Arnold, 2013). Organizations must use excellent incentives to motivate employees to produce the desired results. Compensation systems influence employee inspiration and performance as they have incredible advantages and high potential to spur laborers to do their best in any given oblation (Condly et al., 2003).

According to Pattanayak (2005), there are many different kinds of motivational programs, ranging from impalpable non-financial incentives to significant non-financial incentives. According to Pattanayak (2005), the mainstays of financial incentives are immediate and abnormal remuneration (commission, reward, benefit sharing, travel expenses, and retirement plans), while treats, grants, and trinkets serve as evidence of tangible non-financial incentives, and social rewards and task-related rewards are connected with intangible non-money related rewards (Falola et al., 2014).

The effect of the remuneration system on job performance is well documented in studies. Apart from Agwu's (2013) study, which considers the role of culture in determining what motivates an employee, most of the work mentioned above was conducted outside of Nigeria. As a result, a research gap in the literature addresses the issue of employee compensation framework and employees' job performance concerning our geological area and the uniqueness of the situation as a main priority. Because of this gap, the study addresses the connection between the worker compensation system and job performance in Umaru Ali Shinkafi Polytechnic Sokoto State, Nigeria.

Statement of the problem

Organizations have no choice but to assess employee performance to serve stakeholders' interests due to global competitiveness successfully. Maintaining a profitable firm and remaining competitive require ongoing performance improvement. The effectiveness of an organization's workforce, therefore, affects that organization's success. Therefore, how the organization applies the remuneration system determines how well a job is done. Motivated employees work for organizations that handle their compensation systems successfully. Highly motivated employees are committed to attaining organizational goals, have a positive outlook, and have strong morale.

This study intends to contribute to understanding the benefits of the compensation system and Job performance, particularly in the Nigeria Public Sector and beyond. The study is also aimed to add strength to the limited empirical research conducted on compensation system (CS) and Job performance (JP) in public service, as emphasized by McCullough and Vinod (2003): "Research that cannot be replicated is not science, and cannot be trusted either as part of the profession's accumulated body of knowledge or as a basis for policy." The Public Sector in Nigeria needs several challenges, such as lack of motivation, lack of employee commitment, weak technical and managerial skills, politicization; corruption; and inefficient bureaucracy.

The main objective of this research is to investigate the contributions of the compensation system and Job performance to the overall development of public sector organizations, particularly in the Nigerian context. Others include

- To examine the effects of the compensation system on Job performance concerning Umaru Ali Shinkafi Polytechnic Sokoto
- To recommend ways that will aid organizations in enhancing their reward system

LITERATURE REVIEW

Compensation System; A compensation system is a reward designed for workers in addition to salary, aimed at retaining and motivating them. Workers can be motivated by the following;

Benefit Programs: In addition to salary, the employees may be rewarded with other benefits, e.g., Leave grant, rent allowance, accessible medical facility, pension and gratuity, Social security, training leave, maternity leave

Bonuses: Bonuses are lump sums paid to employees at the end of the year in addition to the regular salary. Such bonuses increase the total income of employees without attracting reactions from the government or employees of other organizations.

Perquisites: Perquisites non-cash compensation; they include thongs like car service, free domestic service, free legal service, free insurance cover etc.

Stock Option: One of the compensation systems familiar to private enterprises is the stock option. This is a right given to employees to purchase a certain number of shoes, below the market price, for a specific period.

Job Performance According to Campbell (1993), "behavior" is defined as "something that a person does and can be observed." Employees are hired to operate with efficiency and effectiveness, according to Campbell (1990) (Aziri, 2011). To achieve their goals, successful organizations rely on the outstanding performance of their staff. Their staff must deliver above-average work in order for them to accomplish their strategic goals and maintain their competitive advantage (Dessler, 2011). According to organizational behavior philosophers, the proper people in the correct positions (Kristof-Brown et al., 2005) are also essential. The person-job fit is significant because it influences whether or not an employee is qualified for the position and whether or not they will be dedicated to and productive for the company (Zheng et al., 2010).

Compensation System and Job Performance
In 2015, Nnaji and Nnadozie looked into how awards affected employee performance in a few different banks in the Awka Ibom Metropolis. Determining whether there is a connection between remuneration structures and employee performance is the primary goal of this inquiry. More specifically, the analysis plans to discuss the impact of intrinsic (non-monetary) and extraneous (money-related) compensations on employees' performance. Discoveries: The research findings showed a relationship between compensation and employee performance and a stark difference between the effects of intrinsic and external compensation on performance.

Between 2011 and 2012, Agwu (2013) performed research to determine the impact of a fair compensation system on employees' job performance at the Nigeria Agip Oil Company in Port Harcourt. Using a stratified random selection technique, a sample of 36 respondents, including 34 managers, 97 supervisors, and 259 workers, was chosen from the population. The instrument for getting replies from the participants was a questionnaire. According to the study's findings, a fair incentive system affected job satisfaction for about 82% of workers and cut the likelihood of industrial action by 80%. According to the study, the business needs to assess its reward system regularly to ensure fairness, maintain competitive pay rates, and provide flexibility in the rewards administration.

Tausif (2012) oversaw an investigation of the impact of non-monetary rewards on Pakistan's educational sector workers. An organized survey was used to collect data from the selected respondents. The author developed two opposing hypotheses regarding the relationship

between employee performance and budgetary rewards. Regression and correlation analyses and the exploratory t-test were utilized to evaluate hypotheses on whether non-budgetary benefits positively or negatively correlated with worker job satisfaction. It was evident how the autonomous variables of promotion, work enhancement, and independence affected the subordinate employee performance variable.

Khan, Shahid, and Nawab (2013) investigated numerous variables determining external and internal incentives and their impact on the job satisfaction and employment performance of banking staff to link it to the overall performance of Pakistani commercial banks. 200 representatives were chosen as a result, and 165 duly completed polls were used for quantitative analysis. The findings of this study showed that the incentive system is sound, and respondents agreed that awards improved employees' performance. The discovery successfully comprehends compensation structures and their influence on organizational performance, particularly in Eastern countries.

A similar study by Aktar, Sachu, and Ali (2012) focused on examining the relationship between rewards and employee performance and distinguishing between extrinsic and intrinsic rewards. The study looked into the factors that determine intrinsic and extrinsic rewards and how they affect employees' behavior and performance in order to have an impact on commercial banks and come up with ideas for a more precise and organized way to deal with rewarding employees' efforts, which in turn has an impact on superior culture in commercial banks in Bangladesh. 200 surveys were distributed to gather relevant data, and 180 were returned and used for quantifiable analysis to test the hypotheses derived from the predictive theory. The t-test showed an empirically significant relationship between extrinsic and intrinsic rewards and employee performance, i.e., a positive relationship between pay and worker performance and a highly significant relationship between extrinsic and intrinsic rewards. Because of this positive relationship, Bangladeshi banks should use rewards to increase their performance.

The impact of remuneration management on employee performance in the Nigerian banking sector is examined by Udeze, Ugwu, and Aku (2019). The study specifically sought to examine the relationship between pay structures and employee motivation, the impact of promotions on employee accountability, and how recognition of exceptional performance affects employee job satisfaction. The survey research design was used for the investigation. Six thousand sixty (60) employees from fifteen (15) deposit money banks (DMBs) in South-East Nigeria were the population for the examination. Using Godden's factual equation for calculating sample size from a finite population, a sample size of 546 was obtained. A relatively stratified irregular sampling technique was used to determine the proportionate sample size for the clusters. After being approved by experts from the field and the academic community, the questionnaire was used to collect data from the respondents. Of the 546 copies that were sent out, 524 were returned and used for the study, while 22 copies were not returned. Information was gathered through essential and auxiliary sources. The hypotheses were examined using Spearman correlation, ordinal computed regression, and chi-square. The investigation revealed a favorable relationship between compensation levels and employee motivation; praise for exceptional work benefited employees'

job happiness, and promotion increased employees' commitment. In light of the findings, the study recommended that human resources managers in every firm, especially DMBs, make sure that they develop reward structures that can address the various demands of their employees in terms of inspiration. DMBs ought to guarantee that they reasonably reward moral conduct and exceptional performance. DMBs should make available various promotional opportunities to get their workforce focused on organizational goals.

In a 2011 study, Zakaria, Hussin, Noordin, Zakaria, and Mohamed looked at the relationship between Toyota's employee performance and reward system. Selected respondents were surveyed to gather the necessary data. The findings indicated no meaningful connection between employee performance and the reward scheme. Similarly, Ong and Teh (2011) conducted a study investigating the association between Malaysian organizations' financial success and compensation systems by distributing questionnaires to particular enterprises. The findings showed no meaningful correlation between reward schemes and company size or age. The financial performance of businesses was said to have a favorable and significant association with intrinsic incentives.

In various Pakistani public and private banks, Shahzadi and Farooqi (2014) tried to look into the connection between the reward system and employee performance. The participants were asked to complete a questionnaire, and SPSS was used to help with the data analysis. The outcomes demonstrated that the use of rewards has a favorable impact on staff productivity.

In their 2014 study, Ashraf and Mohammad looked at the impact of motivational factors on the productivity of Jordanian tourism industry workers. The SPSS application (Statistical Packages for Social Sciences) was used for the visual investigation. The sample, which consisted of 28 Amman-based businesses, was randomly selected with this study's purpose in mind. The example's respondents consisted of 44 employees who completed 44 surveys. 41 questionnaires were submitted, making up 93% of the sample. The primary findings show that staff incentives are provided in a sufficient amount. In Jordanian travel and the travel industry organization, moral motives, rewards, the effectiveness of the compensation structure, and promotions are four factors that have been identified to influence employee performance. However, regarding their impact on employee performance, awards come first, while promotions come last. Finally, this analysis has validated further areas for investigation that may help us better understand employee performance and motivation at Jordanian travel and tourism firms.

The 2019 study by Walters, Bamidele, Ladoke, Emmanuel, Nwanneka, and Benedict examined how employee performance was affected by the remuneration structure in selected producing enterprises in the Littoral Region of Cameroon. The investigation assesses explicitly how much benefit sharing affects employee commitment in assembling firms, the effect of flat-rate frameworks on worker cohesion in assembling firms, and the effect of aggregate bargaining reward frameworks on employee work esteems. A sample of 538 employees from a population of 5146 representatives of ten selected producing enterprises located in the Cameroon Littoral Region was used in this study. The sample was selected using a 95% confidence level Cochran's formula for finite populace test. Primary data was a substantial source of information used for the inquiry,

and a questionnaire was used to collect the information. The findings showed that benefit sharing had a generally positive effect on employee commitment in manufacturing firms; flat-rate reward structures had a significantly negative effect on worker work esteem in manufacturing firms; and aggregate bargaining reward structures had a distinctly positive impact on employee cohesiveness. The investigation was predicated on the idea that compensation plans and worker performance were positively correlated. This relationship allows employers to use the incentive system as a motivating factor to change employee behavior toward productivity and viability. Based on the findings, it was advised, among other things, that reward systems for manufacturing companies should be designed so that employees are eligible for rates of the benefit earned by the company to enhance productivity and foster teamwork among employees. The study advised against paying fixed salaries to workers in manufacturing companies because this can result in a high rate of tardiness and workers being reluctant to perform above the level of an average performer in the group. Based on the following discussion, this study hypotheses the following:

H1: There is a significant relationship between Bonuses and Job Performance
H2: There is a significant relationship between Benefit Programs: and Job Performance
H3: There is a significant relationship between perquisites Programs and Job Performance
H4: There is a significant relationship between Stock Options and Job Performance

UNDERPINNING THEORY

Several theories, including the organization and administrative theory, the progressive utilization theory (PROUT), the ability motivation opportunity theory, and the resource-based view (RBV), detailed how firms might use internal resources to achieve competitive advantages. Organizational and administrative theory focuses on the justification of organizational activities. While PROUT places a focus on increasing financial independence, RBV emphasizes a skill for utilizing an organization's resources for a competitive advantage, and cooperatives naturally adapt. AMO additionally emphasizes a few specific reciprocal aspects of HRM, explaining the connection between performances and results (Paauwe, 2009).

The focus on structure rather than resources is a critical flaw in organization and administrative philosophy, according to Acedo, Barroso, and Galan (2006). While Maheshvarananda and Branch (2010) merely confirmed the practical value and significance of the PROUT theory, AMO similarly considers factors at the individual level as opposed to the organizational level, such as abilities (A), which involves employees' knowledge, skills, and competencies, motivation (M), which examines how much employees' skills are geared toward activities, and opportunity (O), which is employees' opportunity, the ways that provide a chance. RBV here has an edge over PROUT, AMO, organization and administrative theories because it can gather resources and abilities of the organization to achieve supported competitive advantage and leads to OP. However, OCT will be considered an essential theory in this study as a supporting theory because RBV alone cannot clearly explain the relationship among the variables, including

the mediation relationship. Based on this argument, RBV and OCT are considered underpinning theories in this present study

The Social Exchange Theory

Theory of Social Exchange According to Saks (2006), this hypothesis offers a compelling justification for understanding employee performance. It explains the diverse employee performance levels in various work environments (Saks, 2006). The theory contends that when employees are sufficiently rewarded, they feel obligated to perform to the best of their abilities and would like to ensure they respond favorably to the organization's gesture by investing more time and effort in the work they are assigned to complete (Obicci, 2015). Furthermore, it was emphasized that frequent meetings might inspire commitment and beneficial contributions (Kumar & Swetha, 2011). The theory's central thesis is that trust, loyalty, and devotion to shared goals are all products of the relationships between the parties (Obicci, 2015). Due to the reciprocal interdependence of the rules, the actions of one party frequently need the actions of the other. For instance, when people obtain extrinsic or intrinsic incentives from an organization, they are inspired to give back to its shared objectives. The description of the employee-organization engagements presented by Robbinson et al. (2004) is congruent with the two-way relationship between the employer and employee. Because employee commitment and involvement in helping the organization realize its goals depends on the reward it received and the award's weight, the social exchange theory is employed as the theoretical framework for the current study (Obicci, 2015). There is a considerable likelihood that employees will strategically only go to work if a business offers the right incentives. The quantity of physical and mental effort that employees are willing to put into their duties at work may rely on the financial and psychological rewards they receive from the firm, as indicated by Kumar and Swetha (2011). The researchers have maintained that the reward system affects employee performance. Thus, the underpinning conceptual framework is derived from the Social Exchange Theory upgraded by research findings on employee reward systems.

RESEARCH FRAMEWORK

The research framework will be framed to examine the role of the compensation System on Job Performance.
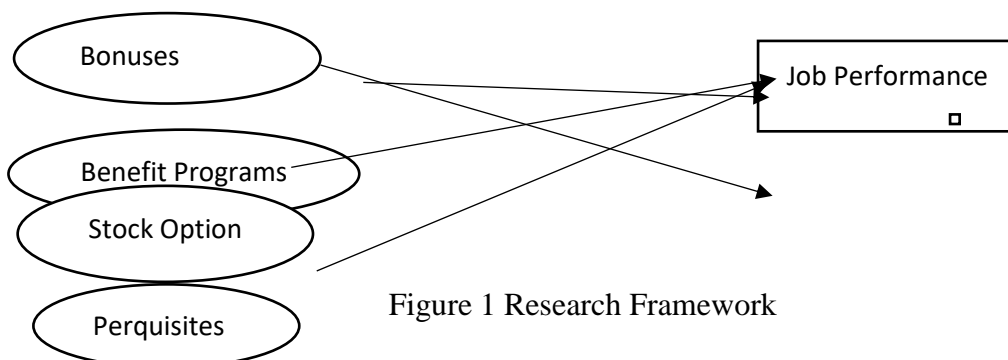
Compensation System

Figure 1 Research Framework

Methodology

This study used a cross-sectional research methodology, and self-administered questionnaires were used to collect data between May and June 2023. The investigation was conducted at Umaru Ali Shinkafi Polytechnic Sokoto State, Nigeria. Based on Sekeran and Bougie's (2013) and Salkind's view establishing sample size Table, the sample to be used is 327 from the total population of 750. The data analysis employed Smart PLS SEM 3.2.8, a second-generation statistical methodology developed to address the drawbacks of first-generation statistical methods, including Manova, Factor analysis, and Analysis of Variance. (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014, 2016). Content validity was also performed to assess the study instrument's consistency. All of the questionnaire's instruments were modified from different sources with acceptable internal consistency, reliability, and validity, all supported by the literature. The study's target population consisted of Academic and nonacademic staff (Umar Ali Shinkafi Polytechnics Sokoto). 400 questionnaires were sent out as part of the field survey to gather information from participants. The data on the Compensation system and Job Performance was collected through random sampling from the employees in the institution.

The Academic and nonacademic staff from Umaru Ali Shinkafi Polytechnic, Sokoto, Nigeria, comprise this study's population. The importance of the participants' roles in their institutions' implementation and execution of policy was taken into consideration when selecting the participants. For equal representation, an equal probability of selection, and to reduce bias, the participants were chosen using stratified random sampling. However, only 335 of the 400 questionnaires given to participants were retrieved; 327 were used for further research, and the remaining 8 were removed due to improper completion.

According to the evaluation of the demographic profile of the respondents, men make up the majority of participants, with 261 responses (79.75 percent), while women make up 66. (20.25 percent). Regarding the age of the respondents, 132 respondents (or 40.18 percent) were between the ages of 31 and 40, 89 respondents (or 27.61 percent) were between the ages of 21 and 30, and 85 respondents (or 26.07 percent) were between the ages of 41 and 50. Those over the age of 51 come in second, making up 20 responses (6.13 percent) of all responses. Regarding qualifications, the outcome shows that 94 (27.3%) workers have a BSc/HND degree, while 158 (48%) have a diploma. 60 participants, or 18.9%, hold secondary certificates. Regarding years of experience, 89 respondents had one to five years of work experience (27.30 percent), 72 had six to ten years of experience (22.08 percent), 53 had eleven to fifteen years of employment (15.95 percent), 38 had sixteen to twenty years of employment (11.6 6 percent), 59 had twenty-five to ninety years of service (18.09 percent), ten had thirty to sixty years of service (3.06 percent), and the last respondent had more than thirty years of service.

Table 1
Demographic Profile of Respondents

S/N	Characteristics	Frequency	Percentage	Valid percentage
1	Gender	Male	261	79.75
		Female	66	20.25
2	Age	21-30 years old.	90	27.60
		31-40 years old.	132	40.18
		41-and above	105	32.11
3	Qualification	Sec Cert	60	18.3
		Diploma	158	48.3
		BSc/HND	94	27.9
4	Work Experience	Less than one year	23	6.8
		One to five -1-5 years	41	12.2
		Six to Ten -6-10 years	228	69.7
		Eleven -11years and above	35	10.4

Analysis
Before going into a detailed analysis, evaluating the model's goodness is proper. This comprises the assessment of the measurement model and structural model.

Measurement Model
As noted, the measurement model was evaluated using partial least square structural equation modeling (PLS-SEM). The author begins by evaluating the construction's reliabilities before the construct validity because all of the variables in this research are reflective, as advised by studies (Hair, Sarstedt, Ringle, & Mena, 2012; Hair, Hult, Ringle, & Sarstedt, 2014). Table 1 explains the measuring model's findings (reliabilities and validity). According to the law, only things loading 0.70 or higher can be kept. However, items with loadings below 0.70 are eliminated (Hair et al., 2014).

Given that their loadings range from 0.863 to 0.823, all of the constructs in this investigation have reached the necessary loadings. Results in Table 1 show that all three variables in this study have attained the desired value of AVE, which is 0.50 and above, for the construct's average variance extracted (AVE) (Chin, 1998; Hair et al., 2014). The three constructs in this research have an average variance (AVE) that varies from 0.561 to 0.570, indicating that the model has reached adequate reliability and validity. Similarly, the Table also included information about the importance of the route coefficient (R2). It demonstrates that the variables for the direct link explained 85% of the variance, and the constructs for the mediation explained 15% of the variance. Regarding the assessment of construct discriminant validity, the paper used Fornell and Larcker's (1981) criterion in which the square root of AVE and construct correlation were considered. The

result presented in Table 3 reveals that the square roots of all three variables in this study are more significant than their respective correlations, indicating that the model is unaffected by discriminant validity.

Table 2

Showing the AVE, CR and R^2

Constructs	CR	AVE	R2
Bonurses (BN)	0.857	0.561	0.752
Benefit Programs (BP)	0.943	0.642	
Perquisites (PQ)	0.865	0.578	
Stock Option(SP)	0.846	0.523	
Job Performance(JP)	0.875	0.613	

Table 3

Latent Variable Correlations and Square Roots of AVE

Constructs	1	2	3	4	5
BN	**0.947**				
BP	0.740	**0.890**			
PQ	0.771	0.741	**0.973**		
SP	0.762	0.743	0.766	**0.984**	
JP	0.723	0.755	0.761	0.893	**0.934**

The Fornell and Larcker criterion, one of the most widely used methods for proving discriminant validity, was used in the current investigation. This strategy is accomplished by contrasting the AVE for each concept with the squared correlations between the constructs (Fornell & Larcker, 1981). The findings of this study's discriminant validity test using the Fornell and Larcker criterion are presented in Table 3. The results show that all of the variables in this study had squared correlations that were lower than the absolute value established by the indicators used to measure the variables. This shows that the convergent and discriminant validity is acceptable.

Hypothesis Testing

Based on the recommendations of Ringle, Wende and Becker (2015), the study evaluated the structural model (Hypothesis testing) through the R-squared values and path coefficients. The paper used the PLS-SEM bootstrapping of 500 subsamples to assess the path coefficient significance. Therefore, in testing the hypothesis, the current study used the PLS-SEM bootstrapping mechanism to measure the path coefficients' significance (see Figure 3). The paper hypothesized that H1. There is a significant relationship between Bonuses and Job Performance H2: There is a significant relationship between Benefit Programs: and Job Performance H3: There is a significant relationship between Perquisites Programs and Job Performance H4: There is a significant relationship between Stock Option and Job Performance. The statistical results from

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PLS-SEM bootstrapping confirmed a significant positive relationship between Bonuses and Job Performance, BN and JP (ß = -0.06, t = 1.95, p < 0.000); it also established a significant positive relationship between Benefits Programs and Job Performance BP and JP (ß = 1.03, t = 35.05, p < 0.000). A positive relationship was found between Perquisites and Job Performance PQ and JP (ß = 0.02, t = 1.69, p < 0.001). Similarly, a significant relation between Stock Option and Job Performance SP and JP (ß = -0.06, t = 1.95, p < 0.000), as seen in Table 4.

Table 4
Table 4.Summary of Findings and Hypothesis Testing

Hypotheses	Construct	Beta	Standard Error	T Statistics	P-value	Decision
H1	BN-> JP	-0.06	0.03	1.95	0.00	Supported
H2	BP-> JP	1.03	0.02	35.05	0.00	Supported
H3	PQ-> JP	0.02	0.01	1.65	0.01	Supported
H4	SP-> JP	0.04	0.01	1.75	0.00	Supported

DISCUSSION

The main objective of this paper was to extend the literature on Compensation systems and job Performance by testing the four dimensions of compensation systems on Job performance. Through PLS-SEM analytical tool, the study tested the four hypotheses, which were in line with the objective; the main findings show that Bonuses significantly influence Job Performance and benefit programs are a predictor of Job performance. Likewise, Perquisites are an excellent forecaster of Job Performance. More so, the Stock option directly influences compensation and job stress.

Managerial Implications

The findings of this paper possess several important implications. First, the findings extend extant literature by validating the significant and positive influence of Bonuses on Job Performance, thus revealing that Benefits programs are also a significant predictor of Job Performance; more so, it was disclosed that the relationship between Perquisites and Job Performance was significant and that Stock option served as important predictor of Job Performance. Second, the results also provide additional information on the variables that can serve as predictors of Compensation system and Job Performance. The paper suggests that organizations can improve performance by implementing policies that enhance workers' commitment. Furthermore, the study provides to the management and administrators of the public service and beyond that, commitment is not only on the side of workers but rather organizations should also be committed to the welfare of its workers, as this go a long way in promoting employees affective and thus lead to performance.

Limitations

Although this paper provides additional evidence for the predictive capacity of the Compensation system on Job Performance, the study has some limitations. First, the paper used four dimensions of independence (BN, BP, PQ, SP and JP) that explained only 75 percent of the variance of Job Performance. This showed that there are still other predictors of Job Performance. Therefore, future studies can focus on other potential variables such as motivation, commitment, Organizational engagement, Organizational support etc. Second, a questionnaire was the only method used to collect data for this paper, which might be linked to social desirability bias. Hence, further study will be needed to use both questionnaire and interview sources of data collection. Third, the sample sizes (population) were Academic and Nonacademics; future studies should deal with them separately, which may allow generalization. Additionally, future research may also try samples from private sector organizations.

CONCLUSION

This research succeeded in examining the influence of four dimensions of the compensation system on Job Performance (Bonuses, Benefits Programs, Perquisites and Stock Options). The proposed framework was empirically validated, and the finding provides essential insight to the policymakers, academics, researchers and practitioners into the significant effect of the Compensation System on Job Performance.

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