



# **Wages And Salary Administration And Employee Performance In Selected Government Ministries In Anambra State**

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## **ABSTRACT**

This study investigated wages and salary administration and employee performance in selected government ministries in Anambra State. Specifically, the study examined how wages and salaries, cash bonus, minimum wage, fringe benefits and monetization of fringe benefit affect employee performance. Relevant theoretical, conceptual and empirical literatures were reviewed. The study was anchored on Maslow's Hierarchy of needs. Survey research design was employed and a total of nine government ministries were studied. The population of the study constituted 1920 employees of the selected government ministries out of which 374 employees were sampled for the study. Questionnaire was employed as the instrument for data collection. Simple percentage analysis and Multiple Regression Analysis were employed in analyzing the data. The study found that wages and salaries have significant positive effect on employee performance; cash bonus has significant positive effect on employee performance; minimum wage has significant negative effect on employee performance; fringe benefits have significant positive effect on employee performance; and monetization of fringe benefits has significant positive effect on employee performance in selected government ministries in Anambra state. The study concluded that effective wages and salary administration have significant positive effective on civil service performance. The study recommended that government should give priority to the welfare of those in its employment because they can make or mar government programmes.

**Keywords:** Employee Performance, Wages and Salaries, Cash Bonus, Minimum Wage, Fringe Benefits and Monetization of Fringe Benefit

## **INTRODUCTION**

Wages and salary administration in Nigeria is as old as civil service itself. Wage and salary administration in Nigeria has been a subject of immense controversy in the context of Nigeria politico-administrative setup for several decades now. Nwachukwu (2000) noted that wage and salary administration refers to the development, implementation and on-going maintenance of a base pay system. The central objective or purpose of wage and salary administration is to provide pay that is both competitive and equitable. Agburu (2012) noted that wage and salary administration activities refer to all those processes, strategies, plans and schemes that give rise to pay policies. Such policies set the overall direction of pay within the organizations or establishment, public or private as the case may be. The actual development of a base pay system follows the determination of pay policies.

The history of Nigeria's pay structure predates her political sovereignty. In the course of evolving an enduring and sustainable pay structure and incomes policy in Nigeria, different commissions have been established, both in the colonial and past colonial periods (Obasa, 2015). These ad hoc bodies set up by

different governments to handle wage reviews were often influenced by labor unrests resulting from the desire for better salaries and conditions of service. For instance, in the last decades, committees such as 19-Man Presidential Committee 2000, Wages, Salaries and Emolument Relativity Panel 2004-2005, Consolidation of Public Sector Emolument Panel 2005- 2006, Stephen Oronsoye Panel 2010-2012 have emerged to deliberate on the issue of wages and salaries of civil servants. But despite all these efforts, the issue continues to rear its ugly head. Currently government and the umbrella body of labour unions in Nigeria are negotiating for new minimum wages and up till now, nothing meaningful has come out of it.

A major current trend in wages and salaries administration can be seen in terms of a paradigm shift from base pay to emphasis on incentives. As far as the situation in Nigerian civil and public sectors is concerned, the shift has become a critical development. It appears that the trends are completely reversible in the sense that these benefits are only flexible in an upward direction. One of the most conspicuous attributes of the current wages and salaries administration trends resides in “monetization”. It is gaining a great ground in the Nigerian system. But then, what is “monetization”? It simply implies the quantification in monetary terms (in terms of naira?) of all those benefits that the government and other organizations used to provide for their employees (or staff) as part of conditions of service (Arora, 2008). Unequivocally, the monetization scheme or strategy has become a rewarding policy and apparatus in the interest of the employees. As a device for rewarding performance in monetary terms, most of the staff or employees and unions are most likely to be attracted to it. Under it, the items being partially or fully monetized include meal subsidy, utility allowance, medical allowance, domestic servant, furniture allowance, transport, residential accommodation allowance, duty tour allowance, leave grant, fueling allowance, motor vehicle allowance and so on. The whole “mantra” smacks of the biblical adage that “money answers all things” i.e. that money is a critical or decisive factor in exchange and other transactions (Agburu, 2012).

Some critics like Agbonifoh, Agbadudu and Iyayi (2006) have asserted that the trends in the wages and salaries administration in Nigeria are unwarranted going by the current socio-economic development of the nation. They assert that most of the beneficiaries of the rises in wages and salaries are suffering from “money illusion” i.e. the beneficiaries fail to see that the value of what wages and salaries they earn dwindle quickly. In other words, there is a decrease in the value of increased earnings to workers. It is on this note that this study will examine the effect of wages and salaries administration on employee performance in selected government ministries.

### **Statement of the Problem**

The problem of the public sector arose from the problem of securing higher income for civil servants and this has serious implication on performance. The issue of low income paid to workers has really generated a strong argument and counter argument on the part of government, labour and workers. Workers, through their labour representatives have always asked for improved conditions of services and can go to any length to press home their demands (Okeke, Nwele & Achilike, 2017). Also, many administrations have come and gone but not without deliberating on what constitutes the appropriate or minimum wage or salary of civil servants should be. In some situation, it has been without industrial disputes, especially during the military era while most of the civilian regimes were dominated by trade disputes initiated by major labour centers in the country (Obiora, 2013). Sometimes, the crises arising from such dispute leads to break down of law and order, especially when they are hijacked by miscreants in the society. The consequence of such actions has always been industrial actions of large proportion by the workers with negative implications for productivity and output (Olaleye, 2012). Poor wages are a constant source of frustration resulting to decrease in productivity (Nwachukwu, 2009).

The results of past studies indicate that low performance and inefficiency has characterized the public sector organizations in Nigeria since post independence era (Mbogu, 2001); and findings from other studies have equally revealed that the low performance and inefficiency associated with Nigeria’s public servants could be removed if they are provided with some financial incentives (Tongo, 2005). Perry (2009) found that respondents perceived increase in wages as a form of confidence that management places on them, and therefore were motivated to improve on their performance. Iyida (2015) found that found that increase wage enhances the productivity of workers. Onyango (2014) found a positive

correlation between employee benefits and organization performance. Wasiu and Adebajo (2014) found a significant relationship between employee's performance and salary package, employee job allowances and performance and in-service training and employee's performance. On the contrary, Perry, Mesch and Paarlberg (2006) found that individual financial incentives are ineffective in the traditional public sector settings. Odoh (2011) found that irregular and inadequate wages/salaries, low level of fringe benefits and lack of collective bargaining process brought about low productivity of workers. Also, Agburu (2012) found an unwarranted lags between labour (employee) pay and productivity. The existing empirical literatures revealed mixed findings and some of the studies are old and must have been overtaken by current realities. Also, most of the studies have serious methodological issues as most of them used non-parametric method in analyzing their data which is most often ingrained with errors. Therefore, the study will fill the identified gap by using a more robust method in analyzing the data.

### **Objectives of the Study**

The broad objective of this study is to determine the effect of wages and salary administration on civil service productivity. The specific objectives include to:

1. Determine the extent to which wages and salaries affect employee performance in selected government ministries in Anambra state.
2. Investigate the extent to which cash bonus affect employee performance in selected government ministries in Anambra state.
3. Ascertain the degree to which minimum wage affect employee performance in selected government ministries in Anambra state.
4. Ascertain the degree to which fringe benefits affect employee performance in selected government ministries in Anambra state.

### **Research Questions**

The following research questions will guide this study.

1. To what extent does wages and salary affect employee performance in selected government ministries in Anambra state?
2. To what extent does cash bonus affect employee performance in selected government ministries in Anambra state?
3. To what degree does minimum wage affect employee performance in selected government ministries in Anambra state?
4. To what degree does fringe benefit affect employee performance in selected government ministries in Anambra state?

### **Hypotheses**

The following hypotheses stated in null form will guide this study.

- Ho<sub>1</sub>: Wages and salaries have no significant positive effect on employee performance in selected government ministries in Anambra state.
- Ho<sub>2</sub>: Cash bonus has no significant positive effect on employee performance in selected government ministries in Anambra state.
- Ho<sub>3</sub>: Minimum wage has no significant positive effect on employee performance in selected government ministries in Anambra state.
- Ho<sub>4</sub>: Fringe benefits have no significant positive effect on employee performance in selected government ministries in Anambra state.

## **REVIEW OF RELATED LITERATURE**

### **Wages and Salaries Administration**

Wages are the total earning a worker receives for the performance of services within a period of time. That they are equal to the product of an hourly rate, times the number of pieces plus houses, premiums and fringe benefits. Thus a rate of pay may be based on time output or guaranteed hourly rate plus a bonus ordinarily based on the amount of extra work put beyond the standard required. Rose (2008) also defined "wage as a stated sum per price, hour, day or any other unit or period". Salary on the other hand refers to the weekly or monthly rates to clerical, administrative and professional employees. Salary is

mostly determined by mutual agreement between the individual and the employer (Odoh (2012). They are sometimes determined or fixed by the government. The two concepts could therefore be used interchangeably to mean the same thing. Wage or salary is usually based on an agreement between the labourer who offers to sell his services to the management who in turn accepts to pay money in return for the services of the labourer. The monetary value of the services rendered by the employee depends on the quality of services rendered and effort put into such services by the employee.

Odoh (2012) maintained that wage and salaries that workers receive from his organization is significant to him or her in three major ways: economic, psychological growth and motivation. The economic importance of wage and incentives is most obvious because it serves as a way of obtaining the necessities and luxuries people need and want. Many workers do not have sources of income besides their pay; therefore employment in organization is the way to obtain the material necessities of life which can be expected for such items as food, rent, clothes and countless other goods and services. Obasa (2015) noted that wages are important for what they symbolize. For some wages symbolize security, for other it represents success. Increase in reward may permit one to join many clubs and associations. If the boss or organization grants one a sizeable pay increase, this will show the subordinates that the boss likes him and approves of his performance.

Olatunji and Sarat (2014) defined salary and wage administration as the process of compensating an organization's employees in accordance with accepted policy and procedures. An important component of a successful organizations' salary and wage administration policy is monitoring and evaluating all employee's compensation to ensure that they are being paid appropriately, both with respect to others in the same organization and to the marketplace as a whole. Salary and wage administration is often an integral function of the organization's human resources department, but in general, the larger the organization, the more likely it is that it will be handled by a separate department. Ogunbameru (2000) see wages and salaries administration as the development, implementation and on-going maintenance of a base pay system. The central objective or purpose of wage and salary administration is to provide pay that is both competitive and equitable. Agburu (2012) noted that wage and salary administration activities refer to all those processes, strategies, plans and schemes that give rise to pay policies. Such policies set the overall direction of pay within the organizations or establishment, public or private as the case may be. The actual development of a base pay system follows the determination of pay policies.

Wage and salary administration is establishment and implementation of sound policies and practices of employee compensations. Wage policies of different organizations vary somewhat. Some organizations pay minimum necessary to attract the required number and kind of labor, while some organizations pay well above the going rates in the labor market. Various factors influence wage and salary structure and administration like govt. legislation and public policy, organizations ability to pay, labor supply and demand, going wages and salaries, cost of living, productivity, trade union's bargaining power, job requirement, management attitude about wage to be paid etc (Ojoromi, 2012).

Olatunji and Sarat (2014) identified two elements of salary and wage administration. The first element of salary and wage administration is the periodic payroll which is a critical component of any functioning organisation. If the payroll is incompetently processed, the employer itself could conceivably collapse. Employees' personal budgets and plans are contingent upon getting paid regularly, and if compensation is late, short, or missing even a single time, morale is severely affected and also, the confidence in the employer's stability. Whether an employer utilizes the services of a third-party payroll service or handles all payroll functions internally, it will usually devote significant resources to making sure that employees are paid the right amount on time. The second element of salary and wage administration is monitoring and evaluating employees' compensation and it is an ongoing function. This includes evaluating the elements of each job in the organization and classifying it according to a number of different criteria, including the nature of the work itself, the amount of supervision necessary, the physical exertion normally associated with the job, and the amount of training necessary to do the job proficiently.

### **Employee Performance**

Performance measures how efficiently resources are employed, It is defined as the ratio of a specific measure of output to a specific measure of input per unit of labour and is measured as total output divided

by the members of units of labour employed to produce that output Performance is the relationship between the output generated by a production or service system and the input provided to create this output. This performance is defined as the efficient use of resources labor, capital, land, material, materials, energy, and information–in the production of various goods and service (Prokopenko, 2007). Performance has been defined as the measure of how well resources are brought together in organization and utilization for accomplishment of a set result. It is reaching the highest level of performance with the least expenditure of resources (Mali, 1978). Onah (2010) says that performance is the relationship between output of goods and services and input of resources, human and non-human, used in the production process. In other words, productivity is the ratio of output to input. The higher the numerical value of this ratio, the greater the productivity. Thus, performance can be applied at any level, whether for individuals, for work unit, for the organization.

Performance is the driving force behind an organization's growth and profitability. Performance is the relationship between output of goods and services of workers of the organization and input of resources, human and non-human, used in the production process. In other words, performance is the ratio of output to input. The higher the numerical value of this ratio, the greater the performance (Onah, 2010). The importance of higher performance of the employees in public enterprise cannot be overemphasized, which include the following; higher incomes and profit; higher earnings; increased supplies of both consumer and capital goods at lower costs and lower prices; Ultimate shorter hours of work and improvements in working and living conditions; Strengthening the general economic foundation of workers (Nwachukwu, 1988). The existence of any organization is anchored on performance and its importance cannot be overemphasized. It is the wish of every organization to be productive because performance forms the cardinal essence for which every organization exist. To attain or increase performance, it has led many organizations into constant reshuffling practice.

### **Theoretical Framework**

This research work is anchored on Maslow's Hierarchy of needs theory. In his book "motivation and personality" published in 1954, Maslow observed that people are generally wanting beings who always possess innate grabbing instinct depending on what they already have. The three core propositions of the theory are:

1. First, human beings have many needs that are different in nature, ranging from biological needs at the lower level to psychological needs at the upper extreme.
2. Second, individuals are in constant state of motivation, never achieving a state of satisfaction except for a very short time; and
3. Third, there needs are arranged in a Hierarchical order, so that the lowest level needs must be satisfied before higher level needs arise or motivate people (Maslow, 1970).

Following from this theoretical exposition, it becomes obvious that the unsatisfied needs can and do influence the behaviour of a person to act in a manner that does not promote the objective of his organization. The success of any organization depends largely on the efficiency and effectiveness of the employees. Motivation assures and propels workers to increase their performance.

This theory is relevant to the study in that Maslow's view is that workers' needs should be met to enhance steady and reliable performance among workers. To him, contributing to the workers' well-being by organizations in terms of rewards that will match with their physiological needs such as supplying food, water, shelter, and clothing, would ginger them at workplace. Without a payoff, the system breaks down, and the strategy –implementer is left with the unworkable options of barking orders or pleading for compliance. Civil servants can be motivated by giving them enhanced salary package that can take care of their need as identified by Maslow in his work. Even though Maslow's Hierarchy of needs theory was criticized on many grounds by the likes of Alderfer (1972), Bass (1981) and Drucker (1974), it was found very suitable for analyzing the Phenomenon under investigation. The civil service by its very nature is structured to pass through career progression and at each stage up the ladder, the level of need changes to a higher one in line with Maslow's postulation. For instance, the need for a new entrant into the service is

not the same as that of a director. When the workers needs are identified and attended to accordingly, the civil servants would try to be at their best in terms of performance.

### **Empirical Review**

Agburu (2012) investigated the recent trends in wage and salary administration in Nigeria. This study took a critical perspective on the generic forces at work in recent times that relate to wage policies, strategies and schemes aimed at creating a conducive atmosphere for the workers (both in the private and public sectors) in Nigeria to perform. The main objective of the study is to determine the key forces affecting wage and salary administration in Nigeria. Data collected were analyzed using descriptive statistics. The study found an unwarranted lags between labour (employee) pay and productivity. The study also found huge income differentials between the various levels of government where the employees buy from the same market. The research further found that the cost of living has been rising astronomically relative to wages and salaries paid the workers as the aggregate.

Okeke, Nwele and Achilike (2017) examined the impact of effective wages and salary administration on civil service productivity in Nigeria with specific reference to Anambra State. Percentages, mean ratings, Chi-square test and T- test for independent were employed in analyzing the data. The study revealed that employees need effective salary and wages administration to achieve high productivity in the civil service. The study found also that poor leadership and lack of political will were the major reasons for not fully implementing the minimum wage policy by some state governments including Anambra State.

Ojoromi (2012) investigated salaries and wages administration as a tool for improving employee's performance in an organisation with particular reference to Olamaboro Local Government Area of Kogi State. The data generated were analyzed using Chi-square technique. The study found that salary and wages administration is an essential part of any productive organization. The study also found that salary and wages improves the performances of the employee's in an organization.

Odoh (2012) investigated the effects of wage incentives and fringe benefits on the productivity of Nigeria workers using Enugu State Local Government Service Commission as the focus of the study for the period between 1999 to 2007. Descriptive statistics like frequency and percentage were employed in analyzing the data. The study found that irregular and inadequate wages/salaries, low level of fringe benefits and lack of collective bargaining process brought about low productivity of workers of Enugu State Local Government Service Commission. The study also found out that financial as well as non-financial reward, promotion and conversion are strategic in the promotion of productivity in organizations.

Olatunji and Sarat (2014) examined wages and salaries administration as motivational tool in Nigerian organisation using Nestle Nigeria Plc as the focus of the study. The study went further to distinguish between gratuitous and paid job with possible effect of wages and salaries as it relates to individual contribution and effort towards the achievement of the corporate goals and objectives. The study made use of a self-designed questionnaire. Chi-square technique was employed in analyzing the data. The study found that wages and salaries serves as motivational tool and that wages and salaries has significant relationship with workers performance in Nigerian organisation.

Iyida (2015) examined the effect of increase in wage and fringe benefits on the productivity of workers in Federal Ministry of Transportation, Enugu, Nigeria. The data generated were analyzed using frequency and percentage. The study found that increase wage in the Federal Ministry of Transportation enhances the productivity of workers to a large extent thereby affecting their attitude to work. The study also shows that the monetization of fringe benefits has improved the performance of workers to a very large extent thereby bringing job satisfaction among workers. The study also showed that the monetized fringe benefits could only satisfy the basic needs of workers to a very small extent because of high cost of living.

Obiora (2012) carried out an empirical analysis on wages administration and civil services productivity in Anambra State. The population consisted of some civil servants in Anambra. The data generated were analyzed using simple percentage and chi-square ( $X^2$ ). The study found no significant difference between the opinions of the senior and junior civil servants in Anambra state on wage administration and workers productivity in Anambra State. The study recommends that at intervals, the state government should

review the wages and salaries of civil servants so as to ensure that it reflects the economic realities of the period it is being paid.

The empirical literatures depict different and disaggregated findings and some of the studies are old and must have been overtaken by current realities. Also, most of the studies have a serious methodological issues as most of them used non-parametric method in analyzing their data which is most often ingrained with errors. Therefore, the study will fill the identified gap by using a more robust method in analyzing the data.

## METHODOLOGY

The study adopted survey research design. The study was carried out in Anambra State Nigeria. Nine (9) government ministries were selected for the study. The ministries include Ministry of Women Affairs, Ministry of Lands, Physical Planning & Rural Development, Ministry of Local Government, Chieftaincy & Community Affairs, Ministry of Mineral Resources, Science & Technology, Ministry of Justices, Ministry of Power and Domestic Water Development, Ministry of Information and Public Enlightenment, Ministry of Economic Planning and Budget, and Ministry of Works. Therefore, only civil servants in these ministries were selected for the study.

The population of study is made up of all the 1920 civil servants in the selected government ministries in Anambra State. Borg and Gall (1973) was employed to determine the sample size. The formular state thus:

$$n = (Z\alpha)^2 eN$$

Where n = Sample size

N = Population of study

e = Margin of error, and in this case = 0.05

Z = Confidence level and for 0.05 it is 1.964

N.B. Target population of Government Ministry is 1920.

Substituting into formula gives

$$n = (1.964)^2 0.05 \times 1920$$

$$n = (3.9) 96$$

$$n = 374.4 \text{ approximately } 374.$$

Proportionate sampling technique was used to distribute the sample based on ministry. The questionnaire was employed as the major instrument for data collection in this study. The study employed Multiple Regression Analysis (MRA) method to determine the effect salaries and wages administration has on productivity of civil service. One model was designed to specifically capture the objectives of the study. The model is stated below.

The functional form of the model is presented below.

$$EP = f(WS, CB, MW, FB, MFB)$$

Where:

f = Functional Notation

EP = Employee Performance

WS = Wages and Salaries

CB = Cash Bonus

MW = Minimum Wage

FB = Fringe Benefit

MFB = Monetization of Fringe Benefit

The Regression Model can be restated in econometric form as:

$$EP = \alpha_0 + \beta_1 WS_t + \beta_2 CB_t + \beta_3 MW_t + \beta_4 FB_t + \beta_5 MFB_t + \varepsilon \quad - \quad - \quad (1)$$

Where

$\alpha$  = Constant Term

$\beta$  = Beta coefficients

EP = Employee Performance

WS = Wages and Salaries

CB = Cash Bonus  
 MW = Minimum Wage  
 FB = Fringe Benefit  
 MFB = Monetization of Fringe Benefit  
 ε = Error Term

**DATA PRESENTATION AND ANALYSIS**

Multiple regression analysis was employed in analyzing the wages and salary administration and employee performance in selected government ministries in Anambra State. The results are presented in tables 1, 2 and 3 below.

**Table 4.1 Summary of the Multiple Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.128 <sup>a</sup>	.616	.571	3.232	1.932

A. Predictors: (Constant), Wages And Salaries, Cash Bonus, Minimum Wage, Fringe Benefit

b. Dependent Variable: Performance of Civil Servants

Source: SPSS, Version 21.0

Table 1 above shows that the coefficient of determination ( $R^2$ ) is given as 0.616, which shows that the explanatory power of the variables is high. This implies that 61.6% of the variations in the performance of civil servants are being accounted for or explained by the variations in wages and salaries, cash bonus, minimum wage, fringe benefit, and monetization of fringe benefit. While other variables not included in the model account for 38.4% of the variation in the performance of civil servants. This is supported by an adjusted  $R^2$  value of 0.571. Also, the Durbin-Watson (DW) statistics recorded a value of 1.932 which is approximately 2. This implies that there is no autocorrelation since  $d^*$  is approximately equal to two. Therefore, the variables in the model are not autocorrelated and that the model is reliable for predications.

**Table 2 Analysis of Variance Result**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.005	5	11.201	123.072	.000
	Residual	3353.469	321	10.447		
	Total	3409.474	326			

a. Dependent Variable: Performance of Civil Servants

b. Predictors: (Constant), Wages And Salaries, Cash Bonus, Minimum Wage, Fringe Benefit

Table 2 above indicates that f-statistics recorded a value of 123.072 with f-statistics probability of 0.000. This shows that the independent variables have significant effect on dependent. This shows that wages and salaries, cash bonus, minimum wage and fringe benefit can collectively explain the variations in performance of civil servants in selected government ministries in Anambra State.

**Test of Hypotheses**

In this section, the hypotheses formulated to guide this study were empirically tested using the t-statistics values and the probability values in the coefficients of the multiple regression analysis. The result is presented in table 3 below.



**Table 3 Coefficients of the Multiple Regression**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25.006	1.717		14.564	.000
Wages and salaries	.093	.039	.076	3.372	.001
1 Cash Bonus	.029	.044	.037	2.658	.001
Minimum Wage	-.072	.043	.093	-2.671	.006
Fringe Benefit	.085	.045	.031	4.554	.000

a. Dependent Variable: Performance of Civil Servants

Source: SPSS, Version 21.0

**Hypothesis One**

Ho: Wages and salaries have no significant positive effect on employee performance in selected government ministries in Anambra state.

Ho: Wages and salaries have a significant positive effect on employee performance in selected government ministries in Anambra state.

Wages and salaries has a t-statistics value of 3.372 with a probability value of 0.001 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypothesis and conclude that wages and salaries have a significant positive effect on employee performance in selected government ministries in Anambra state.

**Hypothesis Two**

Ho: Cash bonus has no significant positive effect on employee performance in selected government ministries in Anambra state.

Ho: Cash bonus has a significant positive effect on employee performance in selected government ministries in Anambra state.

Cash bonus has a t-statistics value of 2.658 with a probability value of 0.001 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypothesis and conclude that cash bonus has a significant positive effect on employee performance in selected government ministries in Anambra state.

**Hypothesis Three**

Ho: Minimum wage has no significant positive effect on employee performance in selected government ministries in Anambra state.

Ho: Minimum wage has significant positive effect on employee performance in selected government ministries in Anambra state.

Minimum wage has a t-statistics value of -2.671 with a probability value of 0.006 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypothesis and conclude that minimum wage has significant negative effect on employee performance in selected government ministries in Anambra state.

**Hypothesis Four**

Ho: Fringe benefits have no significant positive effect on employee performance in selected government ministries in Anambra state.

Ho: Fringe benefits have a significant positive effect on employee performance in selected government ministries in Anambra state.

Fringe benefits have t-statistics value of 4.554 with a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypothesis and conclude that fringe benefits have a significant positive effect on employee performance in selected government ministries in Anambra state.

## **DISCUSSION OF FINDINGS**

This work investigated wages and salary administration and employee performance in selected government ministries in Anambra State. Data were sourced from the employees of selected government ministries. The study found that wages and salaries have significant positive effect on employee performance in selected government ministries in Anambra state. This corroborates the findings of Ojoromi (2012) that salary and wages improves the performances of the employee's in an organization. This also agrees with the findings of Olatunji and Sarat (2014) that wages and salaries serves as motivational tool and that wages and salaries has significant relationship with workers performance in Nigerian organisation. This further agrees with the findings of Iyida (2015) found that increase wage enhances the productivity of workers.

The study further found that cash bonus has significant positive effect on employee performance in selected government ministries in Anambra state. These tallies with the findings of Wasuu and Adebajo (2014) who noted that significant relationship exists between reward and employee performance. This also agrees with the findings of Hatice (2012) that intrinsic rewards have significant influence on employee results.

The study also found that minimum wage has significant negative effect on employee performance in selected government ministries in Anambra state. This implies that the minimum wage paid to civil servant is not enough to motivate them to improve their performance.

Finally, the study found that fringe benefits have significant positive effect on employee performance in selected government ministries in Anambra state. This agrees with the findings of Onyango (2014) that a positive correlation between employee benefits and organization performance. This also agrees with the findings of Odoh (2012) that financial as well as non-financial reward, promotion and conversion are strategic in the promotion of performance in organizations.

## **CONCLUSION**

This work investigated wages and salary administration and employee performance in selected government ministries in Anambra State. Data were sourced from the employees of selected government ministries. The study found that wages and salaries have significant positive effect on employee performance in selected government ministries in Anambra state. The study further found that cash bonus has significant positive effect on employee performance in selected government ministries in Anambra state. On the contrary, minimum wage was found to have significant negative effect on employee performance in selected government ministries in Anambra state. This implies that the minimum wage paid to civil servants is not enough to motivate them to improve employee performance. Furthermore, fringe benefits and its monetization were found to have significant positive effect on employee performance in selected government ministries in Anambra state.

The implication of the findings of this study is that effective wage and salary administration in the public sector will enhance the performance of civil service. The study therefore concludes that effective wages and salary administration has significant positive effective on civil service productivity. Therefore, government should always enhance the salary of civil servants so that their take-home pay can provide at least their basic needs so as to dissuade the few corrupt ones from engaging on sharp practices as a result of insecurity arising from such inadequate salary. It is believed that the nonchalance and laxity currently being observed among some civil servants is as a result of loss of confidence in the government to fulfill its own part of the contract of employment between it and its employees. Furthermore, the government should endeavour to identify the needs of the worker and address them promptly so that the employee can be at their best all the times. This is in line with Maslow's theory of Hierarchy of needs; human beings have many needs that are different in nature, ranging from biological need at lower level to psychological need at the upper level.

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