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COMPENSATION MANAGEMENT AND EMPLOYEE PERFORMANCE: MANUFACTURING INDUSTRY IN FOCUS

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ABSTRACT:
Employees in the workplace usually are driven to performance as a result of the rationality of the organisation. The study examined the effect of Compensation Management on Employees Performance in the Manufacturing Industry. Specifically, the study objectively ascertained Management compensation measures in the areas of; Salary (SLY) and Benefits Programmes (BP) and how they affect Employees Performance in the Manufacturing Industry. A descriptive survey research design was adopted most appropriately due to the descriptive and inferential statistics used in processing the collected data. The sample size is of 73 respondents was determined for the study using Census statistical application on small elements. The study used a 5 point Likert Scale for the closed-ended questions to draw responses from the respondents. Data presented and analyzed in this study is dichotomized into three parts. First is the data presentation which comprises of the descriptive analysis of respondents profile using simple weighted percentage, secondly, the descriptive statistics of data gotten from the questionnaire using minimum, maximum, mean and standard deviations for interpretations. The Pearson correlation analysis was also be used as a basis of testing hypotheses. The findings revealed that all the independent variables (Salary (SLY) and Benefits Programmes (BP), have a significant relationship with Employees Performance in the Manufacturing Industry. The study recommended that the company should continue providing security benefits to all employees, their position notwithstanding as it will

positively influence employee productivity and raise overall performance in the manufacturing sector.

INTRODUCTION

The global competition is very essential to identify and retain the efficient, competent and knowledgeable employees in the organization by developing and maintaining an effective compensation program for getting the best job performance from the employee (Akter and Moazzam, 2016). Employees are the organization’s key resource and the success or failure of organizations centre on the ability of the employers to attract, retain, and reward appropriately talented and competent employees. Employees' willingness to stay on the job largely depends on the compensation packages of the organization (Armstrong, 2016). In an attempt to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola, Ibidunni and Olokundun 2014). It has been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system of the Organisation (Fadugba, 2012). Adeniyi (2013) posit that the fundamental tasks in human resources management are compensation management. It is a complex task that occurs periodically, demand accuracy and must not be delayed. Compensation management requires integrating employees’ processes and information with business process and strategies to achieve optimal organizational goals and objectives (Adeniyi 2013).

This can be attributed to the fact that compensation management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever-improving efficiency (Adeniyi, 2013). In other words, compensation management is' a powerful means of focusing attention within an organization. They send clear messages to all employees of the organization informing them about expected attitudes and behaviours (Schell and Solomon, 2017).

It has been found that there is a significant relationship between compensation strategies and employee performance. For example, Mayson and Barret (2016) found that a firm's ability to attract, motivate and retain employees by offering competitive salaries and appropriate rewards is linked to firm performance and growth. On the other hand, Inés and Pedro (2015) found that the compensation system used for the salespeople has significant effects on individual salesperson performance and sales organization effectiveness. Therefore, in an ever-competitive business environment, many companies globally, in Africa, regionally and locally are today attempting to identify innovative compensation strategies that are directly linked to improving employee performance (Denis and Michel, 2016).

According to Long (2017), companies tend to initiate compensation strategies in the aspects of direct and indirect financial compensation as well as benefits that motivates and ultimately improves performance. The financial compensation such as wages, salaries or performance-related payments is adhered to in many organizations to retain employees and outwit their rivals.

The employee benefits in the country are designed to protect employees and their families from loss of income due to health problems or other work-related financial disruptions and can improve the employees‟ general quality of life through special programs and services in the workplace (Ali and Raza, 2015). They include additional health coverage that is not included in the provincial plan such as medical, prescription, vision and dental plans, group disability, employee assistance plans, retirement benefit plans, and so on. The provision of various compensation mechanisms has in the short or long run enhanced employee performance which has, in turn, created a competitive environment over the companies that lags concerning offering better compensation strategies (Ali and Raza, 2015).

In Africa with specific attention to Nigeria, the majority of employees who change from one job to another move as a result of finding better pay. The authors indicate that more than seven out of ten people in Nigeria that are more than 70% of employees who are interested in changing their employer normally gave the reason of low income in their present job that makes them seek for new employment environment. Several authors such as Ali and Raza (2015) think that employees only stay in an organization to give their best when they believe the remuneration process is commensurate to their input. This has constituted a high rate of employees leaving their employers, moving sometimes away from their city or the country just to find greener pastures. Evidently, in the country, many organizations still grapple with issues relating to proper compensation of employees to increase their performance standards. This, therefore, calls for a study of this magnitude to find out whether if compensation management has to affect employees performance in the manufacturing industry in Nigeria.

Andrews (2016) added that while it may be considered that salary attached to a post represents appropriate remuneration of its holder for the proper and efficient performance of day-to-day duties; there are circumstances in which benefits are warranted. The objective of these benefits is to attract and retain qualified and competent employees. However, asserts that many companies in the recent have witnessed an exodus of employees to other rivals, this has been attributed to poor compensation strategies which have prompted the shifting of employees in search of firms that could consider compensating them better and thereby reciprocate through good performance. In light of this, the study, therefore, joins the debate by attempting to find out the true picture regarding the available compensation management strategy and how they influence employee performance at the manufacturing industry in Nigeria.

THE PROBLEM

In the Nigeria business environment, compensation is limited to the only salary thereby neglecting the direct and indirect reward on benefit. The employee is provided with in return for their contribution to the organization. Some of the benefits of employee's performance include health insurance, disability income protection, retirement benefits, daycare, tuition reimbursement, sick leave, vacation (paid and non-paid), funding of education as well as flexible and alternative work arrangements. Compensation is usually narrowed to cash and as a result, employers only have a tunnelled vision when it comes to the issues of compensation for their employees. Other aspects of compensation which makes up the total compensation package for the employee are not given much attention. Employees themselves fail to recognize the fact that their compensation is a package and not only related to cash. The by-product of the above understanding of compensation is that it is poorly managed and most of the time performance is affected adversely.

In today's work environment, there is more change and uncertainty, there is an increased need for empowered employees, there is a decline in traditional incentives, there is the rise of nontraditional incentives and there is the increased use of variable compensation. Many studies carried out, found out that there is a non-significant relationship between executive compensation and employees performance while others established that financial and non-financial rewards can combine to enhance firm performance. As evidenced the studies had mixed results an indication of limited information on the real effects of compensation strategies on the performance of employees in the manufacturing sectors specifically with a focus selected manufacturing companies in Lagos State, Nigeria, thus this is the essence of this study. Most manufacturing companies as observed were clear on what methods are used to determine employee compensation, what direct and indirect financial programs are offered at the company and their effects on employee performance and also the non-financial benefits offered and their effect on employee performance.

Most often, compensation is usually narrowed to cash and as a result, employers only have a tunnelled vision when it comes to the issues of compensation for their employees. These companies have also attempted to give attention to employee compensation strategies. However, employees themselves have failed to recognize the fact that their compensation is a package and not only related to cash. The byproduct of the above understanding of compensation management strategy is that it is managed to a moderate extent and most of the time employee performance could be affected and vice versa. The study, therefore, sought to address this gap by investigating the effect of compensation employees on employee performance in the manufacturing industry and focusing on Lagos State, Nigeria.

Objectives

1. To examine the effect of Salary on Employees Performance in the Manufacturing Industry.
2. To ascertain the effect of Benefits Programmes on Employees Performance in the Manufacturing Industry.

Research Hypotheses

$H0_1$: Salary does not have a significant influence on Employees Performance in the Manufacturing Industry.

$H0_2$: Benefits Programmes does not have a significant influence on Employees Performance in the Manufacturing Industry.

RELATED LITERATURE

Concept of Compensation Management

Armstrong (2005) stated that compensation management is an integral part of human resource management approach to productivity improvement in the organization. It deals with the design, implementation and maintenance of compensation system that are general to the improvement of organizational, team and individuals performance Compensation management is concerned with the formulation and implementation of strategies and policies that aim to compensate people fairly, equitably and consistently by their values to the organization, (Armstrong, 2005). Compensation management as the name suggests implies having a compensation structure in which the employees who perform better are paid more than the average-performing employees (Hewitt, 2009). This encourages employees to work harder to regain more salaries. Armstrong and Brown (2005) postulated that compensation management is an integral part of human resource management (HRM) approach to managing people and as such it supports the achievement of business objective and it is strategic in the sense that it addresses longer-term issue relating to how people should be valued for what they want to achieve.

Harrison and Liska (2008) in their study positioned that reward is the centrepiece of the employment contract; after all, it is the main reason why people work. This includes both extrinsic and intrinsic received as a result of the employment by the organization. In a similar pattern, Brown (2003) saw compensation as a return in the exchange between the employees and themselves as an entitlement for being an employee of an organization, or as a reward for a job well done, Employees pay does not depend solely on the jobs they hold, instead, organization vary the amount paid according to differences in performance of the individual, group or whole organization as well differences in employees qualities such as security, education levels and skills (Gehart and Milkovich 1992). Compensation is defined by Mondy (2010) as the total of all rewards provided to employees in return for their service, the overall purposes of which are to attract, retain and motivate employees. As compensation is comprised of both fixed and variables components as well as employees benefits and services, an optimum combination of these elements is ideal to effectively influence position employees' performance. However, direct compensation fully mediates the relationship between indirect compensation and performance (Namasivagam and Zhao 2007). A statistically significant and positive relationship was found to govern rewards and motivation, implying that if rewards being offered/ to employees were to be altered, then there would be a corresponding change in satisfaction and work motivation while the periodic salary increments, allowance, bonuses, fringe benefits and other compensations on regular and specific periods keep their morale high and makes them more motivated (Danish and Usman, 2010).

The effect of compensation is explained by many established motivational theories. The operant theory is based upon the premise that behaviour or job performance of an employee is not a function of inner thoughts, feelings, perceptions and emotions but is keyed to nature of the outcome of such behaviour. The consequence of a given behaviour would determine whether the same behaviour is likely to occur in the future or not (Chandan 2005).

Based on this direct relationship of behaviour and consequence rather than the inner working of employees, management can study and identify this relationship and try to modify and gain control over behaviour (Chandan, 2005). It is, therefore, necessary for managers and employers to understand the fact that compensating an employee will improve employees performance, necessary for continuous motivation to fast track the improvement of employee performance (Ong and Teh, 2012).

Compensating employees is associated with the motivation of the workforce of the organization for better performance. However, what type and mix of compensation strategies to use is a challenge for the organizations. Several studies have demonstrated compensation have a positive impact on the employee's health and workplace safety. It is one of the factors that sought to increase employee's engagement in the workplace, which is the key element in the work performance among employees. The rationale behind the use of various components of compensation to employees is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non-financial thus demonstrate improved performance. Failure to do so, employees will be tempted to leave the organization (Azasu, 2017). On one hand, employees prefer receiving intrinsic rewards in terms of praise and recognition for certain work accomplishments, while other employees are happy with extrinsic reward in terms of salaries, bonus and incentive offered to employees to enhance their performance (Sajuyigbe, Bosede and Adeyemi, 2013). It is therefore clear that subjecting an employee to various compensation strategies motivates them and consequently a replica to improved performance.

The issue of compensation management is one of the important functional areas of human resources. Compensation administration involves salaries and wages which are singular factors that are crucial in motivating employees to achieve set up goals. As such, therefore, wages are part of the major factors in the economic and social life of those that work in the private sector of any society. In developed societies, the total wages of manual workers average 40 per cent or more of the whole national income. Wage-earners form a percentage of the labour force (Robinson, 1990). Salaries are the money paid to the employees on monthly basis with other benefits attached to guarantee the employment. Salaries are also the reward for work and enhance recruitment, retain and motivate the employees (Robinson, 1990). Adeoye et al., (2012) view compensation management in form of salaries and wages that are of paramount interest to both the workers, employers and state who the major players in industrial relations, of which they may jointly have vested interest in increasing the total quality of goods and services produced, from which wages, profits and revenues are obtained. Similarly, Harrison and Liska (2008) contend that remuneration is the connecting rod of the employment contract between the employer and supplier of labour which is the main objective which motivates people to work. This embraces all kinds of rewards; both intrinsic and extrinsic are offered as a result of being employed by the organization. Brown (2003) views compensation as a return in the exchange between the employer and employees themselves and as an entitlement or gratification for being engaged by the organization, or as remuneration for a well-executed job. Employees 'remuneration depends not only on the jobs they are holding but also on the function of individual performance, group or teamwork, or whole organization as well as differences in employee qualities such as years of experience, seniority, educational qualifications, geographical location, bargaining strength and skills (Gehert & Milkovich, 1992).

Idemobi, Onyeizugbe and Akpunonu (2011) view “compensation management as a tool for improving organizational performance” in the public sector of a state in Nigeria. They contend that there is no significant relationship between financial compensation of public staff and their performance and that the compensation earned is not measurable with the staff effort. They stress that reformed programmes of the government have no corresponding and significant effect on the financial compensation policies and practices in the public sector in Nigeria due to improper compensation management. Werner and Ward (2004) argue that for the continuous existence of an organization, rewards have been accepted as a major motivational factor that gingers employees' to put in their best as well as an essential tool and cost for organizations. The perceptions about the construct reward system; its influence on an organization's structure, system, strategies, and employees has been an area of concern for research. Werner and Ward (2004) focused on recent compensation research which is characteristically eclectic. The objectives of compensation are attracting, equitable, balanced, security, cost-effective, incentive-providing, retention and competitive position (Ivancevich, 2004)

Salary and Employees Performance

Basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity (Braton and Gold, 2013). It is important to note that compensation is not all about money. It is a symbol of what an organization believes is valuable that can boost the performance of employees. It specifically communicates the extent to which an organization values its employees. Bohan (2014) explains that traditional pay systems were based on the three factors: the job, maintaining the level of equality in standard pay among employees in the organization, and paying competitive salaries.

Swanepoel (2013) describes that employees were rewarded according to the position held without considering their performance. The increments in basic pay depended on an internal and external assessment of jobs. Drafke (2012) emphasis this point by pointing out that money can increase employee performance but this is often limited to short term increase. On the other hand, DeNisi and Griffin (2014) argue that in generally higher levels of pay and more attractive benefits tend to result in greater satisfaction thus promotes employee performance, a point that is affirmed by Bretz and Thomas (2012) who stated that pay dissatisfaction reduces employee performance and morale. In support, Clegg and Birch (2012) argue that "pay peanuts and you will get monkeys", and in addition to that, they said that if you show that you value people by paying a reasonable wage then they appreciate it.

According to Armstrong (2016), good practice requires employers to keep pace with inflation by rewarding employees with salaries that are market-related to avoid strikes and poor performance by workers. Nowadays, organizations are under financial strain with salaries continually rising and becoming a major fixed expense. According to Livingstone (2015), regardless of basic pay inefficiencies, it remains a rule that employees should be paid at, or above market rates as negotiated by labour unions who are concerned with the welfare of employees. In a competitive market, higher basic pay is used for attracting and retaining employees who already have the experience to improve their performance. Otherwise contradicting this rule has negative consequences on the part of the organization. It is thus factual that pay communicates a commitment to employees, and is used as the baseline for assessing other pay systems such as skill and competency pay.

There are many factors of pay (Miller and Newman; 2005) research perform that may be a form of individually and may be a form of multiple performance pay plan different qualities can consider the efficiency of the degree to perform merit pay to performance, bonus long incentives first of all merit pay is a form of reward and individual function of their individual's performance and rating (Henenman & warner, 2005) the pay plan is most common by employee performance appraisal (Chani 1998) meant by pay has been frequently using in the organization.

Performance-related pay directly impacts the worker's performance creating the output through pay and workers has more able to give pay structure according to the performance (Lazear,1986) and sheer (2004) some results for their expected tree sampling allocated to price fixed rate. The role of employee performance linking to bounces to improve the productivity Bandiedre et al (2007). The relation of pay and performance of worker has a fixed pay in a period and give incentive for their good performance give the pay for shorter-term incentive give the power job shorter oriented.

Benefits Programmes and Employees Performance

Dessler (2016) defines benefits as indirect financial and non-financial payments employees receive for continuing their employment with the company. Bernardin (2013) defines benefits as indirect forms of compensation that are intended to maintain or improve the quality of life for employees. Indirect financial rewards come in form of subsidized benefits such as retirement plans, paid sick leaves and purchase discounts. Gomez et al. (2012) also say that benefits are sometimes called indirect compensation as they are given to employees in form of the plan rather than cash to improve their performance; they provide security for employees and their family members. As indicated by Dessler (2016), indirect financial rewards that could enhance employee performance come in form of subsidized benefits such as retirement plans, paid sick leaves, bonuses, incentives, allowances and purchase discounts. Employee benefits have equally been classified widely according to different authors and the context of circumstance. Cascio (2015) for example classifies benefits into four basic types, namely; supplemental pay benefits, insurance benefits, retirement benefits and personal service and family-friendly benefits. Supplemental pay benefits provide for time not worked, they include unemployment, insurance, vacation and holiday pay, severance pay and supplemental unemployment benefits. Insurance benefits include worker's compensation, group hospitalization, accident and disability insurance; and group life insurance. Retirement benefits include social security and pension plans. Personal service and family-friendly benefits include food services, recreational and child and child-care opportunities, legal advice, credit unions, educational subsidies and counselling. All these benefits put together enhances employee performance in an organization.

Cole (2012) classifies employee benefits into three key categories, security benefits like pension and life insurance, work-related benefits like subsidized meals and special training opportunities and finally status-related benefits like prestige car and entertainment allowance. DeNisi and Griffin (2014) argue that although most of the above-named benefits are designed for all the employees in an organization with varying levels, some organizations have developed a cafeteria-style benefits plan which allows the employees to choose the benefits that fit them. Such organizations believe that offering employees‟ freedom to choose benefits that befits them is tantamount to their satisfaction and a high probability of reciprocating the overall company loyalty to them by demonstrating exemplary performance.

Employees Performance

Employees who are the most efficient are like to be they are motivated to perform, (Medina, 2002) this relationship means that rewards and employee performance are expecting theory which means that employee is most to be motivated performance is more performance to receive the rewards and bonus. The rewards may be cash, recognition both to be acceptable to achieve performance as well. Suesi (2002) reward is the key motive to increase employee performance to expect well. Give the monthly rewards also increase the performance. Osterloh and Frey (2012). Employees are extremely motivated to monthly rewards. The goal is to satisfy the social exchange process they contribute the efforts Kanfell (1990). Entiwistal (1987) is of the view that 96 employees perform feel them. Organizational rewards result motivated employee.

Some other views that recognition in pleasanter the organization favourable works environment motivated the employee Freedman (1978) as cited in Rizwan and Ali (2010). The employee is the important part of any organization increasing the performance they can be motivated through financial and non-financial benefits they can designing that you can say that composition is the reward which is receiving by the employee to show their performance. Employee concentrated pay or wages and similar to non-monetary exchange for the employee performance (Holt, 1993).

The good organization maintains to design and enable the organizations to attract the highly skilled and qualified employee retention and motivation towards objective and goals achieve and most employee getting is pay (Decenzo and Robbins, 1999). If the employee free that they have not got a good salary they cooking for better employee dissatisfaction with the compensation towards goal attainment towards goals done to be lower.

Dissatisfied employee increasing the turnover, Absents am and poor metal health (Welthel and Davis, 1996). The main objective of compensation is that employee attracted to work and motivated a good job for employee Davis (1996).

Theoretical Framework

This work was hinged on Herzberg's two-factor theory. Frederick Herzberg (1959) proposed a two-factor theory. The theory suggested that people have two sets of needs. Their needs as animals to avoid pain and their needs as humans to grow psychologically, Herzberg"s study consisted of a series of interviews that sought to elicit responses to the questions. From the results, Herzberg concluded that the replies people gave when they felt good about their jobs were significantly different from the replies given when they felt bad. Employees who feel good about their work as a result of better pay and other compensation-related packages tend to attribute these factors to them. In contrast, dissatisfied employees tend to cite extrinsic factors such as supervision, pay, and company policies and working condition (Dieleman et al. 2004). This theory is relevant to this study because it mentions two factors that affect work performance. That is, extrinsic which include salary and promotion and intrinsic factors which include praise and recognition. Therefore, in this research, rewarding employees" in terms of both intrinsic and extrinsic rewards would be expected to affect the work performance of employee work which when aggregated and collectively their performance is extrapolated at company level measures overall organizational performance

Human Capital Theory

This theory was used to bring out the rationality of human behaviour in the face of compensatory decisions. Human capital signifies the combined the brainpower and experience of staff as a source of competitive improvement that cannot be imitated by rivals (Resick, 2007). This theory advocates for attracting, engaging, repayment and developing people in organizations, in the context of the manufacturing sector. Some of the employee compensation practices in this research are meant to ensure that the performance of employees is improved this theory is relevant. However, this theory has been criticized for not addressing other underlying components of employee performance. Scholars have argued that ultimately, it's only the characteristics that improve employee performance. This is because it considers reward which is also a factor of compensation. This means that employees can be rewarded for their efforts even though the theory does not examine the effect of the rewards.

Empirical Review

Onuorah, Okeke & Ikechukwu (2019) examined the effect of compensation management and employee performance in Nigeria organization. The study aim at investigating the influence of performance-based compensation, competency-based-compensation and equity based-compensation on employee performance. Relevant conceptual, theoretical and empirical literature was reviewed. The study was anchored on Human Capital Theory and Expectancy Theory. The study adopts a descriptive survey research design. The study was carried out in Anambra State. The population of the study comprises 257 public secondary schools in Anambra State. The sample size for the study consists of 257employees drawn from the population of the study. The sample consists of the entire population. The instrument for data collection is a structured questionnaire. The face content validity of the instrument was an employee. The instrument was trial-tested on a representative sample of 20 employees randomly selected of Anambra State. In analyzing the data for the null hypotheses, Z-test was be used to test the hypotheses at 0.05 level of significance. Equity-based compensation has no negative significant effect on employee performance in Nigeria organization. Competency-based compensation has no negative significant effect on employee performance in Nigeria organization. Performance-based compensation has no negative significant effect on employee performance in Nigeria organization. Therefore the study concludes that compensation management has a significant effect on employee performance in Nigeria organization. The study recommends that every organization should make equity-based compensation as a compulsory policy since equity-based compensation is used more extensively in firms for ensuring maximum performance. Every organization should formulate competency-based compensation policy, the only thing standing between the employees and a greater wage is how much they contribute and how well they perform. Management should have Performance-based compensation plans at a program at every level of an organization.

Onwuka & Onwuchekwa (2018) aimed at establishing the influence of compensation policy on employee commitment of selected pharmaceutical companies in Anambra state. Primary data was collected using a self-administered questionnaire and the data were analyzed by use of Pearson product correlation. The data was presented using simple percentage table. Generally, the study found that pay for performance policy was popular compensation. It was also established that the compensation policy influences employee commitment owing to the level of the relationship established between the variables and this led to enhanced performance, trust in management and strong relationship in the organization. Further, the cash rewards were reflective of individual skills and effort which included allowances for extra duties and responsibilities. The employees' compensation included pension schemes; personal security through illness, health or accident insurance covers; safety in the work environment, financial assistance for loans, purchase of organizational products and work life.

RESEARCH METHODOLOGY

The study employed a descriptive survey research design. Consequently, the descriptive survey research method was applicable in this study since the researcher had high participation from the respondents hence was able to predict a causal relationship between constituent parts of phenomena. The total population of 73 which comprises of staffs of the manufacturing company used due to the number. In other words, the Census statistical application where the elements under study are small in size. Quantitative data collected were analyzed, presented and interpreted using descriptive statistics. Statistical Package for Social Sciences (SPSS) version 23 were used to analyze quantitative data into descriptive statistics such as means, standard deviation, frequencies and percentages. For advanced analysis, the study used

Pearson correlation method which evaluated the linear relationship between two continuous variables in the study. The main reasons for the choice of Pearson correlation were because the method was able to determine the exact extent or degree to which two variables are correlated. The method was also preferred because the researcher was able to also ascertain the direction of the correlation i.e. whether the correlation between the two variables was positive, negative or no correlation.

RESULTS AND DISCUSSION

Analysis of Research Question One to Four of the Firm

Table 1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SLY	73	12	20	16.86	2.050
BP	73	12	20	16.05	1.971
Valid N (listwise)					

Source: SPSS Output, 2020.

Table 1 above shows the descriptive statistics which comprises of the minimum, maximum, mean and standard deviation values of different variables used in this study. The independent variables used in the study which serve as the measure of Compensation Management are; [Salary (SLY) and Benefits Programmes (BP), were asses about Employees Performance (EP).

Salary (SLY)

The descriptive statistics for Salary (SLY) for the manufacturing company selected to indicate a mean of 16.86, a standard deviation of 2.050 with the difference in the maximum and minimum values which stood at 8. This implies that the Salary (SLY) in that company varies significantly and this is also reflected in the variation of the Employees Performance (EP).

Benefits Programmes (BP)

Similarly, the descriptive statistics for the independent variable shows that Benefits Programmes (BP) has a minimum value of 12 and maximum value of 20 leading to the mean and standard deviation of 16.05 and 1.971 respectively. This implies that the Benefits Programmes (BP) for the company chosen varies significantly and this is also reflected in the variation of the Employees Performance (EP).

Test of Hypotheses

Decision Rule*:* The coefficient r is a measure of the linear relation between two variables, where $r = -1$ indicates a perfect negative linear relation, $r = 1$ indicates a perfectly positive relation, and $r = 0$ indicates the absence of any linear relation. In this study, we focus on the two-sided hypothesis test for the Pearson correlation coefficient. The standard (i.e., classical, orthodox, or frequentist) test produces a p-value for concluding; the common rule is that when $p < .05$, one can reject the null hypothesis that no relation is present.

Test of Hypotheses $H0_1$-$H0_2$ for Compensation Management on Employees Performance in the Manufacturing Industry

Table 2 Correlations

		SLY	BP	RCT	IC	EP
SLY	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	73				
BP	Pearson Correlation	.425**	1			
	Sig. (2-tailed)	.000				
	N	73	73			
	N	73	73	73	73	73
Source: SPSS Version 23 Output, 2020. Correlation is significant at the 0.01 level (2-tailed).						
Correlation is significant at the 0.05 level (2-tailed).						

Salary (SLY) and Employees Performance (EP)

$H0_1$: Salary does not influence Employees Performance in the Manufacturing Industry. From table 2, above, the Pearson Correlation, R reveals that there was a strong positive correlation with a coefficient (r) value 0.394 between Salary (SLY) and Employees Performance (EP) in Nigeria. The P-value was 0.001implying that Salary (SLY) is significant to Employees Performance (EP) in the manufacturing industry used.

Benefits Programmes (BP) and Employees Performance (EP)

HO_2: Benefits Programmes does not influence Employees Performance in the Manufacturing Industry. Benefits Programmes (BP) had a strong positive correlation with Employees Performance (EP) in Nigeria with correlation coefficient (0.530) and also with a significant relationship evident with the (P-value=0.000). The P-values reveal that this correlation was significant (0.000), this implies Benefits Programmes (BP) has contributed immensely to Employees Performance (EP) in the manufacturing industry used.

DISCUSSION OF FINDINGS

Salary (SLY) and Employees Performance (EP)

The result from the test hypothesis one between Salary (SLY) and Employees Performance (EP) in the manufacturing industry used, Salary (SLY) (p-value= 0.001) was statistically significant with Employees Performance (EP) the manufacturing industry used. This position is in line with Kimani, Ngui & Arasa (2017) who claims that reasonable salary, benefits in form of bonuses and allowances and recognition through certification or verbally promoted employee performance. This implies an increase in the Salary (SLY) will induce Employees Performance (EP) in the manufacturing industry used. Findings of the study showed a strong improvement in a unit of Salary (SLY) results in improved Employees Performance (EP) in the manufacturing industry used. The results were also statistically significant since the significant value of 0.001 was less than 0.05.

Benefits Programmes (BP) and Employees Performance (EP)

The result from the test hypothesis two between Benefits Programmes (BP) and Employees Performance (EP) the manufacturing industry used. Benefits

Programmes (BP) (p-value= 0.000) was statistically significant with Employees Performance (EP) the manufacturing industry used. This position is in line with Ayesha, Amna, Tahleel & Hina (2015) who claimed that that incentive and motivation have a significant effect on employee performance. This implies a moderating of Benefits Programmes (BP) will induce Employees Performance (EP) in the manufacturing industry used. This implies that an increase in Benefits Programmes (BP) would lead to more Employees Performance (EP) in the manufacturing industry used.

CONCLUSION

Based on the findings from the analysis carried out in this study, it is evident that measures of Compensation Management such as Salary (SLY), Benefits Programmes (BP), Recognition (RCT) and Incentives Plans (IC) are positive significantly correlated with Student Purchase Decision (SPD). Thus, this study concludes that Salary (SLY), Benefits Programmes (BP), Recognition (RCT) and Incentives Plans (IC) have a significant relationship with Student Purchase Decision (SPD). Finally, the study concludes that there is a significant relationship between Compensation Management and Employees Performance in the Manufacturing Industry in Nigeria.

RECOMMENDATIONS

1. The Human Resources Manager should develop systems that will ensure that there is a proper compensation plan entailing proper job evaluation processes and pay structures in the organization.
2. Companies should continue providing security benefits to all employees in their position notwithstanding as it will positively influence employee productivity and raise overall performance in the manufacturing sector.
3. Companies should continue providing health protection benefits to its employees since it will help them create a sense of loyalty and encourage their productivity in the company.

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