Work Environment, Compensation and Teachers’ Productivity: Evidence from Ogun State, Nigeria

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Abstract

This study examined the contribution of work environment and compensation to the productivity of teachers in Ogun State, Nigeria. Descriptive research design was adopted for the study and two hundred and eighty five (285) teachers were drawn from both private and public primary and secondary schools through multi-stage stratified random sampling technique. Responses were sought from respondents with standardized questionnaires namely Workplace Outcomes Questionnaire by Wolfeld (2010) with 10 items and reliability coefficient of .738, Employee Compensation Scale by Ajalie (2017) comprising of 5 items with a reliability coefficient of .868, and Productivity Scale with 5 items and Cronbach alpha of .562 developed by Wolfeld (2010) to test the three hypothesis postulated which were analyzed with multiple regression analysis and correlation matrix. Findings revealed a significant combined contribution of work environment and compensation on teachers’ productivity ($F(2, 282) = 71.790, p < .05$) accounting for 33.3% of the variance in teachers’ productivity ($\text{Adj. } R^2 =.333$); significant relative contribution of compensation to teachers’ productivity ($\beta = .533, p < .05$) but a non-significant relative contribution of work environment to teachers’ productivity ($\beta = .076, p > .05$). Furthermore, there are significant and positive relationships among work environment, compensation, and teachers’ productivity with the strongest relationship being between work environment and compensation ($r = .587, p < .05$) followed by compensation and teachers’ productivity ($r = .578, p < .05$) and lastly by work environment and teachers’ productivity ($r = .389, p < .05$). Based on the findings, it was concluded that good compensation plan enhances teachers’ productivity and it was recommended that government as well as management of private schools should ensure regular payment of salaries, improve on the existing compensation packages to embrace both financial and non-financial rewards while future research on this topic may be extended to the whole of South-West, Nigeria.

Keywords: Work Environment, Compensation, Teachers’ Productivity, Ogun State
1. Introduction

It is a well-known fact that employees are the most relevant asset of any organization (Tahmeem & Sadia, 2018; Lestari, Syabarudin, Zurnali & Murad, 2018; Kimani, Ngui & Robert, 2017). Without strong human resources, organizations will not be able to achieve their set goals and objectives. Based on this, Mayson and Barret (2016) admit that organizations can achieve greater performance and growth only when they are able to attract, motivate and retain qualified employees by offering competitive salaries and rewards and ensuring that the work environment is conducive (Lohela-Karlsson, Nyberg & Jenson, 2018). Mabaso and Dlamini (2017) stress that employees who are well-paid will in turn display favourable attitude towards their job and this will lead to better performance and productivity will be enhanced.

Productivity has been defined as effort made towards achieving organizational effectiveness with the least available resources (Edo & Nwosu, 2018). It is the ratio of outputs produced by an organization and the resources used in the process (Abodunrin, 2013). To achieve the desired level of productivity, certain conditions are to be met by management. Firstly, there has to be a conducive work environment. It has been discovered that providing a conducive work environment can actually assist employees improve their efficiency, productivity (Louie (2018) and quality of work as well (Allan, 2019). Further on this, Deed (2019) who studied the importance of workplace environment on employee production identified physical comfort, distractions and management behavior as some of the work environment factors that can determine workers’ productivity. Therefore, workplace environment influences employees’ skill and motivation which in turn determines their output, level of innovation, collaboration with others, and rate of absenteeism and length of service (Allan, 2019). Secondly, compensation is vital to the performance of employees. Compensation is defined as all forms of financial and other tangible benefits that employees get from their employers in return for their efforts (Millcovich & Newman, 1999). These rewards or benefits could be in form of direct or indirect payments, they could be limited to cash payments at weekly or monthly basis as the case may be or financial or non-financial rewards advanced to employees due to their continued tenures with the organization like fringe benefits, supplementary pay etc. (Dessler, 2011; Jean, Ngui & Robert, 2017).

Workers can only be productive when compensation is commensurate with work performed. Nnorom, Akpa, Egwuonwu, Akintaro, Shonubi and Herberton (2016) strongly contend that productivity is adversely affected when employees’ compensation packages are not commensurate to the work they do. Hammed, Ramzan, Zubair, Ali and Arslan (2014) went further to persist that the main reason for an organization to plan their compensation package is to ensure that effective workforce is maintained, that pay is equitable and the organization complies with both internal and external regulations. Apart from this, without good compensation policies targeted at retaining skilled employees and protecting them from loss of income due to health issues, improving quality of life like retirement and medical benefits (Jean et al, 2017), many workers may lack motivation and leave their present jobs for jobs with better compensation. Employees remain at their jobs when they feel that their efforts are commensurate with their incomes (Mayson & Barret, 2016).

Teachers play vital roles in the development of skills and abilities of students who are the leaders of tomorrow. According to Mabaso and Dlamini (2017), to impact knowledge to the students, management of educational institutions need to recruit and retain highly qualified teachers. However, it is almost impossible to achieve this without an effective compensation policy and conducive work environment (Tahmeem & Sadia, 2018; Lestari, Syabarudin, Zurnali & Murad, 2018). In Ogun State today, teachers work under very poor environment and receive very poor salaries. Ikoya and Onoyase (2008) agreed that most public secondary schools in Nigeria have poor infrastructures which are affecting teachers’ productivity. According to Bawalla and Nafiu (2018), poor salary of teachers and government’s failure to implement the agreed salary increment has led to low productivity of teachers in Ogun State. In protest to poor salary payment, the Nigerian Union of Teachers (NUT), Ogun State Chapter has gone on strike severally between 2009 till date in protest of poor working conditions and compensation issues. When teachers are not happy, their productivity will also drop and according to
Bawalla and Nafiu (2018) students result in this state in WAEC, NECO and JAMB has been a cause of worry. Therefore teachers’ productivity is the level at which the teachers do their duties and how much they are able to achieve based on how satisfied and motivated they are. Unfortunately, much cannot be achieved in a poor work environment with poor salary payment which has led many teachers to quit their jobs (Wanakacha, Aloka & Nyaswa, 2018).

Even though research has shown that most workers including teachers desire financial benefits to be productive (Klonoski, 2016), other allowances are also crucial to motivate and encourage them like housing, transport, medical and welfare allowances (Ayeni, 2005). When salaries and allowances are delayed or not paid at all, teachers become reluctant to work and this condition is worst in public schools where teachers, especially those at the primary schools, receive salaries at the lowest salary wage scale in Nigeria public service (Teachers Salary Scale Nigeria Report, 2019). Many researchers have studied various factors that affect teachers’ productivity in Nigeria. For instance Nakpodia (2011) studied work environment and productivity among primary school teachers in Nigeria; Edo and Nwosu (2018) looked at working environment and teachers’ productivity in secondary schools in Port-Harcourt metropolis, Abodunrin (2013) studied impact of school environment on teachers’ productivity in secondary schools in Akinyele, Oyo State, Nnorom, Akpa, Egwuonwu, Akintaro, Shonubi & Herber顿 (2016) assessed the effect of compensation administration on employee productivity and other numerous researches yet there is still a dearth of research where compensation and work environment are studied in relation to teachers’ productivity in Ogun State, Nigeria hence, the need for this study on the contribution of work environment and compensation to teachers’ productivity in Ogun State, Nigeria.

1.2. Hypotheses

1. There is no significant combined contribution of work environment and compensation to teachers’ productivity in Ogun State, Nigeria.
2. There is no significant relative contribution of work environment and compensation to teachers’ productivity in Ogun State, Nigeria.
3. There are no significant relationships among work environment, compensation, and teachers’ productivity in Ogun State, Nigeria.

2. Literature Review
2.1. Productivity

Productivity implies all efforts directed towards achieving organizational effectiveness with the least available resources (Edo & Nwosu 2018). It is the effective and efficient utilization of material, labour, capital, information and time resources in an organization (Stepen, 2014). Organizations expect their workers to be productive (Shaban et al, 2017) since they are the most important resources (Mabaso & Dlamini, 2017; Jean, Ngui & Robert, 2017; Mayson & Barrat, 2016) because when productivity is low, organizational efficiency and effectiveness will be adversely affected. However, low productivity has been linked with low motivation which Shaban et al (2017) associated with poor work environment and compensation. When workers are demotivated they have no goals to focus on and their morale is also affected leading to low productivity, loss of competitiveness, absenteeism and sabotage (Nyawa, 2017) whereas motivated staff are hardworking, devoted, creative, productive and directs their effort to achieving the stated goals of the organization (Stephen, 2014; Bhatti, 2015). Shaban, Al-Zubi, Ali and Alqotaish (2017) are of the view that employee’s low morale is very costly to an organization as it could result in low productivity in forms of low output, no drive for competition, shortage of skills and poor human relations. All these confirm the fact that poor working conditions can negatively affect productivity causing employees to be absent, stressed up and sick (Nakpodia, 2011). To assess the
productivity of teachers, Abodunrin (2013) opine that the teacher’s impact on the students’ academic achievement must be considered. However, teachers cannot effectively impact on the students’ positively if they are not well rewarded for their efforts. Along this line, Sharp (2019) opine that employees desire a good compensation package which is linked with retention and motivation of which absence leads to low job satisfaction, low productivity and high turnover. Good compensation plan is a desired tool in the hands of management which impacts positively on the behavior and productivity of employees (Asegid, 2014; Tahmeem & Sadia, 2018).

2.2. Work Environment

Workplace environment play vital roles in employees productivity (Allan, 2019). It could determine to a greater extent the way employees use their skills and their level of motivation. Lohela-Karlsson, Nybergh and Jensen (2018) in their studies found that workers who reported working in an unconducive work-environment admitted that it adversely affected their productivity. While poor work environment is a threat to productivity, a supportive and satisfying one is related to higher productivity among employees (Lohela-Karlsson et al, 2018). Work environment have been defined as the place where individuals perform their duties (Edo & Nwosu, 2018). Work environment therefore consists of all the factors within the environment that may likely influence the productivity of workers. Therefore, workplace hygiene, temperature levels, light and sound factors are part of the environmental factors that could determine the output of workers (Louie, 2018). Deed (2019) added that an office that is too cold or too hot, desks and chairs wrongly placed, lighting and noises, distractions, handling too many tasks which may hinder one from focusing adequately on his/her job, and interruptions for co-workers can affect employee’s output. Deed (2019) went further to opine that spatial organization of the workplace furnishings and equipment boosts employee’s productivity. In the opinion of Allan (2019), factors related to the physical work environment alone are not the only factors affecting productivity of workers but factors such as goal-setting, performance feedback, role congruity, defined processes, incentives, supervisor support, mentoring and coaching and job aids are tools that encourage enhanced employee productivity.

Work environments could be toxic or conducive (Akinyele, 2010). A work environment must be conducive if workers are to be productive. Edo and Nwosu (2018) defined a conducive work environment as one that is healthy, secure and comfortable. A toxic work environment is one that is unhealthy and unsafe in terms of ventilation, noise level, lighting which may adversely affect productivity (Edo et al, 2018).

2.3. Compensation

The amount of money organizations are able to offer employees in return for the efforts and services they render is vital to their success. Compensation determines the quality and performance of employees (Sharp, 2019) and when workers are stressed due to financial concerns, it could result to absenteeism, tardiness, closing earlier than normal, constant mistakes, lack of concentration etc, hence, effective compensation policy becomes a relevant tool in the hands of management that contributes to the effectiveness of an organization, impacting positively on employees’ behavior and productivity (Mabaso & Dlamini, 2017). Compensation is planned in order to keep an effective workforce, to maintain fairness, objectivity and to ensure that companies comply with government regulations (Hameed, Ramzan, Zubair, Ali & Arslan, 2014). Compensation means payment made by an employer to his employees in return for their time, effort and skill used to render services to the organization (Clark, Kristensen and Westergard, 2009). It comprises different forms of financial and non-financial benefits and could be in form of salaries, wages and benefits like vacation, insurance, maternity, retirement allowances, bonuses, over-time pays, recognition rewards, sales commission etc (Millkovich & Newman, 1999; Tessema, Ready & Embaye, 2013). Compensation can also come in form of non-monetary benefits like organizational paid accommodation, health and insurance, business
trips, flexi-time etc which may later translate into both intrinsic and extrinsic motivation targeted towards raising employees’ productivity (Nnorom, Akpa, Egwuonwu, Akintaro, Shonubi & Herberton, 2016; Hameed, Ramzan, Zubair, Ali & Arslan, 2014; Nyawa, 2017). To attract, satisfy and retain quality employees, compensation packages must be innovative and attractive (Asegid et al, 2014). This is buttressed by the assertions of Machado-Taylor (2016) that inadequate and non-competitive salaries lead to dissatisfaction among employees and Clark, Kristensen and Westergard (2009) strongly assert that compensation is capable of motivating talented and effective employees to remain in an organization for longer periods of time.

Most managers pay attention to only cash rewards whereas employees expect such packages to be all-encompassing taking care of their security, safety and survival needs (Tessema, Ready & Embaye, 2013). Tetteh-Annor (2014) supports that compensation package that is capable of boosting employees’ morale, motivating them and enhancing their productivity is one that is able to take care of their needs for status, security and survival. This implies that effective compensation package should be more than monetary rewards and should take cognizance of the needs of the company and that of the workers. To achieve effectiveness from workers, compensation packages need to be constantly modified to meet the present needs of employees (Tetteh-Annor, 2014). Furthermore, Bob (2011) suggests that for compensation to achieve the desired result, it must ensure that hard working employees are compensated well and better than their counterparts.

Tessema, Ready and Embaye (2013) have over-stressed the fact that workers expect some financial rewards from their organizations as a means of expressing appreciation of their investment of time and energy in doing their jobs. Apart from financial rewards, recognition as a non-monetary way of acknowledging a job well done and approval and appreciation of employees’ behavior boosts their morale, motivation and productivity (Caligivri, Lepak & Bonache, 2010). Nyawa (2017) in his studies found that combination of financial and non-financial compensation had great impact on employee productivity. Therefore to retain qualified personnel who are productive, pay should be equitable and compensation plan should be all-encompassing, embracing both financial and non-financial rewards, taking care of the total needs of the employees as well as being commensurate with the efforts they put into their jobs.

3. Methodology
3.1. Research Design
A survey research design was adopted for this study.

3.2. Population
The population of this study consisted of all teachers in public and private primary and secondary schools in Ogun State, Nigeria.

3.3. Sample and Sampling Technique
A sample of 285 teachers was chosen through the multistage random sampling technique. The population was divided into two strata, namely, public and private schools. One hundred and thirty six (136) teachers from public schools and one hundred and forty nine (149) teachers from the private schools making a total of two hundred and eighty five (285) teachers chosen through simple random sampling technique.
3.4. Instruments
The instruments used for data collection included the following:

3.4.1. Demographic Data Inventory (DDI)
The Demographic Data Inventory (DDI) having six items was developed by this researcher and used to gather data on some demographic characteristics of the respondents such as gender, marital status, type of school, school ownership, job status, monthly income, and work experience.

3.4.2. Workplace Outcomes Questionnaire (WOQ)
The Workplace Outcomes Questionnaire (WOQ) with ten items on a 7 point likert scale ranging from 1 = strongly disagree to 7 = strongly agree example “overall, I am satisfied with this workplace”, developed by Wolfeld (2010) with a reliability index of 0.738 was used to assess work environment.

3.4.3. Employee Compensation Scale (ECS)
This is a 5 item scale developed by Ajalie (2017) comprising of 5 items with a reliability coefficient of 0.868 on 5 point Likert-type instrument ranging from 5 = strongly agree to 1 = strongly disagree with example “my school pays me well” etc.

3.4.4. Productivity Scale (PS)
This is a 5-item Likert-type instrument with seven points designed to assess one’s level of productivity. The responses to the items on the scale range from 1 = strongly disagree to 7 = strongly agree. Example of items on the scale is “I adequately complete my assigned tasks”. The reliability of the Productivity Scale was determined by the developer Wolfeld (2010) who obtained a Cronbach’s alpha of 0.562.

3.5. Data Analysis
The data obtained were analyzed using multiple regression analysis and correlation matrix. Tests were carried out at the 0.05 level of significance.

4. Results
4.1. Hypothesis One
There is no significant combined contribution of work environment and compensation to teachers’ productivity.

Table 1: Model Summary and Coefficients of the Multiple Regression Analysis for the Combined Contribution of Work Environment and Compensation to Teachers’ Productivity

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>3509.300</td>
<td>2</td>
<td>1754.650</td>
<td>71.790</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>6892.510</td>
<td>282</td>
<td>24.442</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10401.811</td>
<td>284</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Model Summary: R = .581; R^2 = .337; Adj. R^2 = .333; Std Error = 4.94384
a. Dependent Variable: Teachers’ Productivity
b. Predictors: (Constant), Compensation, Work Environment

Table 1 revealed that there is a significant combined contribution of work environment and compensation to teachers’ productivity (F(2, 282) = 71.790, p < .05). Table 1 further showed that work environment and compensation accounted for 33.3% of the variance in teachers’ productivity (Adj. R^2 = .333).
4.2. Hypothesis Two

There is no significant relative contribution of work environment and compensation to teachers’ productivity.

Table 2: Coefficients of the Multiple Regression Analysis for the Relative Contribution of Work Environment and Compensation to Teachers’ Productivity

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>8.750</td>
<td>1.171</td>
<td>7.473</td>
<td>.000</td>
</tr>
<tr>
<td>Work Environment</td>
<td>.038</td>
<td>.030</td>
<td>.076</td>
<td>1.274</td>
</tr>
<tr>
<td>Compensation</td>
<td>.785</td>
<td>.088</td>
<td>.533</td>
<td>8.901</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Teachers' Productivity

Table 2 revealed a significant relative contribution of compensation to teachers’ productivity ($\beta = .533$, $p < .05$) but a non-significant relative contribution of work environment to teachers’ productivity ($\beta = .076$, $p > .05$).

4.3. Hypothesis Three

There are no significant relationships among work environment, compensation, and teachers’ productivity.

Table 3: Correlation Matrix for the Relationships among Work Environment, Compensation, and Teachers’ Productivity

<table>
<thead>
<tr>
<th></th>
<th>Work Environment</th>
<th>Compensation</th>
<th>Teachers’ Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment</td>
<td>1.000</td>
<td>.587*</td>
<td>.389*</td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td>1.000</td>
<td>.578*</td>
</tr>
<tr>
<td>Teachers’ Productivity</td>
<td></td>
<td></td>
<td>1.000</td>
</tr>
</tbody>
</table>

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

Table 3 showed that there are significant and positive relationships among work environment, compensation, and teachers’ productivity. The strongest relationship is between work environment and compensation ($r = .587$, $p < .05$). This was followed by relationships between compensation and teachers’ productivity ($r = .578$, $p < .05$) and work environment and teachers’ productivity ($r = .389$, $p < .05$).

5. Discussion of Findings

The analysis of hypothesis one lead to the conclusion that there is a significant combined contribution of work environment and compensation to teachers’ productivity in Ogun State, Nigeria. This implies that work environment and compensation are vital and could enhance or limit the productivity of teachers. Earlier, Mabaso & Dlamini (2017) studied the impact of compensation benefits on Job satisfaction and found that workers who were not well compensated were dissatisfied while those who received good rewards were motivated and remained in their organizations for longer periods of time. This present findings is also in line with the findings of Nyawa (2017) whose interview with respondents show that majority agreed that combination of financial and non-financial compensation greatly impacted on their productivity. Lohela-Karlsson, Nybergh and Jensen (2018) in their studies on perceived health and work-environment related problems associated with subjective production loss in an academic population found that 84 – 99% who reported working in an unconducive environment
said it affected their productivity accounting for a production loss of between 31 to 42% and they concluded that poor work environment is a barrier to productivity. Edo and Nwosu (2018)’s findings is in tandem with this present finding as they confirmed that work environment contributed to teachers productivity in secondary schools in Port-Harcourt Metropolis.

Furthermore, result of the analysis of hypothesis two revealed a significant relative contribution of compensation to teachers’ productivity but a non-significant relative contribution of work environment to teachers’ productivity. Tessema et al (2013) found similar results when they discovered that employees’ compensation in form of recognition, pay and benefits had significant impact on employees job satisfaction across workers in U.S, Malaysia and Vietnam, hence they concluded that both financial and non-financial rewards are vital in influencing productivity of employees. Subsequently, Osho, Asha and Wickramatunge (2006) supported that financial worries due to poor compensation affected job performance and increased absenteeism among workers. Surprisingly, this finding show no significant relative contribution of work-environment to productivity and is contrary to many past research findings which have attested to the significant contribution of work environment to productivity such as Nyawa (2017) who found that work environment in form of seating arrangement, lighting, noise level, recognition and promotion determined the productivity of Kenyan Literature Bureau employees in South C Nairobi; Edo and Nwosu (2018) who found that poor work environment led to reduced productivity among teachers and others like Akhtar and Iqbal (2017) whose results proved statistically significant impact of work environment on job performance of teachers. The researcher attributes this contrast to the probability that since teachers in Ogun State experience a constant condition of non-regular payment of salaries and tend to quit as soon as they find jobs with better salaries, it is possible that they may place more value on salaries and may tend to fair relatively well in any environment as long as the salaries are regular. Finally, hypothesis three showed that there are significant and positive relationships among work environment, compensation and teachers’ productivity. The strongest relationship is found between work environment and compensation, followed by compensation and productivity and lastly, work environment and teachers’ productivity. Work environment is strongly related to compensation because human beings as the most desirous resource of an organization can only operate maximally in a conducive work environment with good remuneration and compensation plan that will enable them take care of their needs. Mabaso and Dlamini (2017) admitted that to retain highly qualified teachers, school management need to put in place effective compensation policy and make work environment conducive as well. Studies that corroborate the present result include Khan, Aslam and Lodhi (2011) which found that incentives contributed to increased employee performance among 150 staff in an educational sector in Pakistan; Nelson (2005) who found that the more rewards introduced by organizations, the more satisfied employees became and this favourably impacted organizational productivity; Osho et al (2006) who found a link between internal and external work environment and employee morale which is linked to productivity and Edo and Nwosu (2018) who discovered that poor lighting caused distress among teachers.

6. Conclusion and Recommendation
This study have been able to affirm a significant combined contribution of work environment and compensation to teachers’ productivity in Ogun State, Nigeria. Its findings confirm a significant relative contribution of compensation to teachers’ productivity and didnot support any significant individual contribution of work environment to teachers’ productivity. Furthermore, it revealed significant and positive relationships among the variables of study with the strongest relationship found between work environment and compensation followed by compensation and teachers’ productivity and lastly between work environment and teachers’ productivity. These findings have important implication for government, management and teachers themselves. They attest to the fact that teachers cannot effectively impact on the students’ achievement positively if they are not well rewarded for
their efforts stressing the point that they desire a good compensation package which will be able to increase their retention, motivation and enhance their job satisfaction and productivity as well. Therefore, it is recommended that government and management of private schools should ensure regular payment of salaries, improve on the existing compensation packages to embrace both financial and non-financial rewards while future research on this topic may be extended to cover the whole of South-West, Nigeria.

References


