COMPENSATION MANAGEMENT SYSTEM AND PERFORMANCE OF PRIVATE SECTOR OF DOMESTIC & INDUSTRIAL PLASTIC, RUBBER AND FOAM GROUP OF MANUFACTURING FIRMS IN SOUTH EAST, NIGERIA

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Abstract

The study was to evaluate the compensation management system and performance of private sector of domestic & industrial plastic, rubber and foam group of manufacturing firms in south east, Nigeria. The specific objectives were to: ascertain the relationship between employee salary and quality service of private sector in South East, examine the relationship between bonus and output of private sector in South East and determine the relationship between commission and return on investment of private sector. The study used the survey approach. The primary sources were personal interview and the administration of questionnaire. The population of the study was 2870 staff. A stratified sampling method was adopted. The adequate sample size of 340 was determined using Freund and William's statistic formula. 315 staff returned the questionnaire and accurately filled. That gave 93 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.81 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Pearson correlation coefficient (r) statistics tool. The findings indicated that there is significant relationship between salary and quality service of private sector in Nigeria as reported in the probability value of $r(95, n = 315) = .560, p > 0.05$, there is no significant relationship between bonus and output of private sector in Nigeria of $r(95, n = 315) = .671, p > 0.05$, there is significant relationship between commission and return investment of private sector in Nigeria as reported in the probability value of $r(95, n = 315) = .623, p > 0.05$. The study concluded that salary, bonus, and commission had significant relationship with quality service, output, and return on investment of private sector of Domestic & industrial plastic, Rubber and foam group of manufacturing firms in South East, Nigeria. Based on the findings of the study the following recommendations was given among others Organizations should ensure that wages salaries display much equity such that there would not be misconception among the workers.

Keywords: Compensation, Management, System, Performance

1.1 Introduction

Compensation is a vital part of human resource management, which helps in encouraging employees and improving organizational effectiveness. Brianna (2016) defined compensation management as the act of distributing monetary value to an employee for work done by means of the company's policy or procedures. In basic terms, it is paying an employee based upon the decided pay and benefit package for the position. Compensation packages with good

pay and advantages can help attract and retain the best employees. Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. A company's compensation scheme also informs a great deal about the firm's values and cultures. Compensation packages include salary, overtime pay, commission, bonuses, and benefits packages that might include health and insurance, vacation time, and retirement savings. From a manager's point of view, the compensation package offered to a company's employees is essential not only because it costs money, but because it is likely to be the primary reason the employees work for the firm.

It is essential that organizations formulate plans that facilitate achievement that will lead to best management practice, workers' improvement; increasing the cutting edge of both the firm and staff as it is also imperative for the correlation of human resource management (HRM) and the outcome of the firm for ensuring that the goals of the organization are accomplished.

Performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under a contract. Jim, (2019) stated that the private sector is the part of the economy, owned by private individuals or groups, usually as a means of enterprise for profit. Private sector workers tend to have more pay increases, more career choices, greater opportunities for promotions, less job security, and less comprehensive benefit plans than public sector workers. The private sector compensation and benefits are higher than the former; the private sector incentive packages are competitive and tied to performance indices.

The issues of performance incentives and employee benefits fall within the purview of compensation management in particular and work motivation in general. Performance-based incentives constitutes an integral part of direct compensation (rewards) while fringe benefits form part of the indirect rewards administered to the employee designed to attract, retain and motivate the workforce to attain the strategic goals of the organisation (Abdulrazak & Madu, 2013). The goal of compensation management is to find quality people who perform quality work and then compensate them in order to retain them and reduce turnover rates. Based on these the study recommends amongst others that, performance incentives and fringe benefits should be competitive, fair and equitable to employees in both the private and public sector as much as possible and as a result of increasing demands on public institutions by the citizenry.

1.2 Statement of the Problem

Compensation management had assisted organizations to retained long lasting employees in an organization, gain experience and thus improve on their efficiency, cost of trainings and workshops is reduced, time wastage is minimized because employees know better what is supposed to be done and at what time and so on. This has made it a prerogative of the management of an organization to ensure that employees are retained and the turn-over is reduced.

Private sectors are challenged with providing a bonus incentive which encourages workers to put more effort in order to increase output, competitive pay rate, and attracting top talent and still maintaining fiscal responsibilities. Poor employee salary, lack of bonus, and poor commission

As a result of poor compensation, it may suppress creativity; lead to low productivity, low profitability, poor quality service, low output and return on investment, and the organization may have low competitive advantage. All these may culminate to poor organizational performance. Hence, the study compensation management system and performance of private sector in south East, Nigeria.

1.3 Objectives of the Study

The main objective of the study was to evaluate the compensation management system and performance of Domestic & industrial plastic, Rubber and foam group of manufacturing firms in South East, Nigeria. The specific objectives were to;

- i. Ascertain the relationship between employee salary and quality service of private sector in South East.
- ii. Examine the relationship between bonus and output of private sector in South East.
- iii. Determine the relationship between commission and return on investment of private sector in South East.

1.4 Research Questions

The following research questions guided the study.

- i. What is the relationship between employee salary and quality service of private sector in South East.
- ii. What is the relationship between bonus and output of private sector in South East.
- iii. What is the relationship between commission and the return on investment of private sector in South East

1.5 Statement of Hypotheses

The following hypotheses guided the study

- i. There is no significant relationship between salary and quality service of private sector in South East, Nigeria.
- ii. There is no significant relationship between bonus and output of private sector in South East Nigeria.
- iii. There is no significant relationship between commission and return investment of private sector in South East, Nigeria.

1.6 Significance of the Study

The information gain from the study will provide valuable insight on the influence of compensation and benefits towards job satisfaction. Appropriate compensation and benefits will address fairness, openness and clarity. This will help employees to increase their job satisfaction, encourage and motivate them to devote themselves to the private sectors and thus improve performance.

Review of Related Literature

2.1 Conceptual Framework

2.1.1 Compensation

Compensation is the human resource management function that deals with every type of reward individuals receive in exchange for performing an organizational task. Compensation or reward management is concerned with the formulation and implementation of strategies and policies which are to reward people fairly, equitably and consistently in accordance with their value to the organizations and to help the organization achieve its strategic goals. A compensation plan is a complete package that details employees' wages, salaries, benefits, and terms of payment. Compensation plans include details about bonuses, incentives and commissions that may be paid to employees. Employee compensation is the total amount an employee can expect to receive when working for an organization (Mohammed, Syed & Paul, 2016). Generally speaking, compensation is a reward for time, skills, effort, and/or knowledge. Basic compensation includes two main components: fixed and variable pay. Fixed compensation includes basic salary, hourly wages and draws. It is very much driven by the competitive marketplace. Variable compensation includes bonuses, incentives and

commissions. Abdulrazak & Mustapha Madu (2013) opined that the private sector compensation and benefits are higher than the public sector. The consideration for which labor is exchanged is called compensation.

2.1.2 Compensation Management System

Compensation management is a sensitive and crucial aspect of human resource management as its adequacy or inadequacy can affect, either positively or negatively, the competitiveness of the organization due to higher attrition rates and low commitment (Manu, 2015). Compensation management, also known as wage and salary administration, remuneration management, or reward management, is concerned with designing and implementing total compensation package. The aims of compensation management are to design the lowest cost plan structure which will attract, motivate and retain competent employees (Saibaranin.d). Taking care of employees with a well designed and well communicated compensation program will help in the long term investment of employees as the company's strongest asset.

2.1.3 Components of Compensation Management System

A well established compensation system allows employers to optimize on employees engagement, productivity, financial resources, and organizational goals. There are two different forms of compensation provided to employees; direct and indirect. Direct form of compensation comprises of salaries to bonuses. Indirect compensation is primarily the benefits and long term incentives. The basic components of a compensation system are organizational goals, employee communications, recognitions, rewards, timely acknowledgements and Simple Measures. Compensation management is the art of using different pay and benefits to recruit and keep the best talent within an industry (Anthony, 2017).

2.1.4 Employee Salary

Compensation describes the cash rewards paid to employees in exchange for the services they provide. It may include basic salary, wages, incentives or commission. Total compensation includes cash rewards as well as any other company benefits. Salary is a fixed regular payment, typically paid on a monthly basis or as agreed to an employee by employer as a reward for work done. Alison, (2020) defined salary employee (also known as a salaried employee) as a worker who is paid a fixed amount of money or compensation (also known as a salary) by an employer. "A fixed compensation periodically paid to a person for regular work or services." salaries are also determined by tradition and legislation. Salary is affected by the number of people available to perform the specific job in the employer's employment locale (balance careers n.d).

2.1.5 Bonus

Bonuses are one of the ways employers reward their employees for a job well done. Bonus pay compensation are over and above amount of pay specified as a base salary or hourly rate of pay Susan, (2019). Companies pay bonuses to employees to thank and congratulate them on meeting and achieving specific goals, meeting these goals resulted in positive happenings for the organization, its employees, and customers. Employers pay different bonuses to Employees such as contracted bonus, performance bonus, Sales commissions bonus and random bonus. Bonus pay is used by many organizations as a thank you to employees or a team that achieves significant goals. Andrew, (2019) ascertained that bonus is a financial compensation that is above and beyond the normal payment expectations of its recipient. Bonuses may be awarded to both entry level employees and to senior level

executives. Bonuses can be detrimental to performance to an extent. A large bonus may motivate people so much that it causes stress and less effective results. That's because being overly motivated stimulates certain brain centers that cause people to make mistakes. In this type of situation, bonuses actually do succeed in motivating people but may decrease effectiveness (Admin, 2016).

2.1.6 Commission Profitability

Profit commission is the over and above ceding commission offered by the reinsurer to the cedant to encourage good quality underwriting and profitability of the treaty (Joseph, 2017). Profit commission is used when dealing with proportional treaties. Commission is a motivation or reward for the employee to sell products, and make more money for the organization (Deborah, 2016). Profit commission also known as profit sharing commission, bonus commission or variable commission are based on the premium collected on the sale or renewal of a single policy

2.1.7 Quality Service

Service quality is one of the most important competitive factors in business. If the service quality of an organization is not sufficiently high, the service provider is likely to disappoint its customers regardless of their expectations. The components of service quality are service strategy, service performance and customer results. Service quality is a combination of two words service and quality which focuses on standard or specification that a service generating organisation promises (Bhargavan, d). Service quality satisfaction is the outcome of the resources and activities expanded to offer service in line with the expectations of users. Delivering quality service is one of the major challenge criteria facing hospitality sector. It is an essential condition for success in the emerging keenly competitive and global hospitality markets. Quality is the key to achieving customer satisfaction. Prachi, (2019) ascertained that Providing quality customer service means going extra mile in making sure a customer is happy and satisfied with a company's products or services.

2.1.8 Output

The productivity of an organization is measured by the value of goods and services produced by the organization. Output refers to the total production of goods and services of a whole country over a given period. Alan stated that Output in economics is the "quantity of goods or services produced in a given time period, by a firm, industry, or country", whether consumed or used for further production. The concept of output is essential in the field of macroeconomics. Jill, (2018) defined Employee output or productivity, as an assessment of an employee's or a group of employees' efficiency. Outputs are quantitative and far easier to measure than "outcomes. Outcomes are both quantitative and qualitative. Every business prefers outcomes to output (Doug, 2018). Outputs are the total quantities produced, while outcomes are the benefits customers receive from purchasing your goods or using your services.

2.1.9 Return on Investment

Return on investment is a crucial analytical tool used by both businesses and investors (Shawn, 2015). The purpose of the return on investment (ROI) metric is to measure, per period, rates of return on money invested in an economic entity in order to decide whether or not to undertake an investment. Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments (James & Julius, 2020).

2.2 Theoretical Framework

Adams' equity theory of motivation

The equity theory states that people are motivated if they are treated equitably, and receive what they consider fair for their effort and costs.

The theory was suggested by Adams (1965) and is based on Social Exchange theory. According to this theory, people compare their contribution to work, costs of their actions and the benefits that will result to the contribution and benefits of the reference person. If people perceive that the ratio of their inputs-outputs to the ratio of referent other's input-output is inequitable, then they will be motivated to reduce the inequity. The equity theory works not just in the workplace, but at school as well. For example, when for the same oral exam performance two students get different marks, then inequity exists. In this case, the student who gets the worse mark may lose his/her motivation to learn (reduce his/her efforts), or persuade the teacher to give him/her a better mark, or change the perception of the reference person's performance. At the school it can demotivate students if someone who never studies or who never performs better than the others always gets good mark. The greater the inequity the greater the distress an individual feels, which will motivate the endeavor to make the outcomes and the inputs equal compared to the reference person. The problem with equity theory is that it does not take into account differences in individual needs, values, and personalities. Nevertheless ensuring equity is essential to motivation.

2.3 Empirical Review

Abdul, Muhammad, Hafiz, Ghazanfar, & Muhammad Arslan, (2014) investigated the Impact of Compensation on Employee Performance (Empirical Evidence from Banking Sector of Pakistan) the study showed that Compensation is very important for the performance of the employees. Therefore they are very important for the organization too. The purpose of this research is to measure the impact of compensation on employee performance. A questionnaire was designed to collect the data on the factors related to compensation like salary, rewards, Indirect Compensation and employee performance. The data was collected from different banks of Pakistan. The data collected were analyzed in SPSS 17.0 Version. Different analytical and descriptive techniques were used to analyze the data. It is founded from different results that Compensation has positive impact on employee performance. It is proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other. Regression analysis shows that all the independent variables have insignificant and positive impact on employee performance. Descriptive analysis also reveals that all the independent variables have positive impact on employee performance. ANOVA results reveal that education does not have same impact on employee performance.

Rizwan, Usman, Nawaz & Imamuddin (2014) conducted a study on the Impact of Stress on Job Performance: An Empirical study of the Employees of Private Sector Universities of Karachi, Pakistan. The study is aimed at determining the effect of stress on job performance of employees. It is based on empirical research conducted on 133 employees of private sector's Universities in Karachi that are providing education in the disciplines of Business Administration, Engineering, Medicine, Textile and Fashion. Pertinent data was collected through questionnaires based on close-ended questions. Multiple Linear Regression technique was used to test the hypothesis. The results obtained from the data revealed that workload and role conflict, and inadequate monetary reward are the prime reasons of causing stress in employees, and this stress reduces their efficiency. Thus it was recommended that employers should minimize stress by lowering the work load, abate the role conflict, pay adequate salary and provide training and counseling to employees in order to improve their job performance and job satisfaction.

Mohammed, & Syed (2015) conducted an empirical analysis of the impact of compensation on job performance and work-family conflict in the kingdom of Saudi Arabia. The purpose of the study is to find the impact of compensation on job performance and work family conflict, in the Kingdom of Saudi Arabia and subsequently present a model illustrating a relationship between them. The study is based on primary data collected from 400 employees working in Saudi Arabia. The researchers also do a comprehensive literature review of the past theories and research material available on the specified topic. The illustrated model indicates a relationship between compensation, job performance and work-family conflict by showing the impact of compensation, which is directly and indirectly linked to work-family conflict, through job performance of an employee in the Kingdom of Saudi Arabia. The limitation of the study is that the model is based on data collected from employees working in the Kingdom of Saudi Arabia only, which could have been collected from other regions of the Middle East countries as well. According to this model, compensation to the employees should be paid attention to, which would result in enhanced job performance and conflict free work family environment.

Olatunji, Sarat, Kehinde & Hassan (2015) examined Wages and salaries as a motivational tool for enhancing organizational performance. A survey of selected Nigerian workplace; This study showed how the organisation's human capital was compensated and noted whether the compensation even serves as a motivational tool to enhance organisational performance. Seven research questions and two hypotheses were postulated to find solutions to the problems of the study. One hundred and twenty personnel formed the sample size from six organisations. A self-designed instrument labeled Wages and Salaries as a Motivational Tool Questionnaire 2 (WASAMOTOQ2) containing seven sections was used in the collection of data. The findings of the study revealed those factors that militate against adequate compensation to include labour market conditions, is the ability of the organisation to pay adequate compensation and the existing country/nation's present cost of living; what makes up good and adequate compensation include recognition of individual performance and taking care of individual incentives and it shows the relationship between compensation and motivation. It further established the consequential effect of inadequate compensation and motivation on the organizational development. Based on the findings, the following recommendations were proffered that there should be wages/salaries scale and schedule; such should be based on identified indices in the study; that disparity between two identical workers should not be based purely on 'paper' qualification but the ability to 'deliver'; and that wages/salaries should display equality, no 'sacred cow'.

3.0 Methodology

The study was based on the compensation management system and performance of Domestic & industrial plastic, Rubber and foam group of manufacturing firms in South East, Nigeria and members of Manufacturers Association of Nigeria (MAN). The firms are; Godwin Okafor and sons Ltd, Kotecinds. Ltd, Juhel Nigeria Ltd, Innoson Nigeria Ltd, and Millennium Inds. Ltd. The study used the survey approach. The primary sources were personal interview and the administration of questionnaire. The population of the study was 2870 staff. A stratified sampling method was adopted. The adequate sample size of 340 was determined using Freund and William's statistic formula. 315 staff returned the questionnaire and accurately filled. That gave 93 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.81 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below

3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Pearson correlation coefficient (r) statistics tool.

4.0 Data Presentation and Analyses

4.1 The relationship between employee salary and quality service of private sector in South East.

Table 4.1.1: Responses on the relationship between the employee salary and quality service of private sector in South East.

		5 SA	4 A	3 N	2 DA	1 SD	$\sum FX$	- X	SD	Decision
1	Adequate payment of salary makes the employer to value employees' time more.	605 121 38.4	652 163 51.7	45 15 4.8	8 4 1.3	12 12 3.8	1322 315 100%	4.20	.888	Agree
2	Salary motivates the employee to work harder and provide effective service	102 5 205 65.1	68 17 5.4	3 1 .3	94 47 14.9	45 45 14.3	1235 315 100%	3.92	1.593	Agree
3	Salaried workers enjoy flexibility in their work schedules and put in more effort in the their office	430 86 27.3	488 122 38.7	45 15 4.8	94 47 14.9	45 45 14.3	1102 315 100%	3.50	1.399	Agree
4	Salaried employees are exempt from overtime pay rules and this enable them keep to time	745 149 47.3	236 59 18.7	45 15 4.8	94 47 14.9	45 45 14.3	1165 315 100%	3.77	1.528	Agree
5	Salaried employee are hired based on their experiences,education and qualifications	415 83 26.3	536 134 42.5	18 6 1.9	94 47 14.9	45 45 14.3	1108 315 100%	3.52	1.392	Agree
Total grand mean and standard deviation								3.8	1.36	

Source: Field Survey, 2020

Table 4.1.1, indicates that 284 respondents out of 315 representing 90.1 percent agreed that Adequate payment of salary makes the employer to value employees time more with mean score of 4.20 and standard deviation of .888. Salary motivates the employee to work harder and provide effective service with 222 respondents representing 70.5 percent agreed with mean score of 3.92 and standard deviation of 1.593. Salaried workers enjoy flexibility in their work schedules and put in more effort in the their office with 208 respondents representing 66 percent agreed with mean score of 3.50 and standard deviation of 1.399. Salaried employees are exempt from overtime pay rules and this enable them keep to time with 208 respondents representing 66 percent agreed with mean score of 3.77 and standard deviation 1.528. Salaried employee are hired based on their experiences,education and qualifications with 217 respondents representing 68.8 percent agreed with a mean score of 3.52 and standard deviation of 1.392.

4.2 The relationship between bonus and output of private sector in South East.

Table 4.2: Responses on the relationship between the bonus and output of private sector in South East.

		5 SA	4 A	3 N	2 DA	1 SD	ΣFX	- X	SD	Decision
1	Bonus motivate employees to meet business goals	480 96 30.5	444 111 35.2	48 16 5.1	94 47 14.9	45 45 14.3	1111 315 100%	3.53	1.422	Agree
2	Staff that receive an enticing bonus feel more appropriately compensated and more loyal to the organization	295 59 18.7	644 161 51.1	9 3 1.0	94 47 14.9	45 45 14.3	1087 315 100%	3.45	1.335	Agree
3	More contributions are seen in the organization when employees are giving incentive	510 102 32.7	468 117 37.1	12 4 1.3	94 47 14.6	45 45 14.3	1129 315 100%	3.59	1.434	Agree
4	Collaboration is created within a team by using bonus	535 107 34.0	536 134 42.5	12 4 1.3	30 15 4.8	55 55 17.5	1313 315 100%	3.71	1.427	Agree
5	there is creation of friendly competition among staff in the organization when giving bonus	285 57 18.1	668 167 53.0	15 5 1.6	30 15 4.8	71 71 22.5	1069 315 100%	3.39	1.433	Agree
Total grand mean and standard deviation								3.5	1.41	

Source: Field Survey, 2020

Table 4.1.1, indicates that 207 respondents out of 315 representing 65.7 percent agreed that Bonus motivate employees to meet business goals with mean score of 3.53 and standard deviation of 1.422. Staff that receive an enticing bonus feel more appropriately compensated and more loyal to the organization with 220 respondents representing 69.8 percent agreed with mean score of 3.45 and standard deviation of 1.335. More contributions are seen in the organization when employees are giving incentive with 219 respondents representing 69.8 percent agreed with mean score of 3.59 and standard deviation of 1.434. Collaboration is created within a team by using bonus with 241 respondents representing 76.5 percent agreed with mean score of 3.71 and standard deviation 1.427. there is creation of friendly competition among staff in the organization when giving bonus with 224 respondents representing 71.1 percent agreed with a mean score of 3.39 and standard deviation of 1.433.

4.3 The relationship between commission and the return on investment of private sector in South East.

Table 4.3: Responses on the relationship between commission and the return on investment of private sector in South East.

		5 SA	4 A	3 N	2 DA	1 SD	Σ FX	- X	SD	Decision
1	The payroll cost is related to the value of business achieved.	780 156 49.5	300 75 23.8	42 14 4.4	30 15 4.8	55 55 17.5	1207 315 100%	3.83	1.510	Agree
2	Commission enables high performing sales people to earn more.	680 136 43.2	432 108 34.3	3 1 .3	30 15 4.8	55 55 17.5	1200 315 100%	3.81	1.472	Agree
3	Employees are paid depending on the number of percentage of what you sold.	380 76 24.1	724 181 57.5	24 8 2.5	30 15 4.8	35 35 11.1	1193 315 100%	3.79	1.190	Agree
4	Employees deploy their creativity, abilities to meet organizational goals	675 135 42.9	532 133 42.2	12 4 1.3	30 15 4.8	28 28 8.9	1277 315 100%	4.05	1.197	Agree
5	There is freedom of sales which motivates people to go extra miles	106 212 67.3	224 56 17.8	12 4 1.3	30 15 4.8	28 28 8.9	1318 315 100%	4.30	1.262	Agree
Total grand mean and standard deviation								3.10	1.33	

Source: Field Survey, 2020

Table 4.1.1, indicates that 231 respondents out of 315 representing 73.3 percent agreed that The payroll cost is related to the value of business achieved with mean score of 3.83 and standard deviation of 1.510. Commission enables high performing sales people to earn more with 244 respondents representing 77.5 percent agreed with mean score of 3.81 and standard deviation of 1.472. Employees are paid depending on the number of percentage of what you sold with 257 respondents representing 81.6 percent agreed with mean score of 3.79 and standard deviation of 1.190. Employees deploy their creativity, abilities to meet organizational goals with 268 respondents representing 85.1 percent agreed with mean score of 4.05 and standard deviation 1.197. There is freedom of sales which motivates people to go extra miles standard with 268 respondents representing 85.1 percent agreed with a mean score of 4.30 and standard deviation of 1.262.

4.4 Test of Hypotheses

Hypothesis One: There is no significant relationship between salary and quality service of private sector in Nigeria.

Table 4.4.1: Pearson Correlation on There is no significant relationship between salary and quality service of private sector in Nigeria.

Pearson	Salary		Salary	Qualityservice
	Quality service	Correlation coefficient	1	.560(**)
		Sig. (2-tailed)	315	000
		N	.560(**)	315
		Correlation Coefficient	000	1
		Sig. (2 tailed)	315	315
		N		

** Correlation is significant at the 0.05 level (2 tailed).

Table 4.4.1 is the Pearson correlation matrix on there is no significant relationship between salary and quality service showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows 0.560. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that there is significant relationship between salary and quality service of private sector in Nigeria ($r=.560$). The computed correlations coefficient is greater than the table value of $r = .195$ with 879 degree of freedom at alpha level for a two-tailed test ($r=.560$, $p<.05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed $r = 0.560$ is greater than the table value of $.195$, we reject the null hypothesis. Therefore, we concluded that there is significant relationship between salary and quality service of private sector in Nigeria as reported in the probability value of ($r=.560$, $p<.05$).

4.4.2 Test of Hypotheses Two: There is no significant relationship between bonus and output of private sector in Nigeria.

Table 4.4.2.: Pearson Correlation on there is no significant relationship between bonus and output of private sector in Nigeria.

Pearson	Bonus		Bonus	Output
	Output	Correlation coefficient	1	.671(**)
		Sig. (2-tailed)	315	000
		N	.671(**)	315
		Correlation Coefficient	000	1
		Sig. (2 tailed)	315	315
		N		

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

Table 4.4.2. is the Pearson correlation relationship between matrix on bonus and output of private sector showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows 0.671. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that there is significant relationship between bonus and output of private sector in Nigeria ($r=0.671$). The computed correlations coefficient is greater than the table value of $r = .195$ with 879 degree of freedom at alpha level for a two-tailed test ($r=0.671$, $p<0.05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed $r = 0.671$ is greater than the table value of $.195$, we reject the null hypothesis. Therefore, we concluded that there is no significant relationship between bonus and output of private sector in Nigeria of ($r=0.671$, $p<0.05$).

4.4.3 Test of Hypotheses Three: There is no significant relationship between commission and return investment of private sector in Nigeria.

Table 4.4.3: Pearson Correlation on There is no significant relationship between commission and return investment of private sector in Nigeria.

Pearson	Commissioner		Commissioners	Return Investment
	Return Investment	Correlation coefficient Sig. (2-tailed) N	1 315 .623(**) 000 315	.623(**) 000 315 1 315

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

Table 4.4.3. is the Pearson correlation matrix on the relationship between commission and return investment showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows 0.623. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that there is significant relationship between commission and return investment of private sector in Nigeria ($r=0.623$). The computed correlations coefficient is greater than the table value of $r = .195$ with 879 degree of freedom at alpha level for a two-tailed test ($r=0.623$, $p<0.05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed $r = 0.623$ is greater than the table value of .195, we reject the null hypothesis. Therefore, we concluded that there is significant relationship between commission and return investment of private sector in Nigeria as reported in the probability value of ($r = .623$, $p < .05$).

4.5 Discussion of Findings

In test of hypothesis one, the computed $r = .560$ is greater than the table value of .195, we reject the null hypothesis. Therefore, we concluded that there is significant relationship between salary and quality service of private sector in Nigeria as reported in the probability value of ($r = .560$, $p < .05$). In support of the result of hypothesis one, Anis, Rehman, Rehman, Khan & Afzal(2011) ascertained that employees who are motivated by rewards offered by the firm tend to work for the organizations for long term or to continue their work for industry. Rewards got importance due to the economic conditions of both the employees and the organizations. It is a very important factor for retaining employees as well for job satisfaction. Kossivi, Xu & Kalgora(2016) also noted that a factor of fun or enjoyment at workplace may be helpful to increase the job satisfaction among employees.

Hypothesis two indicated that the computed $r = 0.671$ is greater than the table value of .195, we reject the null hypothesis. Therefore, we concluded that there is significant relationship between bonus and output of private sector in Nigeria as reported in the probability value of ($r = .671$, $p < .05$). In support of the result above, Admin, (2016) noted that Bonuses foster a competitive spirit in the workplace while competition often helps motivate people to do their best, it also create hostility and divisions. When people are competing for prizes such as bonuses, it's natural to perceive others as competitors rather than fellow team members. Also, (Sule, 2012) opined that "no organization can survive in isolation. Organizations need to relate with people, bodies and other organizations in order to survive. Their continuous existence depends largely on their resources (including labour or human) to break even at worst. Thus, it is very significant that the workforce is a stakeholder in every organization".

Furthermore, in the result of hypothesis three, the computed $r = 0.623$ is greater than the table value of .195, we reject the null hypothesis. Therefore, we concluded that there is significant relationship between commission and return investment of private sector in Nigeria as reported in the probability value of ($r = .623$, $p < .05$). In line with the result, One of the most difficult problem a sales manager faces is the motivation of the sales force. With a straight commission plan, sales persons earnings are directly related to sales, profits and customers satisfactions. The commission rate is always eyed to quota which is productively standard. The advantages of this plan are the use of sales motivated people, no fixed sales compensation costs and expenses tied on the productivity. Olatunji, Sarat, Kehinde & Hassan (2015) examined Wages and salaries as a motivational tool for enhancing organizational performance. A survey of selected Nigerian workplace noted that what makes up good and adequate compensation include recognition of individual performance and taking care of individual incentives as it shows the relationship between compensation and motivation.

5.0 Conclusion

The study concluded that salary, bonus, and commission had significant relationship with quality service, output, and return on investment of Domestic & industrial plastic, Rubber and foam group of manufacturing firms in South East, Nigeria. Managers need to provide growth opportunity and challenging jobs in order to better motivate employees. Without these challenges and opportunities for growth, employees may not see a need to perform highly at work. Hence, recognition plays a major role in employees motivation as it is an effective motivator. Private sectors should exercise cautions when implementing compensation based

program, most especially compensation based pay. Employee salary, Commission and bonus packages should be adopted to guarantee positive effect of compensation based pay system on performance of employees. Rewards are essential to employees as a result they desire it to be awarded special on their performances in the form of bonuses.

6.0 Recommendation

Based on the findings of the study the following recommendations were given:

1. Organizations should ensure that wages salaries display much equity such that there would not be misconception among the workers.
2. Compensation disparity between employees should not be based only on qualifications but much on the ability or performance of an individual to contribute in the organization's output.
3. Compensation based system should be scheduled in line with identified factors and should be in line with the ones identified in the study.

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