

Original Paper

Wages and Salaries Administration as Motivational Tool in Nigerian Organisation (A Case Study of Nestle Nigeria PLC)

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Abstract

The study looks into wages and salaries administration as a motivational tool in Nigerian organisation. The study went further to distinguish between gratuitous and paid job with possible effect of wages and salaries as it relates to individual contribution and effort towards the achievement of the corporate goals and objectives. The study made use of a self-designed questionnaire and eventually used chi-square to analyze and conclude on the hypothesis that wages and salaries serves as motivational tool and that wages and salaries has significant relationship with workers performance in Nigerian organisation.

Keywords

wages, salaries, motivation, employer, employee, compensation

1. Introduction*1.1 Background to the Study*

“Thou shall eat from your sweat” says the Lord to our great, great grand-father and mother at the beginning of the world. This has led to people, man and woman, old and young to always engage in one activities or the other to make ends meet and/or to at least put food on their table and possibly to cloth themselves.

These activities we get ourselves involved in, is what is referred to as of today, as employment and where employment scenario occur, there must be an employer – one who engage the services of another and the employee - one who his /her services is engaged. Sales of Goods Act establishes the fact that for there to be a valid contract of sales there must be, among other things, what is referred to as consideration which could otherwise be referred to as the price or value of the transaction(s). The employment related law, as well, established that for a valid employment contract there must be a price

to be paid by the employer to the employee at the end of a fixed period monthly, forth nightly, weekly or daily. This is what we otherwise called wages and/or salary. This is the compensation paid to individual for engaging their services or rather a return for their sweat.

However, the issue of what constitute a fair day's pay has plagued managers/employers for decades coupled with the fact that most employer of labor are capitalist who want to part with little or nothing as cost to generate huge profit. Therefore, employees require and must be provided with adequate and equitable rewards for their contributions to organisational goals. This is valid because the compensation employees are paid is the most tangible measure they have for their worth to the organisation.

Compensation includes all rewards, individual receive as a result of their employment. As such, it is more than monetary income. The reward may be one or a combination of the following:

Pay – the money that a person is paid for performing jobs, that is, direct financial compensation.

Benefits – additional financial benefits other than the basic pay such as paid holidays, medical insurance and many more.

Non-financial – non-monetary rewards that an employee may receive such as enjoyment of the work performed and a pleasant working environment and prestige.

All the above types of compensation comprise a total compensation programme. Naturally, financial compensation, both direct and indirect, comprises the heart of such system. In designing a total compensation programme which will attract, retain and motivate employees, all types of rewards should be considered. It is, therefore, pertinent to emphasize that among all these compensation, wages and/or salaries form the major part of compensation. Then, our focus on this study shall be on wages and salaries as a tool for arousing job satisfaction in organisation.

1.2 Problem Statement

Wages and salaries, though not the only tools for motivation, but we all know and appreciate the fact that money, according to a wise saying, “doeth all things”. Many motivational theories were postulated by management theorists talking about things and how those things could help improve the output of workers at work but basically, the issue of wages and salaries had really been dwell on as a tool to boast workers efforts at work.

Yet, there is no workers who can be said to be doing a gratuitous service for his/her employer. No matter how small it may be, such worker must be compensated. Again, the social environment makes most workers to enter into employment agreement because the social conditions left them with no other way to gain a livelihood. Do not forget that other lower animals does most things we do but where distinction is drawn is that human beings can invent and develop new methods of production which the animals is incapable of doing

As such, for one to invent and possibly, develop new methods of production, such an employee must be compensated with wages/salaries which will, probably, serve as the driving force or rather energy booster.

1.3 Purpose of Study

This work intend showing the relevance of wages and salaries as a driving force to putting in more effort by workers daily, to organizations. First, it will show the difference between a paid job and a gratuitous job and eventually, how well paid workers put in much more effort to their job and possibly how such staff or worker always avoid what will bring them at logger heads with their employer.

It must be noted that workers with little pay will never feel secured no matter the extent of the job security because the assumption will be that such job is just for them to be leaving the house on daily basis and possibly, to gather working experience. This is because such job cannot and will not be able to fulfill and satisfy their social needs and obligations. This is considering the kind of family tie and circle we operate as Africans. Relatives upon relatives from relatives are still part of your family and there is always the need to cater for them, that is, the super extended family.

1.4 Research Questions

The research questions will be tailored towards the purpose of the study such that if they are answered, one will clearly realize why and how wages and salaries administration serves as motivational tool in Nigerian organizations. The questions are the following:

- i. Is there any attitudinal difference in the efforts of paid workers and gratuitous workers?
- ii. Can workers that cannot fulfill or satisfy his/her social obligations not emotionally disturbed?
- iii. What constitutes a daily wage or monthly salary?
- iv. For how long will a worker continue to be on the job without pay before becoming demoralized?
- v. Can compensation (wages and salaries) that are not adequate encourage workers to put in their very best?
- vi. Does adequate compensation (wages and salaries) not part of those factors that determine job security under Maslow's hierarchy of needs?

1.5 Research Hypothesis

This is the tool with which to test the reliability of the subject matter comparing the two variables-wages and salaries administration (independent variable) and motivational tool in Nigerian organizations (dependent variable). The hypotheses are:

H₀- Wages and Salaries does not serve as motivational tool in Nigerian organizations

H₁- Wages and Salaries serves as motivational tool in Nigerian organizations.

H₀- Wages and Salaries does not have any significant relationship with workers performance in Nigerian organizations.

H₁- Wages and Salaries have significant relationship with workers performance in Nigerian organizations.

1.6 Significance of the Study

The study is of utmost significance to management theorist as wages and salaries is not specifically mentioned to be an important tool that can affect the morale and performance of workers in the working environment, especially, Nigeria of today. The economic hardship had made people to be

‘suffering and smiling’ at work such that even when they are not well remunerated, they pretend as if all is well and be quietly searching for another opportunity elsewhere.

Again, no researcher had ever considered looking at what constitute a ‘minimum’ or better pay for a job considering the kind of economy we are running or operating in this country and the fact that all our entrepreneur want to do is “winner takes all” attitude by maximizing everything and minimizing nothing. The study will, however, try to talk on why it is essential to pay wages and salaries and not just ‘*allowance*’ in place of wages and salaries and also, to look at some merits of a better wages and salaries to the organisation as well as the workers.

1.7 Limitation of the Study

This kind of research would have been conducted using personal interview and/or observation but quantifying the responses from the interviewers might look cumbersome. Else, we have to use questionnaire which most workers in Nigeria are always afraid of despite the promise that it will be treated with utmost confidentiality. As such, vital information will not be divulged for better conclusion.

Though, time and money are not necessarily factors militating against a research anymore but money here, affected the sample size. The researcher would have loved to cover, at least, the six geopolitical area of the country — Nigeria, to make the conclusion more vital.

2. Literature Review

Salaries and wages is one of the most important motivational factors, as we had been told from the time immemorial that we shall eat from our sweat. The main reason why workers get involved in paid jobs is to earn a living which is salary or wage. Reasonable salaries must be paid on time, that is, it must be paid as at when due and promptly, as well. The workers should be able determine the time such salaries will be paid by the organization. Again, there must be a relative uniformity in the mode and manner such salaries and wages will be paid to the workers. While fixing salaries, the organization must consider factors such as the cost of living, company ability to pay, capability of company to pay, etc (Chukwudi, Odogwu & Adedehinbo, 2012).

Salary and wage administration is the process of compensating an organisation’s employees in accordance with accepted policy and procedures. An important component of a successful organizations’ salary and wage administration policy is monitoring and evaluating all employee’s compensation to ensure that they are being paid appropriately, both with respect to others in the same organization and to the marketplace as a whole. Salary and wage administration is often an integral function of the organisation’s human resources department, but in general, the larger the organization, the more likely it is that it will be handled by a separate department.

2.1 Elements of Salary and Wage Administration

The first element of salary and wage administration is the periodic payroll which is a critical component of any functioning organisation. If the payroll is incompetently processed, the employer

itself could conceivably collapse. Employees' personal budgets and plans are contingent upon getting paid regularly, and if compensation is late, short, or missing even a single time, morale is severely affected and also, the confidence in the employer's stability. Whether an employer utilizes the services of a third-party payroll service or handles all payroll functions internally, it will usually devote significant resources to making sure that employees are paid the right amount on time.

The second element of salary and wage administration is monitoring and evaluating employees' compensation and it is an ongoing function. This includes evaluating the elements of each job in the organization and classifying it according to a number of different criteria, including the nature of the work itself, the amount of supervision necessary, the physical exertion normally associated with the job, and the amount of training necessary to do the job proficiently. The underlying idea is to determine, as nearly as possible, the value of each job to the employer, and compensate results of this monitoring and evaluation process which will result in adjustments being made to wages and salaries. In a collective bargaining environment, these evaluations will be important in determining any such adjustments, although other considerations may affect adjustments to wages and salaries.

In the United States, jobs are also evaluated as to whether or not they are exempt from wage-and-hour laws relative to overtime pay. Most production and clerical jobs, for example, are considered non-exempt; that is, even if pay is administered on a weekly basis and called salary, from a legal point of view, the jobs are considered to be hourly. When a non-exempt worker works in excess of the statutory requirements, usually 40 hours in a calendar week, they must be paid a premium in addition to their regular hourly pay. Most executive and supervisory workers, and some higher-level clerical staff, are considered exempt, which means that they are paid a flat rate every pay period regardless of the actual number of hours worked. In general, exempt employees are paid more than non-exempt. The US Department of Labour has specific tests employers can apply to every job to determine if it is properly classified as exempt or non-exempt.

Classification of jobs is only one element of the ongoing evaluation process that is an important component of salary and wage administration. Employers need to maintain a competitive edge in the marketplace, and one way to do so is to employ the very best people. Academic staff employers will strive to maintain a competitive edge with respect to compensation because they understand that their employees are constantly on the alert for better opportunities, and the total compensation package is one of the most important elements of an employee retention strategy. Employee retention, in turn, is an important responsibility of those responsible for salary and wage administration (Wise Geek, 2013).

Generally, every organisation consists of these tangible and intangible elements: the environment, vision and mission; values, objectives, strategy, authority, work, people and other resources (land, labour, capital, entrepreneurship and technology, especially, ICT). The only things among these elements are the human beings, who have entered into contractual relationships with the organisation to offer their human endowments in exchange for some forms of rewards. The people in the organisation thus become the most critical factors of production because they coordinate other resources and they

have the will and discretion in deciding if, when and how to work. The concern of managers' right from days of industrial revolution and emergence of formal organisations has been how to ensure that workers put in their best and that their best is good enough. In effect, there are two major challenges: how to ensure that the workers are committed to organisational goals and are working towards those goals to the best of their abilities. These two challenges are complicated by the fact that the workers have different needs, which also vary with time (Muo, 2007:197).

2.2 The Nature of Motivation

Motivation is a goal-directed behaviour. It starts with deficiency (needs) which activates behaviour (drives) aimed at the goals (that which can alleviate the deficiency) (Luthans, 2005). These three interdependent elements: Needs, Drives and Incentives (or Goals) are thus central to a proper understanding of motivation. When needs arise, drives energise the person towards goals which will satisfy those needs and restore equilibrium. Motivation is also the inner force that accounts for the intensity, (how hard one tries); direction (the focus of the effort) and persistence (how continuously one tries) of a person's efforts towards attaining a goal or a basket of goals (Ivancevich & Matteson, 2002). Motive may be primary, secondary or general. Primary needs are natural and physiologically based e.g. hunger, thirst, sleep, and pain-avoidance. Secondary motives have the most predominant impact on human behaviour. They are learned and as societies develop, they override the primary motives. Secondary motives include need for achievement, power, security and status (Yukl, 1990; Luthans, 2005). General motives exist in the gray area between primary and secondary and they are neither learned nor physiologically based. They tend to generally increase tension or stimulation and examples are curiosity, and manipulation. Some motives cut across categories. Affection, for instance, is a primary, secondary and general motive.

Over the years several conceptual perspectives have been adopted in trying to explain why and how people are motivated (Feldman, 2002). The Instinct Approaches hold that people are born with preprogrammed instincts that channel behaviour to desired directions. The Drive-Reduction Approaches hold that when people lack basic biological requirements, a drive is produced to obtain that requirement. The Arousal Approaches hold that we seek to maintain a given level of stimulation and activity and that we behave to reduce or increase that level whenever the need arises. Incentive Approaches posit that we are motivated by our desire to obtain valued external goals while the Cognitive Approaches argue that motivation is a function of people's thoughts, expectations and goals which are intrinsic and extrinsic.

2.3 Theories of Motivation

Theories of motivation have been traditionally grouped into those that try to identify what motivates people (Content Theories) and those that concentrate on how motivational choices are made (Process Theories). Emerging theories include Control Theories (concerned with the motivational impact of the degree to which workers perceive themselves to be in charge of their lives or jobs) and the Agency Theories (which are concerned with the motivational value of the divergence or convergence of interest

between the principals - the firm - and their agents - the workers). Some of these theories are discussed hereunder.

HIERARCH OF NEEDS THEORY (MASLOW, A. H, 1943) posits that human needs are arranged in hierarchical order, that each is operational at a given time and that a satisfied need does not motivate. These needs are Physiological, Safety and Love as well as the need for Self Actualisation, the need become everything that one is capable of becoming (Maslow, 1943:370). Two additional needs which even Maslow gave relatively little attention are the Cognitive Needs (the desire to know and the desire to understand) and the Aesthetic Needs (a craving for beauty in ones surroundings).

Maslow divided these needs into deficiency and growth needs, with self-actualisation being the key growth need which is never fully satisfied and thus, a permanent source of motivation. The potency of these needs may shift forth and back under different circumstances. For instance, during bad economic times, physiological and safety needs tend to dominate individual behaviour while in good economic exceptions: some people may prefer self-esteem to love and for others higher-order needs may become operational before the satisfaction of basic needs while some may have lost the urge for the higher needs (Mullins, 1996:490).

ERG THEORY (ALDERFER CLAYTON) is a major modification of Maslow's Theory which categorized the needs into three: Existence; Relatedness and Growth and that these needs are not hierarchically arranged; any need could become operational at any time.

The three major variables in Equity Theory (ADAMS, J. S., 1961) are Inputs, Outcome and the Reference Person. He argues that inequity exists when a person's input/outcome ratio is significantly different from that of a reference source while equity on the other hand exists when the two ratios are equal. Inequity (whether positive or negative), results in dissatisfaction in the form of anger (under-reward) or guilt (over-reward).

GOAL-SETTING THEORY (LOCKE, 1996) focuses on how goal-setting and related factors (participation, acceptance and difficulty) affect performance. It holds that goal setting is positively related to performance, that goal specificity, difficulty and feedback enhance performance. Goal content and intensity exert directive, influence, regulate energy expenditure, and influence the level/direction of effort and that goal achievement leads to satisfaction while failure leads to dissatisfaction.

In *THEORY X AND Y (DOUGLAS MCGREGOR, 1957 & 1960)*, McGregor argues that management assumptions about the control of human resources determine the quality of the enterprise and that existing assumptions were counterproductive. Those existing assumptions (Theory X) are that people dislike work and prefer to be directed. This mindset is more appropriate for children and is counterproductive to the realization of human potentials. He argues for a new set of assumptions and practices attuned to the higher order needs. This is Theory Y which holds that work is natural, that coercion is not only way to induce performance, that commensurate reward leads to commitment and that people can accept and even seek responsibility when the conditions are right. Theory Y is a new

paradigm of respect and dignity for the worker and proposes integration of organisational and personal goals, participative management and a relationship between the manager and his subordinate under the envisaged culture that is one of a teacher, professional helper, colleague and consultant (McGregor, 1960:45).

Other theories include *McClelland's Achievement Theory* which states that people are propelled by the need for achievement (n'Ach) power affiliation and fear of failure. Those who have high n'Ach are characterized by moderate risk-taking, need for immediate achievement, and satisfaction with accomplishment in itself, amongst others. The *VIE (expectancy) Theory* championed by Victor Vroom, holds that motivation occurs when a staff believes that efforts would lead to performance (expectancy), and that performance would lead to valued rewards (instrumentality and valence). *Herzberg's Two-Factor Theory* proposes that there are hygienic factors, related to the job context which do not motivate but can cause disaffection if not properly handled (salary, working conditions, and relationship with peers, etc). The second groups of factors, which actually motivate include achievement, recognition, work itself. He, therefore, suggested job enrichment as a strategy for increasing the motivators at work as against the hygienic Kick In The Arse (KITA) elements (Herzberg, 1968).

2.4 Money, Motivation and Behavioral Consequences of Compensation

Right from the days of Taylor and his scientific management mentality, money has always been seen as the greatest motivator for workers. Of course, this has to be so in a situation where money is the only means to acquire whatever one wanted/wants. The motivational value of money is invariably high in countries like Nigeria because of the circumstances - mass poverty, lack of basic amenities which turns everyone into his own municipal government, and corruption. Opashi and Dunnette, 1966:94 highlight the motivational roles of money as follows: Money is a Generalized Conditioned Rein forcer because it is usually paired with primary rein forcers; a Conditioned Incentive because the repeated pairing of money with primary incentives establish a new learned drive for money; an Anxiety Reducer because people become anxious in the absence of money; a Hygiene Factor because it serves as a potential dissatisfaction if not sufficiently available and an Instrument for Gaining Desired Outcomes because it helps to acquire other desired outcomes and while it has no value in itself, but it symbolizes intangible goals. They also argued that compensation policies, schedules of pay, secret pay policies and pay curves have motivational impacts depending on how they are applied. They conclude that personal characteristics of workers – preferences, opinions, perceptions – influence the workers response to the compensation package, which in turn lead to variations in these characteristics.

Money is thus a critical motivational variable. This is due to its five general roles already discussed. In addition to these generic roles, the features of the pay policies, the type of job, the personality of the individual workers and their preferences and perceptions also intervene in the motivational value of monetary compensation. In effect, the pay itself, how it is administered and the peculiarities of the staff are all critical in determining the motivational roles of money. Other factors that would affect the extent

to which money motivates include salary level, cost of living, level of education, family/personal background and future expectations (Muo, 1999).

2.5 Motivation and Performance

Performance is affected by efforts, abilities, role characteristics, organisational support and other factors. The efforts of staff depend on motives, health, expectations, rewards and job satisfaction. Abilities may be technical, interpersonal, conceptual, emotional and cultural. Role characteristics refer to the extent of the role clarity. Issues like role conflict, ambiguity and incongruence as well as overload and the workers perception of the roles become critical factors. The performance enhancing properties of goals include how they are set; the features and workers attitude towards them. Organisational support includes training, authority, and empowerment. Other factors include cultural variables, group performance and influence and industry norms. Blumberg and Pringle (1982:560) however, developed a triangular model, which sees the critical factors influencing performance as individual attributes (ability to perform), work efforts (willingness to perform) and organisational support (the opportunity to perform). These three factors must mutually reinforce each other for meaningful performance.

2.6 Motivation in Practice

In the final analysis, motivation is about getting the best from the employees, the best that is good enough for the organisation. This can only be achieved when the worker can achieve his personal goals by working for the achievement of the organisational goals. The organisation should, therefore, match incentives with employee needs by offering what he needs or making him need what the organisation can offer. Motivation is also a personal affair; nobody can motivate anybody else. What managers can do is to provide conducive environment to enable the workers motivate themselves. The essence of all the theories and analyses undertaken so far is to assist the organisation ensuring adequate motivation for the staff so that they work with commitment towards corporate goals. The various theories considered have given tips on how to motivate employees. Maslow's theory emphasizes that the manager should ascertain a staff's current position on the hierarchy so as to determine what would motivate him; the goal-setting theory urges us to ensure that goals are properly set and that they have motivational features; McGregor encourages managers to treat workers with more respect and trust by adopting the Theory Y paradigm while Herzberg urges managers to pay attention to motivational factors and avoid KITA tendencies.

3. Research Methodology

This section deals with the methodology employed in carrying out the research. It covers the determinant of the target population, the sampling method and various instruments engaged in finding or getting information, the system of administering the questionnaire as well as the data analysis. It is also organized to clarify the overall research approach.

Questionnaires were used to sample the opinions of members of the organisation, that is, Nestle Nigeria

Plc., and document study, which is believed to embrace a result that is in accordance with the reality.

3.1 Research Design

This research used a descriptive approach. To present some basic knowledge regarding the research issues was important since it provides foundation for the study.

The descriptive approach is based on a description of how the Nestle Nigeria Plc., structure its wages and salaries for its workers and how such help in motivating the workforce. The study is also a qualitative one. It consists of data which are gathered, analysed and interpreted.

3.2 Population of the Study

This study is designed to cover the entire population of the aforementioned company, that is, all the workers of Nestle Nigeria Plc. However, the sample comprised of only two categories of staff – the middle and top level staffs. The main reason for choosing this is the peculiarity in their characteristics with respect to the topic under investigation.

3.3 Sample Techniques

The researcher assumed that the staffs were knowledgeable enough and therefore, a reliable sources of information about the organisational effectiveness and motivational tools. However, the elements were chosen because they could offer the ideas and insights to the research.

3.4 Data Collection Instrument

The information was from two sources – primary and secondary sources of data. Primary data is the information that was gathered through interviews and questionnaire while the secondary data was from published materials already written by some scholars for other purposes. Literatures were studied; published papers and information were obtained from the internet. In collecting data, different instruments were used which are questionnaire and personal interview.

3.5 Method of Data Analysis

Relevant statistical tools such as the percentage and tables were used for data analysis. The hypotheses were analysed with the help of chi-square (X^2) statistics. The chi-square (X^2) is a significant test, which makes use of data in the form of observed frequencies or co-units. It is a measure of differences between the observed and the expected frequencies, the chi-square (X^2) computation takes the form of equation.

$$X^2 = \frac{O - E}{E}$$

Where O = Observed Frequencies; E = Expected Frequencies and X^2 = Chi-Square

With the assumed null hypothesis, expected frequencies were determined as below:

$$(CT) = \frac{(\text{Row Total})(\text{Column Total})}{\text{Grand Total}}$$

Where:

(CT) = Expected frequencies for i^{th} row and j column

Row i^{th} = the total of the frequencies in i^{th} row

Column j^{th} = the total of the frequencies in j^{th} column

Grand Total = the total of all the frequencies in the table.

4. Data Presentation and Analysis

This chapter deals with the presentation of the data in a readable manner as well as the analyses of data based on the responses of the respondents. A total of 40 copies of questionnaire were distributed to the respondents and all the questionnaire were retrieved and duly completed. The analyses of the data are shown on tables as follows:

4.1 Presentation and Analyses of Data

4.1.1 Section A: Personal Data of Respondents

Gender Distribution of respondents by sex

Table 1. Respondents Gender Distribution

Sex	Number of Respondents	Percentage of Respondents
Male	26	65
Female	14	35
Total	40	100

Source: Survey Data, 2013

The gender distribution table above shows 65 percent of the respondents as male while the rest 35 percent of the respondents were female.

Distribution of respondents by age

Table 2. Age Distribution

Age in Years	Frequency	Percentage
20years and below	6	15
21 – 30 years	15	37.5
31 – 40 years	7	17.5
above 40 years	12	30
Total	40	100

Source: Survey Data, 2013

An examination of Table 2 revealed that 15 percent of the respondents fall within 20 years and below, 37.5 percent were within the ages of 21 and 30 years, 17.5 percent within 31 and 40 years and 30 percent were above 40 years.

Distribution of respondents' marital status

Table 3. Marital Status Distribution

Description	Frequency	Percentage
Single	25	62.5
Married	15	37.5
Divorced	-	-
Total	40	100

Source: Survey Data, 2013

Table 3 shows that 62.5 percent of the respondents were single, 37.5 percent were married with no one divorced.

Educational qualification of respondents

Table 4. Educational Qualification Distribution

Description	Frequency	Percentage
SSCE/GCE	5	12.5
NCE/OND	6	15
B.Sc/BA/HND	20	50
Post-Graduate	4	10
Professional	5	12.5
Total	40	100

Source: Survey Data, 2013

Table 4 above shows 12.5 percent of the respondents as having SSCE/GCE, 15 percent with NCE/OND, while 50 percent which was the highest of all of them had B.Sc/BA/HND. Those with Post-Graduate were just 10 percent and 12.5 percent with Professional certificate among the respondents.

Length of service distribution

Table 5. Length of Service

Description	Frequency	Percentage
5 years and below	4	10
6 – 10 years	18	45
11 – 15 years	9	22.5
16 years and above	9	22.5
Total	40	100

Source: Survey Data, 2013

From Table 5, 10 percent of the respondents had spent 5 years and below, 45 percent had spent between 6 and 10 years in the organisation, 22.5 percent had spent between 11 and 15 years and 22.5 percent also had spent 16 years and above with the organisation.

Distribution of organisational status of respondents

Table 6. Organizational Status

Description	Frequency	Percentage
Junior Staff	13	32.5
Senior Staff	21	52.5
Executive Staff	6	15
Total	40	100

Source: Survey Data, 2013

From the analysis above in Table 6, it indicates that out of the total respondents, the organisation had a total of 13 with 32.5 percent as junior staff, 21 with 52.5 percent as senior staff and just 6 with 15 percent as executive staff.

4.1.2 Section B

The extent to which respondents agree with certain variables as regard to how workers prefer wage employment to self employment.

Table 7. Question 1: Workers Preference of Wage Employment to Self Employment

Option	Response	Percentage
Strongly Agree (Sa)	7	17.5
Agree (A)	18	45
Strongly Disagree (Sd)	3	7.5
Disagree (D)	7	17.5
Undecided (Ud)	5	12.5
Total	40	100

Source: Survey Data, 2013

Table 7 shows that 17.5 percent of the respondents strongly agreed that workers preferred wage employment to self employment, 45 percent agreed, 7.5 percent strongly disagreed, 17.5 percent disagreed and 12.5 percent could not make a decision.

Table 8. Question 2: Accomplishment of Mission and Vision for Taking up Wage Employment

Option	Response	Percentage
SA	9	22.5
A	15	37.5
SD	3	7.5
D	7	17.5
UD	6	15
Total	40	100

Source: Survey Data, 2013

Table 8 shows that 22.5 percent of the respondents strongly agreed to accomplish their mission and vision for taking up wage employment, 37.5 percent agreed, 7.5 percent strongly disagreed and 17.5 percent disagreed while 15 percent were undecided.

Table 9. Question 3: Workers Enjoy Wage Employment than Any Other Job

Option	Response	Percentage
SA	7	17.5
A	20	50
SD	3	7.5
D	7	17.5
UD	3	7.5
Total	40	100

Source: Survey Data, 2013

Table 9 indicates that 17.5 percent of the respondents strongly agreed that workers enjoy wage employment than any other job, 50 percent agreed, 7.5 percent strongly disagreed, 17.5 percent disagreed while 7.5 percent were undecided.

Table 10. Question 4: Workers Emolument and Work Environment were Essential to Their Morale

Option	Response	Percentage
SA	4	10
A	18	45
SD	5	12.5
D	9	22.5
UD	4	10
Total	40	100

Source: Survey Data, 2013

Table 10 shows that 10 percent of the respondents strongly agreed that workers emolument and work environment were essential ingredients to the morale of workers, 45 percent agreed, 12.5 percent strongly disagreed, 22.5 percent disagreed and 10 percent were undecided.

Table 11. Question 5: It Is a Common Practice for Wage Employment Workers not to Be Highly Productive

Option	Response	Percentage
SA	9	22.5
A	16	40
SD	4	10
D	7	17.5
UD	4	10
Total	40	100

Source: Survey Data, 2013

Table 11 shows that 22.5 percent of the respondents strongly agreed that it was a common practice for wage employment workers not to be highly productive in the organisation, 40 percent agreed, 10 percent strongly disagreed, 17.5 percent disagreed and 10 percent were undecided.

Table 12. Question 6: All Wage Employment Workers Performed below the Average Level of Productivity

Option	Response	Percentage
SA	12	30
A	14	35
SD	3	6.5
D	4	10
UD	7	17.5
Total	40	100

Source: Survey Data, 2013

Table 12 shows that 30 percent of the respondents strongly agreed that all wage employment workers performed below the average level of productivity, 35 percent agreed, 6.5 percent strongly disagreed, 10 percent disagreed and 17.5 percent were undecided.

Table 13. Question 7: Wages and/or Salaries Affects the Morale of Workers in the Organisation

Option	Response	Percentage
SA	12	30
A	18	45
SD	5	12.5
D	3	7.5
UD	2	5
Total	40	100

Source: Survey Data, 2013

Table 13 shows that 30 percent of the respondents strongly agreed that wages and/or salaries affects the morale of workers in the organisation, 45 percent agreed, 12.5 percent strongly disagreed, 7.5 percent disagreed and 5 percent were undecided.

Table 14. Question 8: Emolument Mobility of Workers Will Surely Affect Your Productivity

Option	Response	Percentage
SA	5	12.5
A	18	45
SD	4	10
D	8	20
UD	5	12.5
Total	40	100

Source: Survey Data, 2013

Table 14 shows that 12.5 percent of the respondents strongly agreed that emolument mobility of workers will surely affect your productivity, 45 percent agreed, 10 percent strongly disagreed, 20 percent disagreed, and 12.5 percent were undecided.

Table 15. Question 9: Low Paid Workers Attitude Affects the Overall Output of the Worker

Option	Response	Percentage
SA	9	22.5
A	16	40
SD	6	15
D	4	10
UD	5	12.5
Total	40	100

Source: Survey Data, 2013

Table 15 shows that 22.5 percent of the respondents strongly agreed that low paid workers attitude affects the overall output of the worker, 40 percent agreed, 15 percent strongly disagreed, 10 percent disagreed and 12.5 percent were undecided.

Table 16. Question 10: Low Paid Workers Attitude Does not Affect the Organisation Performance

Option	Response	Percentage
SA	7	17.5
A	17	42.5
SD	4	10
D	6	15
UD	6	15
Total	40	100

Source: Survey Data, 2013

Table 15 shows that 17.5 percent of the respondents strongly agreed that low paid workers attitude does not affect the organisation performance, 42.5 percent agreed, 10 percent strongly disagreed, 15 percent disagreed and 15 percent were undecided.

4.2 Testing of Hypotheses

The hypotheses formulated for this research work were tested with Chi-Square Technique. The formula for the technique is thus:

$$X^2 = \frac{\sum (O - E)^2}{E}$$

where

X^2 =Chi-Square

Σ =Summation

O=Observed frequency

E=Expected Frequency

DECISION RULE: If the X^2 calculated value is greater than X^2 tabulated value, accept the alternative hypothesis (H1). Otherwise, if X^2 calculated value less than X^2 tabulated value, accept the null hypotheses (Ho).

4.2.1 Testing of Hypothesis One

Question 7 will be used to test the hypothesis one.

H₀- Wages and Salaries does not serve as motivational tool in Nigerian organizations

H₁- Wages and Salaries serves as motivational tool in Nigerian organizations.

Table 17. Chi-Square of Hypothesis One

O	E	O - E	O - E ²	O - E ² ÷ E
12	8	4	16	2
18	8	10	100	12.5
5	8	-3	9	1.13
3	8	-5	25	3.13
2	8	-6	36	4.5
40	40	0	186	23.26

$$X^2 = \sum(O - E)^2 \div E = 23.26$$

$$X^2 \text{ Critical/Table Value} = 9.49$$

$$\text{Degree of freedom} = (r - 1) = 5 - 1 = 4$$

Where, r = number of rows

5% level of significance = 0.05

Since calculated value was greater than critical/table value, accept the alternative hypothesis (H₁). This implies that wages and salaries serve as motivational tool in Nigerian organizations.

4.2.2 Testing of Hypothesis Two

Question 9 is used to test whether wages and salaries does not have any significant relationship with workers performance in Nigeria.

H₀- Wages and Salaries does not have any significant relationship with workers performance in Nigerian organization.

H₁- Wages and Salaries have significant relationship with workers performance in Nigerian organizations.

Table 18. Chi-Square of Hypothesis Two

O	E	O - E	O - E ²	O - E ² ÷ E
9	8	1	1	0.13
16	8	8	64	8
6	8	-2	4	0.5
4	8	-4	16	2
5	8	-3	9	1.13
40	40	0	94	11.76

$$X^2 = \sum(O - E)^2 \div E = 11.76$$

$$X^2 \text{ Critical/Table Value} = 9.49$$

Degree of freedom = $5 - 1 = 4$

5% level of significance = 0.05

If this hypothesis is tested at 5% level of significance, X^2 table value = 9.49 at four degrees of freedom.

4.4.3 Decision

Since X^2 calculated value is greater than X^2 tabulated/table value, accept the alternative hypothesis H_1 . This implies that wages and salaries have significant relationship with workers performance in Nigerian organizations.

4.3 Discussion of Findings

Based on the analysis, the following findings were discovered and discussed as follows:

Wages and salaries serves as motivational tools in Nigerian organisation. This is sequel to decision arrived at, after using question 7 in the questionnaire in which 30% of the respondents' responses strongly agreed, with 45% agreed and that wages and salaries have significant relationship with workers performance in Nigerian organisation. This is confirmed in the decision of hypothesis two in which the researcher accepts the alternative hypothesis and the degree of respondents' responses to question 9 in the questionnaire in which 22.5% of the respondent strongly agreed and 40% agreed.

5. Summary, Conclusion and Recommendation

5.1 Summary

This research work was on wages and salaries as a motivational tool in Nigerian organisation. The major findings discovered from the analysis of data include the following:

- Wages and salaries serves as motivational tools in Nigerian organisations.
- Wages and salaries must not only be paid but must be prompt and adequate.
- Wages and salaries affect the morale of an average Nigerian worker as such it is very essential for better performance.
- Wages and salaries have direct and positive impact on organisational growth and development.

5.2 Conclusion

The research work was conducted to examine the role of wages and salaries in individual worker and the overall effect on the organisation using Nestle Nigeria Plc as the case study. Based on the analysis of the responses of the respondents and the major findings discovered in the analysis, the researcher concluded that wages and salaries serves as motivational tools in Nigerian organisation and that it has significant effect on the performance of an average worker . It has a direct and positive impact on the efficiency of the organisation, as a result of this, every organisation should take step to fully adopt prompt and adequate wage and salary and continually follows its development trend so as to enhance and facilitate the efficiency of their employees' services.

5.3 Recommendation

Based on the findings of this research work and the conclusion drawn, the following recommendations

are set forward.

- i. That wages and salaries should not only be seen to be paid but must be adequate if not more than expected, as it shows that whatever you do to your workers is a future investment.
- ii. That organisations should employ experts to handle their wages and salaries structure and review it when the need arise.
- iii. That organisations should acquire modern equipment for their online payment to guide against unforeseen circumstances.

5.4 Suggestion

Since no one is an island; I strongly recommend further study on this particular topic to cover bigger sample to be able to extract more information and better conclusion.

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