EQUITABLE PAY AS AN ANTECEDENT OF WORK PERFORMANCE AND JOB SATISFACTION EXPERIENCE FROM UNIVERSITY FOR DEVELOPMENT STUDIES

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ABSTRACT

This study was conducted based on the assumption that “a happy worker is a productive worker”. The research was conducted to establish whether equitable pay (salary satisfaction) can lead to work performance and job satisfaction among administrative staff of the University for Development Studies at its Central Administration in the Tamale Campus. Sixty (60) staff were selected using the simple random sampling method. The qualitative research approach was adopted. The Minnesota Satisfaction Questionnaire was used to collect data from the respondents. The questionnaire was formally classified as standard instrument for measuring employees’ demographic characteristics, equity perceptions and job satisfaction. The surveys were collected and keyed into Statistical Package for Social Sciences (SPSS 16) and Windows 7 Microsoft Excel Package. The survey has been answered by 57 total respondents, 37 male and 20 female. In the end the study found that equitable pay will make employees happy as such it will make them work harder, serve as motivation to unleash the potentials of staff for the development of the university, serve as a morale booster, reduce injustice, suspicion, gossips, rumour mongering, attrition, promote trust and confidence at the workplace. It further revealed that when employees are happy there would do quality work, accomplish multiple tasks without complaints, create good rapport between the employee, supervisor and employer and eventually increase job performance. The study therefore recommends that single spine pay policy introduced into the public sector of Ghana should be strictly implemented to remove the apathy shown by staff who claim though they were employed the same period with similar qualifications and on similar ranks but experience huge salary differences.

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INTRODUCTION

Universities and higher education institutions play fundamental part in the progress of any country. In Ghana universities are thriving both in public and private sectors under the supervision of National Council for Tertiary Education (NCTE). Both public and private universities are facing several discouraging deficiencies on many fronts and specifically hiring and retention of qualified faculty in order to meet requirement of NCTE in particular and public in general. This study was based on how pay equity influences job satisfaction and work performance of employees of the University for Development Studies at the Tamale Campus. It is believed that the happier people are within their work, the more satisfied they are said to be.

Work plays an important role in individuals' lives because they spend more of their time at work than doing any other single activity. According to Furnham (2005), there are many reasons why people work: work provides a source of income, a source of activity and stimulation, a source of social contacts, a means of structuring time, and a source of self-fulfillment and self-actualisation. Employees' job satisfaction is also an important aspect of work. Positive feelings about a job can contribute to individuals experiencing greater satisfaction with their lives in general. They also lead individuals to be healthier psychologically and physically. According to Spector (2008) and Arnold et al., (2005), work could be a source of happiness for an individual, and therefore, psychologists and others who are concerned with individuals' happiness emphasize that high job satisfaction should be experienced.

Job satisfaction is a complex phenomenon with multi facets and influenced by the factors like salary, working environment, autonomy, communication, and organizational commitment (Vidal, Valle and Aragón, 2007). Different people interpret compensation differently. Compensation, reward, recognition, and wages are terms used in different situations (Zobal, 1998). Job satisfaction is based on a person's evaluation of whether one gets what he/she wants from a job (Vroom, 1964). The amount of job satisfaction is related to the degree the job provides outcomes which are in congruence with what the person desires. In another theory of job satisfaction Herzberg (1966) suggested a two factor theory wherein job satisfaction is comprised of intrinsic and extrinsic factors. Intrinsic factors consist of work dimensions of autonomy and responsibility. Herzberg, Mausner, Peterson, and Capwell (1957) differentiated intrinsic and extrinsic factors of job satisfaction. Intrinsic factors involved characteristics of the job whereas extrinsic satisfaction concerned the work environment. They found that intrinsic factors contributed to job satisfaction and extrinsic factors were related to job dissatisfaction.

Social comparison is the main measure used by individuals for perceptions of equity and perhaps more so for perceptions of inequity. Workers form an opinion about how their individual inputs and outcomes should balance out in comparison to their perception of how other peoples' input/outcomes balance out (the idea of comparison others). Inputs are the contributions an employee gives an organization, such as: education, skills, and quality/quantity of work done. Outcomes are the benefits an employee receives as a result of the work they have done, such as: monetary compensation, paid time off, bonuses, or overtime pay. Equity theory focuses primarily on "...social justice or the fairness of social exchanges" (Adams, 1965).
Equity is the art of one individual being fair and impartial in social interactions with another individual (Adams, 1965). It is an art because it requires an individual to have a skill. The skill resists the ease that comes with selfish interests in order to facilitate an effective relationship with another individual’s goals in mind. We are not suggesting equity in relationships result in one person’s demise over another’s success. This would be contrary to the idea of equity. Equity results in symbiotic relationships that help both individuals.

A practical example of the statement made in the previous paragraph is where individuals believe that their inputs are worth more than the outcomes they receive they may perceive an inequity. Two commonly perceived inequities are called overpayment/positive inequity and underpayment/negative inequity (Adams, 1965). A person experiences underpayment/negative inequity when they feel their level of input is high, but they are not getting an outcome high enough for their level of input (when compared to others’ inputs/outcomes). If an employee feels that their input level is low but their outcome level is high (when compared to others’ inputs/outcomes) they experience overpayment/positive inequity. In either case there is a perceived imbalance in comparison with others. These assumptions which ever inequity is experienced will invariably affect work performance.

Employees are satisfied with pay when they make referents comparison and find equity. Pay referents are those with whom workers make pay comparisons like social, historical, organizational, and financial and market referents. Mostly employees compare their pay with co-equals outside the organization (market referent or reference group) and if find equity they are highly satisfied with their job and pay (Brown 2001; Clark, 2007). Bygren (2004) on the other hand highlighted two referents that have significant impact. The author said that employees compare their pay with that of similar others (i.e., others with the same education and work experience) in their occupation and in the labour market as a whole. The higher the pay of reference in these areas, the lower the satisfaction. Shapiro and Wahba, (1978) in a similar study pointed out that the higher paid employees in contrast with the lower paid employees enjoy higher perceived degrees of satisfaction. Furthermore, social comparison, actual pay and wage history are the major determinants for satisfaction.

Pay is considered a significant reward to motivate employees and their behaviour towards the goals of employer (Oshagbemi, 2000). All other social factors are important for enhancing and to make job satisfactory for employees are significant but satisfaction from pay must be considered paramount. Pay satisfaction should be liable to the adjustment between real pay and the amount of pay, a person received from his/her employer. Pay satisfaction is an abundant narrower construct than job satisfaction. The pleasure from pay satisfaction is also an important thing that is linked to some administrative outcomes and success. For example, some evidence proposes that dissatisfaction with pay can lead employee to decreased job satisfaction, decreased interest of working, and decreased the learning level of employees, motivation and performance, increased absenteeism and turnover, and more pay-related grievances. It is also extensively studied that pay satisfaction positively influence overall job contentment, motivation and enactment, performance, and lead to less absenteeism and turnover behaviours of employee (Judge, Cable, & Higgins, 2000).
To vilify the perceptions of pay inequity, procedural justice must be applied. Procedural justice deals with making people feel like they have a greater chance for equity (balance) by designing a transparent system that requires rules to lead to certain equal outcomes (Greenberg, 1990). Transparent procedures enhance perceptions of fairness even if the result makes the overall outcome less desirable than when there was perceived inequity. The circumstances that exist after procedural justice measures are implemented are perceived as fair because the rules apply to everyone equally. An important part of the procedure is that the procedures/policies are concise and available for all to see. This allows everyone to know whether or not the procedures/policies are being followed.

It therefore stands to reason that it makes good business sense for organisations to ensure that their employees are satisfied in their jobs. By extension, going beyond dependable to producing what they are employed to do, to being creative, spontaneous and innovative in furthering the company’s objectives to the benefit of both.

1.1 Statement of the Problem

According to Oshagbemi (2000), components of job satisfaction should be understood in order to improve the well-being of people as well as to achieve successful management in general. Of late the University for Development Studies is bedeviled with high absenteeism, constant lateness to work and frequent union meetings that seem to suggest that all is not well with the pay levels of some caliber of staff. However, it is the believe of the public sector employee in Ghana that with the introduction of the Single Spine Pay Policy (SSPP) employees would be more satisfied with their jobs which will in turn increase productivity but that is not the prevailing issues. It is within this context that this study seeks to find out from employees within the administrative section of the University whether equitable pay can have an influence on work performance and job satisfaction. With regards to administrative staff of public universities in Ghana, three categories of administrative staff exists. These include; junior staff, senior staff and senior members (administrative and professional). Senior members Administrative and professional staff are considered essential staff who form the Senior management team and with the introduction of Single Spine Pay Policy by the Government of Ghana, they are entitled to a market premium of 114% of their basic salary. However, the junior and senior staff who are considered general workers are not entitled to any market premium.

In this regard, equitable pay cannot be overlooked as a means of motivating employees to performance whether in the form of wages, piecework, bonuses, or any other incentive pay that may be given to employees for performance. The influence of money as a motivational technique is a function of the need level of the employee. An employee who is striving to satisfy his psychological needs will value money more than a worker striving to satisfy a self-actualization need. It is within this context that, this paper endeavours to explore the details of how equitable pay can influence work performance and job satisfaction of administrative staff of the University for Development studies. This paper also hopes to highlight other determinants of work performance and job satisfaction other than pay satisfaction in the University. These determinants can thus be manipulated for the good of the University and its employees.
1.2 Testing of Hypothesis

The first hypothesis sought to address the relationship between equitable pay and benefits on work performance and job satisfaction. By treating equitable pay as an independent variable and work performance and job satisfaction as dependent variables. The second hypothesis is the alternative hypotheses:

- **H₀**: Equitable Pay and Benefits have positive relationship with work performance and job satisfaction.
- **H₁**: Equitable Pay and Benefits does not have any positive relationship with work performance and job satisfaction.

1.3 Review of Related Literature

1.3.1 Equity Comparisons and Antecedents of Inequity in Higher Education

One way to understand equitable relationship between junior staff, senior staff and senior members is to examine the theory that underlies equity. One of the most explicit and rigorously developed models explaining how individuals evaluate social exchange relationships is John Stacey Adam’s “Equity Theory” developed in 1963 (Cosier and Dalton, 1983). Adams (1963), a behavioural scientist working at the General Electric Company, proposed the first systematic account of the concept that an employee’s perception of fairness in comparison with that of others influences their motivation and job satisfaction. Equity is achieved when the ratio of an employee’s outcomes (for example, pay, recognition and promotion) to inputs (for example, experience, education, qualification, effort and skills) is equal to that of other employees (Adams, 1963). That is, employees will evaluate how much they receive from the job (outcomes) in relation to their contribution (inputs). Each employee compares his or her ratio to the ratios of employees working inside or outside the organisation. When workers perceive their compensation as being equal to what other workers receive for similar contributions, they will believe that their treatment is fair and equitable. According to this theory, equity exists only when a person’s perception of his input and outcome is equal to the input and outcome of others in a similar position. Dawis (2004: 475) and Spector (2008) indicate that if the ratios are equal, the result is job satisfaction; otherwise, job dissatisfaction results, although with different consequences for positive and negative inequities.

To this effect, feelings of inequity might arise when a person’s ratio of outcomes to inputs is either less or greater than that of other employees (see Figure 1). For instance, when workers think the salary they receive is relatively less than that received by others in work inputs, they will perceive a feeling of negative inequity (demotivation), whereas workers who feel the salary they receive is relatively greater than that received by others will have the feeling of positive inequity (Schermerhorn et al., 2005; Spector, 2008). According to Adams (1963), underpayment or negative inequity leads to anger and positive or overpayment inequity induces guilt. Consequently, perceived inequity can lead to negative outcomes, such as tensions and dissatisfaction and a high turnover rate.

Employees will be motivated to reduce inequity through several methods, as follows: changing the inputs (for example, reducing performance efforts), changing the outcomes (for example, asking for rewards), cognitive distortion of inputs and outcomes, leaving the field (for example, resigning), influencing others, or changing the object of comparison (Daft, 2003). If people feel that they are not equally rewarded they either reduce the quantity or
quality of work or migrate to some other organization. However, if people perceive that they are rewarded higher, they may be motivated to work harder.

Although equity theory is considered a key aspect of process theory, it has been criticized by some researchers as follows:

Equity theory oversimplifies the motivational issues by not explicitly considering individual needs and perceptions. This oversimplification becomes extremely important when the workforce becomes more diverse. The feeling of equity or inequity will depend on the worker's perception, which may be inaccurate, not to mention the individual differences in terms of the sensitivity to equity ratios and the balance of preference (Riggio, 1990).

The components of the comparison are highly subjective, which is difficult to test empirically (Vroom, 1964). According to Adams (1965) there are four postulates when inequity exists: (1) when the perceived inequity creates tension in an individual, (2) when the amount of tension is proportional to the magnitude of the inequity, (3) when this inequity motivates the individual to reduce it, and (4) when the strength of the motivation to reduce the inequity is proportional to the perceived inequity. This equity theory has been tested and shown to be valid. In Wicker and Bushweiler (1970), as well as in Carrell and Dittrich (1978), subjects were found to prefer situations in which all inputs/outcomes ratios were equal. Also, the proposition that individuals cognitively distort inputs to achieve equity where necessary has also been supported (Carrell and Dittrich, 1978; Leventhal, Allen, and Kemelgor, 1969).

Source: Field study, 2015
One complicating factor in equity theory and research is the difference in individuals’ tolerance. Past literature shows some individuals have a higher tolerance for inequity than others (Tornow, 1971). That is, if inequity does exist and a person tolerates it, or does not commit to an action to reduce the inequity, then the inequity threshold will not be met for that individual. Many unethical people might take advantage of an individual with higher tolerance for inequity in order to satisfy their own interests. We call these people unethical, because an ethical situation is defined as the consequence of how an individual’s moral decision affects the interests, welfare, or expectations of others (Brass, Butterfield and Skaggs, 1998; Rest, 1986). When unethical individuals are prevalent it can often permeate an entire organization and have negative consequences.

Additionally, it is evident that some individuals are habitual when it comes to being unethical and taking advantage of other individuals. Such individuals appear to contagiously thrive on inequity, thus, taking advantage of their position for personal gains.

Mowday (1987), questioned whether people really feel guilty or are unhappy if they are overpaid. Cross-cultural differences may play a role in employees’ preference for equity. Research has shown that people who feel underpaid are less comfortable than those who feel overpaid. Such results are particularly tied to individualistic cultures, where self interest tends to govern social comparison, more than to collectivist cultures. The concern of collectivist cultures, such as those of many Asian countries, often focuses more on equality than on equity. This allows for solidarity with the group and helps to maintain harmony in social relationships (Kagitcibasi and Berry, 1989, cited in Schermerhorn et al., 2005).

1.3.2 Pay Equity as an Antecedent of Job Satisfaction and Work Performance

Many research scholars have explored the linkage of education with pay satisfaction. According to Ganguli (1957), the dynamics complicated in the association amid education and pay satisfaction are perhaps at exertion in many other fields of satisfaction. He points out that associating education with salary satisfaction was found in many academics writings. Satisfaction with salary may stand a legal relationship to demographic statistics and as such are foretold from, and perhaps determined by, organization strategy. Higher paid Professors and Senior level Administrators in the university seem to be well satisfied with pay received by them.

Andrews and Henry (1963) for example, opined that advanced education appears to be concomitant with inferior satisfaction with salary. Organization level and quantity of salary are connected with professors’ satisfaction with their pay. Klein and Maher (1966) state “The first-level executives who had advanced education are a lesser amount of satisfaction with their salary. Klein and Maher (1966) analyzed that the institution cultured employee must designate more negative feelings about his pay satisfaction than the non-institution cultured employee. Their motivation is constructed on the idea that devouring an institution education improves one's self evaluation and thus clues to complex prospects with affection to pay satisfaction chances. This, in turn, would lead to superior pay satisfaction displeasure”.

According to the social comparison theory (Festinger, 1954; Adams, 1965) satisfaction is a function of how fairly an individual is treated at work. Satisfaction results from one’s perception that work outcomes, relative to inputs, compare favourably with a
significant other’s outcomes/inputs. Dissimilar ratios lead to perceptions of inequality (Bonache, 2005). Accordingly, a main concern when analyzing people’s satisfaction with their salary and pay level is identifying the referent used in the individual comparisons (Chen et al., 2004). According to equity theory, when people feel that they are being treated in an equitable and fair fashion, the theory argues that they will be motivated to engage in activities aimed at restoring feelings of equitable treatment (Onabanjo, 2004). Ogundele and Adebakin (2008) identifies two major components to the theory. First, the theory specifies the factors which influence the extent to which people feel that they are being equitably treated. Second, the theory outlines the kind of activities which individuals might be motivated to engage in to restore feelings of equity when they are feeling inequitably of unfair treated.

**Fig. 2: Model of Equitable Pay as Antecedents to Job Satisfaction and Work Performance in Higher Education**

**Source:** *Field survey 2015*

Some social science researchers’ sight seen the link of age and seniority with salary satisfaction. It has been experiential that age and seniority are meaningfully related with salary satisfaction. Lawler III and Porter (1967) devised that streak or Line/staff type of position, seniority, period in position, business or organization extent, and age bore little but statistically important relationships to salary. Age and seniority are also virtuous predictors of genuine salary. Age and seniority fix main things to better job enactment, and thus the associations originate between age and salary and seniority and salary must be imitating the fact that administrations are paying for excellence. Genuine salary was the only demographic variable that is initiated to be equally linked to satisfaction with salary.

Sousa-Poza and Sousa-Poza (2000) and Skalli et al. (2007) made striking findings that an interesting job is considered by workers to be the greatest positive determinant of
job satisfaction, or one of the most important job characteristics (Clark, 2005; Helliwell and Huang, 2005). A similar characteristic of ‘good job contents’ (by which is meant having an interesting job, useful for helping other people and society, and which makes the worker independent) has the largest impact on job satisfaction together with relations at work (Clark, 2005). Being interested in the job is also the most significant factor in the general definition given to the possible ‘commitment to type of work’ which emerges when workers are discouraged from leaving their jobs by the attractiveness of the activity performed. In particular, empirical studies show that workers (especially managers) are frequently committed more to their jobs than to their organizations, and the former increases their job satisfaction much more than the latter (Stroh et al. 1992).

Forthcoming expected incomes as a possibly positive referent that simplifies to an assessment of their existing salaries. Andrews and Henry (1963) created that persons who observe better chances to make additional money in the future on their present occupation are also comparatively satisfied with their present salaries structure point both with internal assessments and external assessments. It seems that, with our people, contentment with salaries is incompletely determined by future forecasts on the same job however the pay satisfaction substances are expressed to blow existing satisfactions.

Employees enjoying high salaries are more likely to observe enticement recompenses as supportive. According to Maslow’s (1943) hierarchy of needs, additional income may assistance in the contentment of esteem needs for the reason that high salary suggests high capability and overall individual value. So, even after satisfaction of basic physiological and security needs are not issue, a number of people drive value high salary as an indicator of proficiency and individual value (Malka and Chatman, 2003).

Clark (1997) argue that if employees are not satisfied with the task assigned to them, they are not certain about factors such as their rights, working conditions are unsafe, co-workers are not cooperative, supervisor is not giving them respect and they are not considered in the decision making process; resulting them to feel separate from the organization. Furthermore, he highlighted that in current times, organisations cannot afford dissatisfied employees as they will not perform up to the standards or the expectations of their supervisor, they will be fired, resulting in the organisation bearing additional costs for recruiting new staff. So, it is beneficial for organisations to provide flexible working environment to employees where they feel their opinions are valued and they are a part of the organization. Employee morale should be high as it will be reflected in their performance because with low morale, they will make lesser efforts to improve. Chandrasekar (2011) posit that an organization needs to pay attention to create a work environment that enhances the ability of employees to become more productive in order to increase profits for organization. He also argued that Human to human interactions and relations are playing more dominant role in the overall job satisfaction rather than money whereas management skills, time and energy, all are needed for improving the overall performance of the organization in current era.

Saniwoliba (2014) opine that employees with similar qualifications, skills and abilities to perform their job well is only part of the equation and will not automatically result in improved job performance. He posits that a fair and transparent employee reward system and other innovative strategies that include supportive working environments or positive work climate, job enrichment, educational opportunities, etc. are seen as some of
the ways to transform the overall context in which employees deliver their work, enhance their motivation and consequently improve the overall performance of the organization. He concluded that it is in this vein that the Single Spine Salary Structure was introduced into the public sector of Ghana.

An aspect of which has been particularly closely studied in the literature of job satisfaction is workers’ involvement in the organization, also understood as participation by subordinates. In regard to job satisfaction, it has been found that the level of participation in the definition of managerial review processes appears to be a positive factor (Burke & Wilcox, 1969; Landy et al., 1980; Dipboye, 1985). Specifically, the more workers participate in the discussion of career issues and human resources policies, the greater is their satisfaction with work (Nathan et al., 1991). More recent surveys demonstrate that also participative management improves workers’ job satisfaction (Soonhee, 2002), and that the use by administrators of a participative style in strategic planning is positively correlated with job satisfaction, especially when it is supported with clear communication and workers are held accountable for the consequences of their decisions (Thoms et al., 2002). This kind of policy seems to be effective not only in private organizations but also in public bodies (Brewer et al., 2000).

1.3.3 The Relationship Between Job Satisfaction and Work Performance

The nature of the work organisation and the design of jobs can have a significant effect on the job satisfaction of staff and on the level of organisational performance. Although the motivation to work well is usually related to job satisfaction, the nature of this relationship is not clear. The level of job satisfaction may well affect the strength of motivation but this is not always the case. The content theories of motivation (especially Herzberg’s two-factor theory) assume a direct relationship between motivation, job satisfaction and work performance. However, expectancy models (for example, that of Porter and Lawler) suggest a more complex view of motivation, and that job satisfaction does not necessarily lead to improved work performance.

The idea that satisfied employees are more productive held through the 1970s. However, support for the view that job satisfaction has a significant effect on work performance was difficult to obtain. As a result, the reverse (that an employee’s work performance affects her job satisfaction) became the focus of research in the area (Lawler III and Porter 1967). The idea that an employee’s performance subsequently affects her job satisfaction follows from a number of psychological theories. Intrinsic motivation theory posits that the motivation to work is innate and work itself is fulfilling (Deci and Ryan 1985). Self-perception theory (Bem, 1972) and cognitive dissonance theory (Festinger 1957) also posit that attitudes are inferred from behaviour or adjusted to be consistent with behaviour.

Interestingly, few studies have found support for work performance having a significant effect on job satisfaction (Iaffaldano and Muchinsky 1985). Similarly, organizational studies of the sales force invariably find that the relationship of work performance to job satisfaction is weak (Bagozzi 1980; Brown and Peterson 1993). As noted by Brown and Peterson (1993), if the effect of work performance on job satisfaction is
insignificant, firm actions designed to increase work performance should not have a direct
effect on job satisfaction and related outcomes like employee turnover.

On the other hand, there seems to be consensus that many antecedents of job
satisfaction and work performance are common (for example, effort, compensation, quality
of supervision or clarity of job responsibilities). Consequently, it is essential to account for
both the direct and indirect effects of common antecedents to reach the conclusion that the
effect of work performance on job satisfaction is insignificant. The literature suggests that
the antecedents of job satisfaction can be categorized into personal characteristics, role
perceptions and organizational variables (Brown and Peterson 1993).

It is intuitive that effort and compensation are critical determinants for the viability
of any employment situation. An employee will not be willing to exert effort unless he or she
is paid, and the employer will not be willing to pay unless the employee works. A contract
needs to be individually rational (i.e., both parties must expect to be better off by engaging
in the work relationship). However, few, if any, studies include the employee’s effort as an
antecedent of job satisfaction (Brown and Peterson 1994). One exception is that of Clark
and Oswald (1996), who use job satisfaction as a proxy for utility. They find a negative
(although weak) effect of effort on job satisfaction. However, because work performance is
omitted, its role as a potential mediator of the effect of effort on job satisfaction is not
considered.

Many studies treat effort as part of work performance, which is defined broadly as
an aggregate construct of effort, skill, and outcomes that are important to the employee and
outcomes that are important to the firm (e.g., Behrman and Perreault 1984; Lusch and
few studies use a narrow definition of job performance based on actual sales or other
objective productivity measures. However, these studies do not include effort as a separate
construct.

We argue that it is important to define effort as distinct from work performance.
From the perspective of an employee, work performance and effort are different. Effort is an
input to work, and work performance is an output from this effort. From a firm’s
perspective, effort and work performance may be difficult to distinguish, and effort is often
inferred from the output produced (the possibility of high effort and low output or low effort
and high output is often not considered). This may explain the inclusion of effort in the
definition of work performance. Some studies include work motivation as an antecedent to
job satisfaction, but motivation (“I want to work hard”) is not the same as exerted effort (“I
did work hard and spent a lot of time and energy”).

The implications of either neglecting effort or considering it a part of work
performance for the empirically observed relationship between work performance and job
satisfaction can be significant. If effort is costly for an employee, ignoring effort can bias the
estimated effect of job performance on job satisfaction (because effort should increase work
performance). Failing to control for effort induces a negative spurious correlation, which
may reduce or even hide a true positive effect of work performance on job satisfaction.
Similarly, by including effort in the measure of work performance, negative and positive
aspects can nullify each other, yielding an effect for work performance that is again biased
toward insignificance.
The objective of this article is to understand the relationship between equitable pay, job satisfaction and work motivation, factors that influence job satisfaction and the financial and non-financial incentives staff of the university enjoy as benefits.

METHODOLOGY

The study population consists of three categories of administrative staff in the University for Development Studies at the central Administration in its Tamale Campus where most of the Administrative staff are located. They include junior staff, senior staff and senior members. The junior staff comprised of 29 members and the senior staff were 99. The junior staff category are made up of senior clerks, clerks grade I & II, telephonist, audit clerks grade I & II, accounts clerks grades I & II and a messenger. The senior staff category includes all administrative, clerical and technical staff except campus guards and drivers. The senior members’ administrative and professional staff were made up of 44 in the central administration bringing the total to 172.

To be fair to all the study population and avoid bias in the selection of the respondents, the sample size was calculated with reference to Campbell and Julious (1996), and thus employing the sample size for estimated proportion approach;

\[ SS = \frac{Z^2 \times p \times (1-p)}{c^2} \]

Where:

- \( Z = Z \) value (e.g. 1.96 for 95% confidence level)
- \( P = \) percentage picking a choice, expressed as decimal (0.5 used for sample size needed)
- \( C = \) confidence interval, expressed as decimal (e.g., 0.05 = ±5)

Per the formula applied above, 119 respondents should have been selected as the sample frame however; the senior staff who form the majority of the population are staff of the Works and Physical Development unit where most of the staff accomplish their jobs outside the Central Administration. Therefore sixty (60) staff were selected using the simple random sampling method. It is the simplest form of probability sampling. In simple random sampling, the selection of one individual is independent of the selection of another individual. The qualitative research approach was adopted. The rationale is that qualitative methods ‘reach the parts that other (quantitative) methods can’t reach’ (Green and Thorogood, 2004) particularly in research looking at links between processes and outcomes (Shaw, 2003a). Qualitative methods may be more appropriate in offering an explanation of causal relationships. By tracing the processes that have contributed to differing participants’ experiences and by collecting participants’ own explanations of what has happened to them, it is possible to understand why people behave as they do in particular situations or in response to certain stimuli or interventions (Fraser 2004, 181).

Operationally, one of the greatest difficulties in assessing job satisfaction is that it is possible to be satisfied with some aspects of a job and at the same time be dissatisfied with others (Spagnoli et al., 2012). The literature endorses two main approaches to measuring job satisfaction: an overall measure of job satisfaction or one regarding several aspects of job
satisfaction. The first approach takes a macro perspective and consists in asking the respondent directly about his or her overall feelings about the job, being frequently build up with only one item (Wanous et al., 1997); the second approach emphasizes different aspects of the job. In considering these, the Minnesota Satisfaction Questionnaire was used to collect data from the respondents. The questionnaire was formally classified as standard instrument for measuring employees’ demographic characteristics, equity perceptions and job satisfaction. And it does consider as most appropriate tool to gather information about viewpoints of respondents (Morgan et al., 1995).

The surveys were collected and keyed into Statistical Package for Social Sciences (SPSS 16) and Windows 7 Microsoft Excel Package. The survey has been answered by 57 total respondents, 37 male and 20 female. To test hypothesis $H_0$, the researcher analyzed the data by finding out whether pay equity serves as a source of job satisfaction and work performance and the results of this analysis gave a counter response of $H_1$. The other sections addressed pay equity as a source of job satisfaction and work performance; equitable pay as antecedents to increased work performance; variables of job satisfaction and work performance; universality of the university’s pay system; influence of tasks challenges on salary satisfaction; salary relationship with experience and qualification; and financial and non-financial incentives respondents benefit from.

**DISCUSSION OF RESULTS**

This section intends to highlight and discuss the results and the findings based on the analysis done on the data collected from respondents. This research focuses on equitable pay as a basis for job satisfaction and work performance among administrative staff of the University for Development Studies at its Central Administration in Tamale. The discussion then attempts to accomplish all the objectives of the study. In this instance, for simplicity of analysis and findings, this part focuses on the levels of employee job satisfaction and work performance in the University.

**3.1 Pay Equity as a Source of Job Satisfaction and Work Performance**

The study sought to find out whether equitable pay could serve as a source of motivation for job satisfaction and individual job performance as such respondents were asked how equitable the pay system was in terms of its fairness in the provision of salaries, allowances and other benefits as compared with other employees with similar qualifications and responsibilities. Respondents stated emphatically that though the pay system was universal for all public sector workers in Ghana, people of similar/same qualification in different sectors of the public service earn different salaries. They stated examples such as employees of the Social Security and National Insurance Trust and the Ghana Health Services to be earning more salaries and other benefits than those of then in Public Universities in Ghana.

To buttress these findings, a study conducted by Brown (2001) and Clark et al., (2007), revealed employees are satisfied with pay when they make referents comparison and find equity. They indicated that pay referents are those with whom workers make pay comparisons like social, historical, organizational, and financial and market referents. They are of the opinion that employees compare their pay with coequals outside the organization.
Equitable Pay as an Antecedent of Work Performance and Job Satisfaction Experience from University for Development Studies

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In a similar study, Shapiro and Wahba (1978) pointed out that higher paid employees in contrast with the lower paid employees enjoy higher perceived degrees of satisfaction. As a consequence of this, the study revealed that some respondents have expressed their frustration and demoralized to take up initiatives as a result of these differences in remuneration. One respondent said “I feel cheated and demoralized when I compare my salary with my colleagues.

This finding is in line with Adam’s Equity Theory which states that employees will evaluate how much they receive from the job (outcomes) in relation to their contribution (inputs). The theory goes on to explain that each employee compares his or her ratio to the ratios of employees working inside or outside the organisation. When workers perceive their compensation as being equal to what other workers receive for similar contributions, they will believe that their treatment is fair and equitable. According to this theory, equity exists only when a person’s perception of his input and outcome is equal to the input and outcome of others in a similar position. Dawis (2004: 475) and Spector (2008) indicate that if the ratios are equal, the result is job satisfaction; otherwise, job dissatisfaction results, although with different consequences for positive and negative inequities.

3.2 Equitable Pay as Antecedents to Increased Work Performance

The assumption that a happy worker leads to individual work performance cannot be over looked hence the study found out whether equitable pay could increase performance. The respondents pointed out that equitable pay will make them happy as such they will in turn make them to work hard, serve as motivation to unleash the potentials of staff for the development of the university, serve as a morale booster, reduce injustice, suspicion, gossips, rumour mongering, attrition, promote trust and confidence at the workplace.

The study revealed that when employees are happy they would do quality work, accomplish multiple tasks without complaints, create good rapport between the employee, supervisor and employer and eventually increase job performance. Equity theory states that a person experiences underpayment/negative inequity when they feel their level of input is high, but they are not getting an outcome high enough for their level of input (when compared to others’ inputs/outcomes). Adams (1965) is of the opinion that if employees feel that their input level is low but their outcome level is high (when compared to others’ inputs/outcomes) they experience overpayment/positive inequity. In either case there is a perceived imbalance in comparison with others. These assumptions which ever inequity is experienced will invariably affect work performance therefore employers should at all times ensure a balance.

3.3 Variables of Job Satisfaction and Work Performance

To test the hypothesis whether pay equity was most prominent among all variables of job satisfaction revealed that though salary remains an important factor of job satisfaction it appeared 3rd on the ranking scale with a mean of 2.55, standard deviation of 1.033 and a variance 1.067. This implies that the means are hovering over a particular area. Table 1 displays the mean ranking of job satisfaction and work performance of staff of UDS
Central Administration. The results clearly indicate that employees of UDS in the central administration consider equitable pay as an important factor to influence their work performance since they were very dissatisfied with their salaries as compared with their colleagues within and without the university. The study revealed that they are very dissatisfied mostly with recognition of work performance and compensation followed by salary and these first two variables can be classified as part of salary.

In contrast with this finding, Herzberg (1968) argued that just because paying an employee too little money can irritate and demotivate does not mean that more and more money will bring about increased satisfaction, much less increased motivation. It is therefore reasonable to assume that if someone’s take-home pay was cut in half, his or her morale would suffer enough to undermine performance. But it doesn’t necessarily follow that doubling that person’s pay would result in better work. Whereas respondents were most dissatisfied with recognition for work performance, compensation and salary, they were very satisfied with relationship with subordinates, achievement and personal life as indicated in Table 1. According to the study conducted by Friedlander and Margulies (1969), it was discovered that management and friendly staff relationships contribute to high level of job satisfaction. However, this result contradicts the view of Herzberg (1966) who supported the view that supervision is irrelevant to the level of job satisfaction.

**Table 1: Mean Ranking of Job Satisfaction Factors in Order of Importance**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Ranking</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of work performance</td>
<td>1</td>
<td>2.40</td>
<td>1.163</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Compensation</td>
<td>2</td>
<td>2.52</td>
<td>1.041</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Salary</td>
<td>3</td>
<td>2.55</td>
<td>1.033</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Company policies</td>
<td>4</td>
<td>2.67</td>
<td>1.091</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Incentives</td>
<td>5</td>
<td>2.70</td>
<td>1.210</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Opportunities for growth</td>
<td>6</td>
<td>2.76</td>
<td>1.273</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Advancement</td>
<td>7</td>
<td>2.76</td>
<td>1.331</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Working conditions</td>
<td>8</td>
<td>2.84</td>
<td>1.108</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Authority</td>
<td>9</td>
<td>2.94</td>
<td>1.089</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Independence</td>
<td>10</td>
<td>3.07</td>
<td>1.006</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Social status</td>
<td>11</td>
<td>3.16</td>
<td>.938</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Work itself</td>
<td>12</td>
<td>3.40</td>
<td>.969</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Job security</td>
<td>13</td>
<td>3.49</td>
<td>1.197</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Responsibility</td>
<td>14</td>
<td>3.53</td>
<td>1.049</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Supervision</td>
<td>15</td>
<td>3.53</td>
<td>1.067</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Relationship with supervisor</td>
<td>16</td>
<td>3.75</td>
<td>.985</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Relationship with co-workers</td>
<td>17</td>
<td>3.84</td>
<td>.869</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Personal life</td>
<td>18</td>
<td>4.02</td>
<td>.680</td>
<td>Very satisfied</td>
</tr>
</tbody>
</table>
Achievement | 19 | 4.04 | .793 | Very satisfied
Relationship with subordinates | 20 | 4.05 | .766 | Very satisfied

Source: Field Study 2015

(Survey scale: <=1.99 very dissatisfied, 2.00-2.99 = dissatisfied, 3.00 = neutral, 3.1-3.99 = satisfied and 4.00- 4.99 = very satisfied, [Ranking Scale: 1 = most dissatisfied, 20 = most satisfied])

3.4 Universality of the University’s Pay System

In terms of inquiry about whether the University operates with a uniform pay system and whether the system was transparent, respondents had this to say: they indicated that the entire public sector in Ghana operates with the Single Spine Salary Structure however, within the same staff category with same/similar qualifications and responsibilities, some staff are enjoying some fringe benefits without clear cut explanation as why some are benefiting whiles others are not. Therefore the transparency of the payment system is questionable. While some respondents bluntly indicated that they were not aware of the kind of pay system being operated in the university, majority of the respondents mentioned the Single Spine Salary Structure (SSSS) as being the new salary structure being implemented and the rationale for the implementation of this new pay structure was to have a uniform pay system for public and civil services workers in the country and to ensure that the public sector remuneration structure is rational, equitable, transparent and sustainable (Seniwoliba, 2014; p 446). This notwithstanding, management of the University can decide to give some staff allowances because of their loyalty by consciously creating titles to enable such individuals benefit as heads of sections, units, departments or working in Principal Officers’ offices.

According to the respondents the pay policy itself is very transparent in terms of the scales for the various levels and positions, benefits and all allowances designated for all categories of staff especially new entrants but when staff are upgraded, placement on the new grade is discretionary. The new pay policy emphasizes “equal pay for equal work” however, payment of other allowances are based on favouritism and nepotism as purported by the respondents. While this poses a clear ignorance of some of the respondents, those who had some knowledge about it indicated that, a platform should have been created to educate staff on it.

3.5 Influence of Tasks Challenges on Salary Satisfaction

Sempane et al. (2002) posit that job satisfaction is a result of an individual’s perception and evaluation of their job influenced by their own unique needs, values and expectations, which they regard as being important to them. Their research indicated that job satisfaction does not come about in isolation, as it is dependent on organizational variables such as structure, size, pay, working conditions and leadership, which represent the organizational climate. In view of these findings this study attempted to know how multiple tasks and challenging job can influence satisfaction. Respondents indicated that bureaucratic procedures in the offices delays in the processing of documents, failure of management to provide clear-cut job descriptions for employees, resource constraints and
closed communication leading to the delay in performing task as a result poor leadership style in managing issues. According to them these activities cause dissatisfaction among staff. However, Peretomode (1991) and Whawo (1993) cited in Ololube (2006) suggested that the higher the prestige of the job, the greater the job satisfaction. Therefore many workers, however, are satisfied in even the least prestigious jobs. That is they simply like what they do. In any case, job satisfaction is an individual as one’s feelings or state of the mind. Despite the earlier group's opinions of some constraints that poses challenges in the performance of their tasks, the others have the opinion that their jobs were less challenging and does not need any effort or extra energy or knowledge to perform. In their context of job satisfaction whether the work was challenging or not the most important thing to them was that their salaries were intact at the end of the month. It is therefore conclusive to say that respondents cherish their salaries more than being satisfied with the jobs they perform because whether you work hard or not the salary remains the same. They contended that the current pay system does not provide opportunity for “Pay for Performance”.

3.6 Salary Relationship with Experience and Qualification

The study would not be conclusive if it failed to find out about the level of satisfaction with their pay taking cognizance of their qualifications, experience and status in the university. Respondents pointed out that with their qualification and work experience, job demands (combining field and administrative duties), job challenges and a comparison with their colleagues in other organisations; they deserve to be paid more. They also stated that the economic conditions have eroded the value of their current salaries hence the need for increment. One respondent state that “to whom much is given much is required”. Whereas some were making reference to their qualification and work experience on one hand, another school of thought has it that “institutional memory is the best recipe for experience other than qualification. They argued that there are individuals who can out much graduates from the University though with HND or knowledge on the job and environment as such employees with these experiences deserve more salary. Only two respondents were content with their salaries due to the recent increase in salaries in the public sector.

In a similar study conducted by Abdullah et al., (2011) found wages as the main factor for job satisfaction, but other factors such as promotion, recognition of work, and employees’ loyalty are also considered. In addition, salaries and incentives are the most important determinant of job satisfaction (Calisir et al., 2010). Ali and Ahmed (2009) concluded that any changes in reward or recognition programmes, there will be a corresponding change in work motivation and satisfaction; this means that a greater focus on remuneration and recognition, can have a positive impact as a result of motivation and thus lead to higher levels of job performance. Moreover positive and significant association was found between job satisfaction and management practices such as team work, independence and leadership positions (Hunjra et al., 2010).

3.7 Financial and Non-Financial Incentives

Respondents were solicited to state both the financial and non-financial incentives given to them aside their monthly salaries. Some of those mentioned included: medical care, study leave with pay (opportunity for growth), promotion, vehicle maintenance allowance
rent/accommodation loan, responsibility allowances, vehicle loan, housing loan, honorium after admissions, staff welfare package, good human relations with co-workers and superiors, conducive office environment, book and research allowance, quarterly allowance from the Ghana Universal Salary Superannuation Scheme. Zhu, Y. (2013), posits that based on the perspective of cognition, the job satisfaction is interpreted as an understanding of a psychological process of recognition, including the consciousness, the perception, the reasoning, the judgment, and other aspects. He contends that job satisfaction is usually interpreted as an academic term containing affective elements, and the affective contents, however, are not measured effectively and that measurement of job satisfaction mainly focuses on the cognition. He argues that from the affective perspective, the job satisfaction is an overall positive affective evaluation and from the cognitive perspective, the job satisfaction is a more logic and rational evaluation of working conditions. Cognition does not depend on affective judgment. The cognitive perceptive of job satisfaction is an evaluation of working conditions, opportunities, and output. The measures of job satisfaction do not include the description of feelings.

**CONCLUSION**

The purpose of conducting the study is to increase employee job satisfaction to ensure that it is actually used to spark action and to let the employees actively participate in the improvement of work to make the changes enduring in the University for Development studies.

The study revealed that pay is considered a significant reward to motivate employees and their behaviour towards the goals of employer. It emphasized that pay equity remained the most prominent among all variables of job satisfaction revealed that though salary remains an important factor of job satisfaction it appeared 3rd on the ranking scale with a mean of 2.55, standard deviation of 1.033 and a variance 1.067. All other social factors are important for enhancing and to make job satisfactory for employees are significant but satisfaction from pay must be considered paramount. The pleasure from pay satisfaction is also an important thing that is linked to some administrative outcomes and success but has however, made comparisons of organisations such as the Social Security and National Insurance Trust and the Ghana Health Services to be earning more salaries and other benefits than those of them in Public Universities in Ghana.

The study pointed out that equitable pay will make employees happy as such they will work hard, serve as motivation to unleash the potentials of staff for the development of the university, serve as a morale booster, reduce injustice, suspicion, gossips, rumour mongering, attrition, promote trust and confidence at the workplace. It also revealed that when employees are happy there will do quality work, accomplish multiple tasks without complaints, create good rapport between the employee, supervisor and employer and eventually increase job performance.

The work found that the entire public sector in Ghana operates with the Single Spine Salary Structure however, within the same staff category with same/similar qualifications and responsibilities, some staff are enjoying some fringe benefits without clear cut explanation as to why some are benefiting whiles others are not. It concluded that
based on these issues raised, the transparency of the payment system is questionable. It also found that while some respondents ignorant about the pay system being operated in the university, majority of the respondents mentioned the Single Spine Salary Structure (SSSS) as being the new salary structure being implemented and the rationale for the implementation of this new pay structure was to have a uniform pay system for public and civil services workers in the country and to ensure that the public sector remuneration structure is rational, equitable, transparent and sustainable.

The piece meal found that bureaucratic procedures in the offices delays the processing of documents, failure of management to provide clear-cut job descriptions for employees, resource constraints and closed communication leading to the delay in performing task as a result poor leadership style in managing issues hence staff dissatisfaction.

The study revealed that qualification and seniority have a direct link with salary satisfactions as respondents pointed out that with their qualification and work experience, job demands (combining field and administrative duties), job challenges and a comparison with their colleagues in other organisations; they deserve to be paid more. They also stated that the economic conditions have eroded the value of their current salaries hence the need for increases in salaries.

**RECOMMENDATIONS**

Transparency is the key word to eliminate equity perception and making equitable decisions which in turn create the enabling environment to enhance improved performance. Administrators typically evaluate their employees, calibrate ratings and decide on rewards without clear cut laid down procedures. These rewards include pay increases, promotions and flexible work schedules. Justifying these decisions becomes the focus of administrators rather than relying on constructive feedback that can enhance performance and foster career development. Administrators need to communicate clearly the University's vision, mission and goals and make sure employees understand their role in achieving the objectives. This could be done by recognizing the effort, loyalty, commitment, skill and enthusiasm that an exemplary employee displays, an effective administrator acknowledges accomplishments, establishes trust and builds a productive workforce. A worker's sense of achievement tends to build loyalty and enables him to feel secure about his future with the university.

The single spine pay policy introduced into the public sector of Ghana should be strictly implemented to remove the apathy shown by staff who claim though they were employed the same period with similar qualifications and on similar ranks but receive different in salaries. These differences considered as a wide pay gap should be reviewed. Apart from this, award schemes should be established in the University to reward deserving workers annually. By this, job performance which has empirically been identified as a product of job satisfaction would be enhanced. The reward systems instituted by the University must shift away from the traditional compensation management practices which are limited in scope and emphasis on the Total Rewards Management (TRM) which has compensation, work-life balance, career development and advancement, incentives and pay as its component.
Considering the volume of work done by senior staff, as compared with the senior members and their salaries, it is prudent to suggest that management should revise the salaries and ensures that, junior staff salaries are equally increased to improve living standards and work performance. It has been observed that the salary difference between senior members and senior staff on one hand and senior staff and junior staff on another is too wide. The gap should be closed a bit in order to minimize dissatisfaction especially among the senior staff. These are possible factors that could lead to corruption.

Staff are disgruntled about promotions and salary especially those in the junior ranks. There are too many staff in the system with some doing virtually nothing whilst others are over tasked, hence job dissatisfaction. Promotion should not be personalized, vindictive or based on the discretion of individuals but on policies, procedures and principles.

Interacting with respondents indicated that junior and senior staff are appraised only when they are due for promotion. In view of this defect, management should institute performance appraisal systems to improve upon performance to enable staff earn salary based on their performance. Departmental heads need to recommend their staff for promotions, further studies, awards and other schemes. It should not originate from the main administration. Other heads tend to frustrate their staff by shelving applications for promotion and further studies. HODs should be seen doing the work for management.

Staff durbars should be organized regularly to create opportunity for staff to express their views and share their challenges in the various offices. At these durbars, annual awards to deserving personalities for hard work and continuous service for example 5 years, 10 years, 15 years and so on. Management could use monetary and non-monetary rewards to entice employees as the study revealed that money is one the most important variables of job satisfaction.

The job and task performed by the worker must be made stimulating and challenging enough to provoke the initiative of the worker. Emphasis must be placed on the provision of improved work environment logistics, enough office space among others to boost the workers performance.

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