

Chapter 7

Operationalizing Payroll Management on Employee Engagement

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Abstract

Making use of Biometric attendance system to reduce resource wastage: This study recommends the use Biometric attendance system to calculate salaries of oil and gas workers. This will bring about transparency in the calculation of salaries. Especially when it concerns the payment of overtime allowances. In another way, workers who are absent on certain work days would not be paid for days absent. But more importantly, the researcher recommends that biometric attendance system is used for payroll administration to eliminate possibility of fraud from corrupt accountants and workers who will want to manipulate figures to their benefit.

Keywords: Payroll Management, Employee Engagement, Organisational Performance

INTRODUCTION

Human resources management vested with the responsibility to ensure the employees in an organisation are efficiently and effectively utilized to achieve organizational goals, in this modern age of information system would require the use of automated information systems with artificial intelligence. Villaromanetal, (2018), in their work titled "the use of Biometric attendance recording system (BARS) and its impact on the work performance of Cabanathan City government employees", posits that, to observe and facilitate the strict observance of the prescribed working hours and intensively implement existing procedures on attendance recording systems (BARS) is deemed necessary as the new system of recording attendance of employees.

To manage payroll management of any organization is an arduous task. It is always a challenge for a manager to complete this with 100% perfection. These are the kind of work which needs utmost attention with complete accuracy. The Salary is the biggest motivation for any employee in the organization to work. Salary increments, allowances, promotion, bonus, all revolve around employee salary. Since employees end up filling too many forms and documents at the end of the year, so it's very time-consuming. Also, the data that is collected is not as useful as it is not real time.

According to Nwoye (2016), in his research work titled 'Enhancing attendance management in firms and industries using fingerprints biometric recognition technique, and electronic attendance management system provides a secure and easy way of monitoring the attendance of employees in an organization, minimizing or even eliminating impersonation and falsification of days and time of reporting to duty by employees that would positively affect productivity.

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Individual performance is of high relevance for organizations and individuals alike. Showing high performance when accomplishing tasks results in satisfaction, feelings of self efficacy and mastery. Performance is an output of using the right procedures and following the best practices in doing a particular job.

Employers in different industries have consistently sourced for ways to get the best out of an employee as it has always been a major challenge an employer face in today's competitive environment. These, can be linked to the constantly changing work environment where new methods, skills and policies are necessary to be introduced to the employees. According to Inuwa, Mashi and Salisu (2017), an employee is most dynamic and unpredictable aspect of business resources. It has therefore become imperative for organizations to realize the significance of an employee and also the device strategic means through which an employee can be influenced in order to develop positive job attitudes that can lead to higher performance. Performance level of an employed individual has constantly been a tasking challenge in management of an organization, devising operational methods to motivate an individual employee to succeed and deliver qualitative employee work performance as well as surge the organizational competency level is the central objective of the organization (Inuwa, et al, ibid).

Payroll Management

Organizations are basically divided into many functional areas but one that is crucial and of utmost importance is people Management department i.e. Human Resource. Payroll Management in any organization is a very crucial task. Only if the employees get their salary on time, they shall be motivated to work. Making use of a biometric process would facilitate ease of calculation for quick disbursement of fund for salaries (Bhandari & Shukla, 2019). Analytics in attendance system which is responsible to address the issue of payroll. Most of the organizations have almost 1/4th portion of its revenue sanctioned for payroll of employees. Additionally, the stipend of interns and trainees holds 1/10th of the total cost. Hence, there is a need to develop an automated attendance management system for proficient execution of the task. Integration of biometry in an HRMS based attendance systems can help in achieving this goal of automation (Gupta, Kundu & Das, 2019).

Biometric data capture of workers nationwide has blocked the siphoning of billions of naira of public funds by some civil servants.

From a report gotten from Pmnews (2016), A nationwide survey conducted by the News Agency of Nigeria [NAN] reveals massive distortion of payrolls by civil servants who defraud governments through inclusion of fictitious names. In most of the states where the biometric verification was conducted, thousands of names of fictitious workers were found and expunged from the payrolls. Already, hundreds of civil servants discovered receiving multiple salaries are facing various disciplinary actions across the country. Stakeholders were unanimous that the application of technology in capturing the data of civil servants would eliminate the ghost worker syndrome. In Oyo State, the state government has so far expunged 16,532 workers and pensioners from its payroll. They were hitherto collecting multiple salaries, or involved in age falsification and other infractions.

Eventually, due to this entire arduous and time-consuming task were undertaken by the employees and HR, the productivity of the organization dwindles to a certain extent.

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Bio metric technology can be very effectively used for employee time management attendance system because it has ability to recognize peoples unique physiological characteristics. Because of multiple benefits of Bio metric attendance system it has gained high popularity in the market. Bio metrics attendance system is extremely useful in helping business community feel secure by eliminating employees time theft, as it relies on ones personal characteristics that vary between individuals. Since bio metrics characteristics cannot be duplicate, it prevents punching on behalf of a co-worker working in the same company. The manual practice of attendance system is time consuming and needs full time personal monitoring whereas bio metric attendance saves employee time, decreases staffing overhead and provides accurate labor data to payroll system to effectively manage business operations and thereby increase productivity (Mir, et al, 2018)

EMPLOYEE ENGAGEMENT AS A MEASURE TO EMPLOYEE WORK PERFORMANCE

The findings showed a significant positive effect of employee engagement on employee work performance. However, mediation analysis using bootstrapping methods has shown that creativity has fully mediated the relationship between engagement and performance (Ismail, Iqbal, & Nasr (2019).

According to Sendawula et al (2019) in their study titled Training, employee engagement and employee performance: Evidence from Uganda's health sector, they posit that employee engagement is important in the following ways. First, the study contributes to the existing literature by examining the contribution of training and employee engagement on employee performance and also testing the mediation effects of employee engagement in the relationship between training and employee performance. Second, policy makers and management of healthcare centres/hospitals may have to engage their employees by allocating to them more tasks as this improves their performance. It is also important that training of healthcare workers is done frequently and possibly in each year. Lastly, society must appreciate that once their relatives join the health sector or any other sector concerned with provision of services, training and employee engagement are paramount (Sendawula, et al., 2019)

Negative effects on productivity could be caused by negative interpersonal behaviors that lower employee engagement. Bersin (2014) found that only 13% of worldwide employees are fully engaged at work. In addition, twice as many are so disengaged that this negative behavior is spread to other employees (Bersin, 2014). Leaders of U.S. corporations who incorporate strategic employee engagement behaviors may experience higher employee productivity. This study is limited by the knowledge, experience, skills, and techniques of

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communication business leaders in Jackson, Mississippi, and the strategies they use to engage their employees. Employee engagement is critical in employee performance. This is expanded on work of Osborne and Hammoud (2017) by differentiating between intrinsic and extrinsic motivation. Competence, autonomy, and psychological relatedness which are psychological needs, motivate the individual to initiate behavior essential for psychological health and well-being of an individual and if satisfied may lead to optimal function and growth. The basic needs of satisfaction have been found to directly relate to dedication of employees (Osborne & Hammoud, 2017).

RELATIONSHIP BETWEEN PAYROLL MANAGEMENT AND EMPLOYEE WORK PERFORMANCE OF OIL AND GAS WORKERS

Human Resource which is vested with the duty of managing employees in an organization, is concerned with what to do to motivate employees to do their work effectively and efficiently by ensuring workers are properly motivated and encouraged to do their work putting in their best. Sometimes human resources needs to look beyond motivation of employees but find a way to create formalization, strict adherence to company policies and ensure discipline at the work place. Payroll Management is an act of following an acceptable practice in coordinating how workers wages will be calculated and disbursed as at when due. This is a very crucial task that when it is down played It will affect workers morale and readiness to work. Workers don't just have to receive their payment, but should be paid regularly and as at when due. Only if the employees get their salary on time, they shall be motivated to work. The use Biometric attendance and clock-in and clock-out system will make it easy for the persons involve in calculating the salary to all workers following all necessary metrics of calculation for quick disbursement of fund for salaries (Bhandari & Shukla, 2019). Analytics in attendance provides an automated process that aide a computerized approach to simplifying data in the background without direct involvement of a human being. The automated process used in data gathering is usually simplified into explainable formats. This takes off the complex mathematical procedures for analyzing complex and big data from humans that are prone to error and allowing machines understand and make use of keyed in formulas to produce expected result. Most of the organizations have almost 1/4th portion of its revenue sanctioned for payroll of employees. Additionally, the stipend of interns and trainees holds 1/10th of the total cost. Hence, there is a need to develop an automated attendance management system for proficient execution of the task. Integration of biometric in a Human Resource Management System is an attendance system that is specially designed and programmed to achieving the goal of automation (Gupta, Kundu & Das, 2019).

In order to get workers actively engaged, managers should keep in mind and continually think out ways and factors that would influence job satisfaction as a key consideration. Managers who want to experience higher productivity of workers constantly looks out for means to get workers motivated. This would involve that managers must be aware that development and recognition of employees and job satisfaction will lead to employee engagement (Maleka et al., 2017)

Technology Acceptance Model

Technology Acceptance Model (TAM) is theory majorly in the information system. It focuses on modeling computer users and showing them on how they can accept and adopt a new technology. It was designed to predict the technology adoption decisions of users. Technology Acceptance Model is usually used to predict. It indicates that there are only two

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components that determine the users' acceptance of a computer system. The two components that determine computer acceptance are the perceived usefulness and the perceived ease of use of the system. The main aim of this model is that it emphasizes the potential of the users. In other words, it underscores, for example, when a developer of a given technology believes that his or her system is friendly to the users. Inversely, the system is not be accepted by the users not unless the developers share the benefits and advantages of the technology system, as stated by

TAM models how users come to accept and use a technology. It distinguishes two concepts. First, the perceived usefulness reflects the expected benefits from using a certain technology. Second, the perceived ease of use reflects pretty much the same thing as the perceived behavioral control in the theory of planned behavior.

Technology acceptance model (TAM) is one of the popular models, which helps to model how peoples come to admit and utilize new technologies. The model focuses on factors determining behavioral intention to use new technologies from the end user's perspective. TAM comprises core variables of user motivation: perceived ease of use, perceived usefulness, and attitudes toward technology. Of these elements, perceived usefulness (PU) and perceived ease of use (PEU) are considered as a principal determinant that directly or indirectly explains the behavioral intention to use ("acceptance") new technology. In this study, we hypothesized that the constructs and associations described in the modified TAM model are valid to measure the behavioral intention to use eHealth technology by health professionals in low-resource settings (Wikipedia, 2021).

Perceived usefulness refers to "the extent to which an individual believes that applying certain technology will advance job performance". Studies conducted on technology acceptance in different domains have suggested that PU as the main determinant factor for new technology acceptance and use. Users perception on the usefulness of a technology could be affected by external factors.

Perceived ease of use is the extent to which a person believes that a particular technology will be effortless and easy to use. PEU is considered as one of the most important constructs of TAM that helps to predict user's acceptance or rejection of technologies.

CONCLUSION

The government vested with the responsibility of protecting lives and properties could be more proactive in their approach by ensuring that the oil and gas sector which is a very sensitive part of Nigeria economy is paid reasonable attention so as not to risk shutdown in production activities. Creating a good biometric attendance system with adequate investment from the government would be of benefit to the Nigerian economy. Making use of Biometric attendance system to reduce resource wastage: This study recommends the use Biometric attendance system to calculate salaries of oil and gas workers. This will bring about transparency in the calculation of salaries. Especially when it concerns the payment of overtime allowances. In another way, workers who are absent on certain work days would not be paid for days absent. But more importantly, the researcher recommends that biometric attendance system is used for payroll administration to eliminate possibility of fraud from corrupt accountants and workers who will want to manipulate figures to their benefit.

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