

## **DELAY IN PAYMENT OF EMPLOYEES SALARY AND JOB PERFORMANCE IN RIVERS STATE**

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### **Abstract**

The study investigated delay in payment of employees' salary and job performance in Obio/Akpor Local Government council headquarters in Rivers State. Two research objectives and two research questions were formulated. The study relied on primary and secondary data. The primary data was derived from respondents after the administration of well-structured questionnaire. The purposive sampling technique was used in administering the questionnaire to 200 respondents. The data obtained were presented in simple form by the use of tables and processed with the use of percentage method for analysis. The finding of the study reveals that salary payment motivates employees', and delay in salary payment leads to absenteeism. The study recommends that employers of labour should desist from delay in salary payment of workers as to encourage better job performance among employees. Employers should also specify the day in each month to which salary can be disbursed to every worker, and such decisions should be communicated to every worker.

***Keywords: Delay, payment, salary, job, performance***

### **Introduction**

Globally, payment of salary and wages are crucial tasks facing every employer of labour. As applicants are employed, the organization hands over to the employees' the conditions of service information, and as well as disclosing the specified salary or wage amount expected by the employee. However, this information does accompany the letter of appointment or engagement. To the worker, salary is seen as a reward or compensation of which the employer is mandated to offer the employee on an agreed date, whether weekly or monthly. The employer is obliged to fulfill the responsibility on being regular in paying the salary of his workforce. On the other hand, the employee is to endeavor to diligently and credibly perform his routine task to justify the salary being expected. The pact between both remains clear that the employer release salary promptly, while the worker executes his assigned functions regularly to fulfill the task of achieving organizational goals and objectives for increased productivity and organizational profitability. As the customers of the organization are provided standard services and goods, then organization thereby reaches the realm of satisfying its customers beyond expectation.

Salary offers workers the ability to acquire and possess essential material needs. It also may create in them the motivation to accomplish their official roles at the workplace. Salary can positively or negatively alter the employee behavior to realizing set goals as observed by Oshagbemi (2007). The employee's family depend on the salary for their up keep and wellbeing. The regularity of the weekly or monthly salary goes a long way to instilling the perception that the family will consistently meet their basic needs. However, here there is any form of delay or irregularity of payment of the weekly or monthly pay, the employee will view such as a foul play and that will displease the individual and his family. It is not the expectation of any employee to encounter any delay in salary payment within the organization he or she is employed. This is because the employee makes budget for basic necessities such housing, rent, food, medicines, education and clothing for the family. When salary payment becomes irregular, it may make life very difficult for the employee to satisfy the immediate family, and that can affect the employee's behavior at work or cause tension in the home.

In developing nations, particularly in Nigeria, there are observations of low job performance in the public service sector. More so, Kazeem (1999) observed that employees can be motivated when their salary arrives on time. This shows that employees are likely to perform well so long their salary comes on time without any delay. In any a condition salary is delayed, employees are left with the option of searching for means of ensuring they provide for their family. By so doing they seek to engage themselves in other sources of income within or outside the workplace. The incursion of delayed salary payment is tantamount to reducing the commitment level given to the organization to its nearest minimum, thereby contributing to low work performance.

### **Statement of the problem**

There is argument among scholars like (Akinwumi, 2000) and (Akintoye, 2000) that monetary reward or financial compensation are key critical motivators. Furthermore, they argue that prompt payment of salary is a real motivating element for employee job performance. It is observed that payment of salary can significantly enhance the employee's commitment and performance. Researchers have recognized and deliberated that meeting the financial need of workers in terms of regular payment of salary is the ultimate test for success in any organization; and its ability to make values sufficient to compensate for the burdens imposed upon resources contributed by workers is key to continued organizational productivity. Salary is important to the worker because time, efforts skills, experience, ideas and intellects have been contributed in achieving organizational productivity. Such contributions are made in other for the employee to receive salary as a reward meant to satisfy personal and family needs. Furthermore, the employee is likely not going to tolerate delay in salary payment considering is economic and non-economic needs surfacing on a daily basis. According to Calvin (1998) money remains the most key instrument for employee's commitment, motivation and performance at the workplace. Money and other incentives for workers may increase productivity and job performance in most organizations. Furthermore, salary payment should be handled as a very vital issue because it can regulate the employee's behavior. Irregularity of salary or compensation of efforts contributed to organizational growth may likely control worker's behavior to give little attention to official roles and set goals.

In Nigeria, employees' performance in the workplace is highly sought after in every organization for accelerated development, poverty reduction, and achieving strategic growth and development. Lowering of job performance could be due to delay in salary payment. This is a vital problem that exist between the employer and employee that requires urgent effort to abate the consequences lingering around the workplace and the home of the worker. Salary is a key determinant and element for workers' efficiency in performance. However, it is not proven that delay in salary payment is the major motivation for job performance in most organizations. This research seeks to unravel the how delay in salary payment can result to workers behavioural changes in work attendance and lower performance.

### **Objectives of the study**

1. To determine how policy on regular salary motivates employees on job performance.
2. To ascertain how delay in salary payment leads to absenteeism in the workplace.

### **Research Questions**

1. How does policy on regular salary motivate workers on job performance?
2. How does delay to salary payment lead to absenteeism in the workplace?

### **Literature Review**

The term salary usually defines the payment for a period of expected duties performed by an employed in a given organization. This provides employees the understanding of what they will get for their effort, time and work done in the firm and as specified by the policy of the firm. Armstrong (2009) explains that salary is the base rate of payment that constitutes the amount for the job.

Salary payment can be influenced by factors internal and external in relationship. Internal relatives may be measured by some form of job performance appraisal. The employer accepts that the employee has to be paid a fair amount in compensation to the skill and effort that has to be given, and the employee have the feeling that a reasonable level of payment can be expected promptly for their contributions made in the organization. Meanwhile, the method of payment adopted by the employer agree with any of the following forms, which is either on service, or skills or on performance. Therefore, such payment is guided by organizational standard policies.

Globally, firms make use of promulgated policies to ensure cordiality and smooth ride of the organization. This ensures that both the employer and employee come to mutual agreement and understanding of the rate of salary expected. To emphasize further, salary is a form of compensation for works rendered by the employed person.

Policies are yardstick used to ascertain monetary payments in firms. Dessler (2009) argue that compensation policies usually have effects on the wages and the salary it pays workers. The policies cover basis for salary increases, foreign pay differentials and overtime pay. There is also policy on low and high performance pay. Noe et. al., (2011) explains that salary is essential to employees, and a cost to organizations. It is necessary for firms to plan what they will pay employees on each cadre of job. Further, organizations are obliged to take responsibility in making decisions on job structure and pay levels. Job structure consist of the relative pay for different jobs within the organization. According to Noe et. al., (2009) pay structure helps organization achieve goals related to employee motivation, cost control and the ability to attract and retain talented human resources. The organization's job structure and pay levels are policies of the firm rather than the amount a particular employee earns. To this end Dessler and Cole (2011) opines that salaries are often tied to seniority rather than to performance, which can be demotivating to potentially high performing workers who see seniority and not performance being rewarded. Furthermore, employment and labour laws set minimum wage, overtime pay, paid vacation, paid statutory holidays, termination pay, record keeping pay information and more.

Employee's compensation policies provide important guideline regarding the wages, salaries and benefits that it pays. According to Farmham and Pimlott (1992), during the early periods of market capitalism, the ways in which workers were paid for their labour services and the payment relationships were usually determined by the master alone. For workers to receive fair treatment for salary payment, the employer has to design a good payment system that is formal for workers. In general, however, the payment system and pay structures have to be mutually agreed where trade unions are recognized. However, it is the role of top management and owners of organizations to design the payment system and the payment structures in each case.

In a closer look, pay is a reward for individuals employed to do certain tasks and duties in organizations. Additionally, Torrington & Hall (1998) narrates that since the late 1980s, a number of authorities have expressed the view that the way payment is managed is undergoing a fundamental change. Furthermore, Armstrong & Murlis (1994) argue that the role of the salary administration has changed since early 1980s. Further, salary payment system was noted to be a far more reaching function in which numerous specialists worked out details of policies that came from elsewhere, government, head office or from general management. More so, they went on to explain how they understand the need for change in practice. The researchers stressed the significance of reward strategies which have given room to the exchange of traditional grading structures with reduced bureaucratic means of determining an individual's pay. As a result of the foregoing, it is possible to reward individual contribution to organizational success through payment related profit, performance or skill acquisition to far greater extent than was previously the case.

Salary payments are characterized by pay progressions related to increasing experience, quality of worker's performance and career expectations, whether through the use of increment scales, pay rise, merit addition or promotions. Therefore, such payment should be timely and regular. There

are three major areas that stand out on salary payment, first, what management expects from its salaried employee; second, the kind of salary system applicable in any organization is in line to a number of certain features which include: the nature of its works; its technology; its corporate objectives; its style of management; the role of the pay system in rewarding ability and effort; and the environment in which it operates. Third, the administration of salary structures is negotiable, the processes by which decisions is made in placing individuals within a salary range and in promoting individuals between incremental scales once they are appointed, invariably remain a management prerogative, Farmham & Pimlott (1992).

### **Money and Motivation**

Salary as a periodic form of payment to employees by the employer in reward or compensation for work done appears to have elements that motivate workers. According to Maicibi (2003), promptness of salary payment is important because the employees need to meet responsibilities. He further argued that absence of delay in salary payment can motivate worker demonstrate diligence service to the organization. Armstrong (2009) believes that money is a powerful force because it is linked directly or indirectly to the satisfaction of many needs. Money may in itself have no intrinsic meaning, it acquires significant and motivating power because it comes to symbolize so many intangible goals. It acts as a symbol in multiple areas for people at different times. Money makes way for positive motivation among workers, not only because they need money, but because it provides them the means of recognition in the organization. However, badly designed and irregular payment system can reduce motivation. Therefore, there is need for pay system to be fair, timely, regular and equitable. More so, the pay should be aligned to workers' effort, and workers should not receive less money than they deserve compared with their fellow workers.

Money and other rewards have immediate and powerful effect on worker behavior. Armstrong (2009) opines that money given to workers for their service to the organization is extrinsic motivation. Extrinsic motivation involves anything done to workers to arouse them put more efforts at work. Such incentives, pay increase, promotion, rewards, salary, praise, punishment and criticism. However, intrinsic motivation involves how employees feel about their work, interest for the work and autonomy to achieve and advance in the organization. Intrinsic motivation rest on the reality of developing skills, abilities, competence and self-determination. Armstrong (2009), added that many people see pay related performance, competency, contribution and skill as the best way to motivate people. In most firms, employers use monetary payments to trigger employees with the expectation of improving their work status or performance.

Money sometimes go hand in hand in motivating employees to do their work beyond employer expectation. Further, the effectiveness of money may cause satisfaction, while the lack of it may lead to dissatisfaction among most worker. Employees feel economically happy when they get paid their salary timely and regularly, and when they receive extra allowances as well as when they are recognized as being valued. It is however arguable that money motivates every worker notwithstanding. Apart from the fixed salary, other financial incentives are made available to workers in a way to motivate them to increased and greater performance. Using financial incentives, workers feel highly motivated, and this approach has been popularized in the past.

### **Job performance**

The job performance of a worker can be evaluated to determine the contribution he or she has made toward the firm's productivity and success. According to Noe et al (2011), performance can be measured focusing on managing the objectives measured results of a job or work group. However, Borman and Motowidlo (1993), identified two kinds of workers behavior that are necessary for organizations effectiveness, tasks performance and contextual performance. Therefore, job performance refers to behaviours that are directly involved in producing goods and services, or any other activity that provide indirect support to the organization. According to Dessler & Cole (2011), achieving strategic objectives requires employee productivity above all else as

organizations strive to create a high-performance culture, using a minimum number of employees. However, the objective of improving work performance lies in the goal of the department, the work location or the organization. These goals may include reducing labour cost, improving a service or increasing the quantity or quality of work output. Furthermore, the problem of improving work performance is mainly a line management task.

Work performance more also be improved by developing the ability in employees to do their job better. Further, Job performance may be improved by altering the content of the job. Another factor affecting job performance is the motivation or commitment of employees towards their work.

### Worker's absenteeism

Scholars like Huezyski & Fitzpatrick (1989) argue that certain factors lead workers to absent from workplace. The factors may include job condition, personal factors, reward systems and work group norms. However, the aspect of interest for this study aligns with the reward system which encompasses salary payment, its regularity and irregularity as well as pay increase. Furthermore, it has been observed that workplace absenteeism can be reduced when the employer makes a timely payment of salary and other financial incentives to its employees (Barmby, 1995). When workers receive their pay, it can minimize absenteeism. On the same vein, Wilson & Peel (1991) holds the view that incentive or salary pay to workers can reduce the habit of absenteeism among worker, and that the organization stand the chance to experience increase in productivity and service delivery. However, there is the argument that salary pay may not directly be linked to absenteeism behavior. This is because sick leave and other health issues is linked with worker's absenteeism as observed by Wrinkler (1980).

There is positive influence of pay satisfaction that can lead to job satisfaction. However, when monetary reward is delayed workers tend to be dissatisfied with the situation and may resort to absenteeism or seeking for alternative means of obtaining resources to sustain their family welfare. Robbins (1993) argue that workers seem to be dissatisfied with duties and had many absenteeism rates than those satisfied with their job. The displeased worker records low attendance to workplace due to issues of delay in salary payment. According to Kazeem (1999), employees tend to remain motivated as long as their pay comes on time. Whereas, irregular salary payment remains a key issue of discourse.

### Methodology

The study adopted the descriptive survey design, of which, well-structured questionnaires were administered, using the purposive sampling technique to 200 respondents, being employees of Obio/Akpor local Government Council Headquarters of Rivers State, who were the representative sample of the entire population. Data retrieved were analyzed using a statistical package.

### Results and Discussion

The tables below show the analysis of data collected from respondents.

Table 1: Salary payment motivates on job performance

Variables	F	%	F	%	Total
Salary is a motivator to work	143	71.5	57	28,5	200
Salary can influence your job performance	112	56	88	44	200
Salary can encourage you for increased productivity	163	81.5	37	18.5	200

#### Source: Nworgu, (2024)

Table 2: delay to salary payment leads to absenteeism at workplace

Variables	F	%	F	%	Total
Delay in salary payment causes absenteeism	120	60	80	40	200
Delay in salary payment causes irregular attendance	124	62	76	38	200

#### Source: Nworgu, (2024)

Table 1 shows that 143 (71.5%) respondents answered yes that salary can motivate employees on job performance, while 57 (28.5%) respondents said no to the same question above. Meanwhile, 112 (56%) responded yes to salary can influence employee job performance and 88 (44%) responded no to the same question. However, 163 (81.5) responded yes that salary can encourage increase in productivity and 37 (18.5) responded no to the same question.

Table 2 reveals that 120 (60%) respondents agreed that delay in payment of salary leads to absenteeism, by responding yes to the question. However, 80 (40%) of respondents disagreed by ticking no to the specified question. Moreover, 124 (62%) respondents ticked yes that delay in payment of salary is responsible for absenteeism to work. But on the contrary, 76 (38%) respondents were in disagreement to the question.

### Conclusion

The result and findings of this paper showed that salary payment policy is a factor that determines worker's performance. It reveals that delay in payment of salary have impact on worker's behavior in exerting their work. However, it is known fact that workers value their salary because it affords them the motivation to be regular at workplace. It also shows that promptness to salary payment in Obio/Akpor Local Government Council discourages absenteeism.

### Recommendations

The study provides recommendations which are listed below:

1. All employers of labour should desist from delaying to pay employees the agreed salary due to them.
2. Employers should specify the day in each month of which salary can be disbursed to their workers and should communicate such to every employee.
3. Service loans from bank can be sought in situations where employers foresee non availability of funds in the company's account to avoid delay in payment of salary.

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