

## **SALARY AND EFFECTIVE INFORMATION CIRCULATION IN CONSTRUCTION FIRMS IN RIVERS STATE**

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### **ABSTRACT**

The study determine the relationship between salary and effective information circulation in construction firms in Rivers State. Ten research objectives, ten research questions and ten hypotheses guided the study. This study is built on two theories: Force-Field Theory of Change. The cross-sectional explanatory survey research design was used in this study. The population of this study consisted of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State. The entire population of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State were used as the study sample. Hence, the study is census research method. A structured questionnaire was used as instrument for data collection after ascertaining its reliability through the employment of Cronbach Alpha. A total of 155 copies of the questionnaire were administered to the target respondents through the help of two research assistants. Effort was made and 147 copies were successfully retrieved. mean and standard deviation were used for the univariate analysis while the bivariate analysis was done using Spearman rank order correlation in SPSS Version 22.0. Multivariate analysis was done using Partial Correlation. Findings revealed that there is a significant positive relationship between salary and effective information circulation in construction firms in Rivers State. The study concluded that it takes salary to enhance the ability of information managers to circulate information effectively. The study recommended amongst others that construction firms in Rivers State should establish a competitive wage structure that recognizes and rewards information managers' contributions, thereby encouraging them and other employees to step up their performances every now and then.

**Keywords:** *Salary, information Managers Performance, Effective Information Circulation*

### **Introduction**

Interpersonal relation is also another measure of information mangers' performance in this study. Interpersonal relation in a workplace is a very important issue that influences the level of information managers' performance productivity in any organization. It behooves on information managers to effectively interact with their superiors, subordinates, and co-workers within their workplaces. How they relate with the customers, suppliers and general public outside the operational base of the organization determines their level of performance, viability and productivity (Zagenezzyk *et al.*, 2010). Interpersonal relation refers to the interactions and connections between individuals within a workplace (Chapman & Kelliher, 2009). These relationships can significantly impact various aspects of organizational dynamics, including communication, collaboration, and overall productivity. Healthy interpersonal relationships foster a positive work environment, enhance team cohesion, and improve employee morale and satisfaction. Effective interpersonal relationships involve trust, respect, empathy, and open communication, which contribute to the smooth functioning of the organization and the achievement of its goals (Obakpolo, 2015). This study sees interpersonal relation in terms of friendliness with clients and friendliness with colleagues.

Records management is very pertinent to the functioning of every organization, as information is the lifeblood with which every organization survives. An information manager is one which, among other things, manages records effectively. A record represents an organization's memory and no

matter what form a record may take, they are vital to the continued existence of the organization. It could be in the form of contracts, personnel invoices, letters, reports, cheques, vouchers, statistics, and personnel reports (Otamiri & Wori, 2003). Bedford (2016) conceptualizes records management as the ability of an administrative officer to receive, arrange, and store relevant organizational documents and information in such a way that it becomes easy to retrieve them in the future. It is expected that an information manager should carefully handle documents and sensitive organizational data/information.

Many factors have been used as triggers to the performance of managers and employees, but compensation techniques occupy takes a special place. This is so, because mouth-watering salaries, wages, and incentives take the first row when talking about factors that motivate the performance of employees, information managers inclusive. This study defines compensation techniques as the laid down organizational pattern of salary, wages, and incentives adopted by an organization. Compensation techniques refer to the position of organizations on the job market, the level of the total cash, the main bonus principles in the organization and rules for the base salary setting (Richard, 2018). Information managers in organizations such as construction firms are generally driven by the incentives, bonuses and other payments they receive from the organization. Sometimes, potential employees decline job offers only because there are not other benefits to enjoy apart from the base pay. These days, employees are looking for where they will work and receive not just salary, but other compensations such as incentives. No wonder (Abdul et al., 2014) stated that dwindling employee performance can be traced to poor pay, amongst other things. Truth is that money and other benefits an information manager receives from his employer motivate so greatly. As a result, organizations such as construction firms and sister organizations should be highly concerned about setting up fascinating compensation techniques in place through their Human Resource Department, especially in terms of attractive wages, salary, and incentives.

#### Research Hypotheses

- Ho<sub>1</sub>: There is no significant relationship between salary and effective information circulation in construction firms in Rivers State.
- Ho<sub>2</sub>: There is no significant relationship between salary and interpersonal relation in construction firms in Rivers State.
- Ho<sub>3</sub>: There is no significant relationship between salary and record management in construction firms in Rivers State.

#### Salary

A salary is a fixed amount of money paid to a worker usually measured at monthly and annual basis, not hourly, as opposed to wages, salary is a fixed amount of money or compensation paid to an employee by an employer in return of work done (Zahra *et al.*, 2015). A salary is contrasted with piece wages, where each job, hour or other unit is paid separately, rather than on a periodic basis. From the point of a view of running a business, salary can also be viewed as the cost of acquiring and retaining human resources for running operations, and is then termed personnel expense or salary expense. In accounting, salaries are recorded in payroll accounts.

As used in this study, salary is a form of periodic payment from an employer to an employee, which may be specified in an employment contract. Salaries /amount of salaries given to employees can be well understood as a way of motivating them. This can well be explained in the role of money as a condition reinforce, an incentive which is capable of satisfying needs, an anxiety reducer that serves to erase feelings of dissatisfaction (Opsahl & Denette, 2018). Bassett-Jones and Lloyd (2015) presented that two views of human nature underlay early research into employee motivation. The first view focuses on Taylorism, which viewed people as basically lazy and work-shy, and thus held that these set of employees can only be motivated by external stimulation. The second view was based on Hawthorn findings, which held the view that employees are motivated to work well for "its own sake" as well as for the social and monetary benefit. This type of motivation according to this school was internally motivated. Various researchers such as Wallace *et al.* (2017) contend that

money is indeed a motivator. This is because it can be seen by individuals as a goal in itself; as a means of giving satisfaction, and as a symbol of internal recognition or external status. On contrary studies have also revealed that money is a poor motivator and can hardly influence level of performance. It is further argued that it may produce temporary compliance rather than sustained improvement. It does not change behavior, merely a superficial conformity with what the organisation signals to be important. Gilchrist, Luca and Malhotra set out to answer a basic question: "Do employees work harder when paid more?" In their findings, it was concluded that employees will improve performance if the additional salary is perceived as a gift. An increase in salary as promised by employers in work contract is most likely not to be effective in improving the employees' performance. Companies therefore should think carefully not just to pay employees but how to pay them. The same amount of compensation can be structured in ways that will be less appreciated and reciprocated, Gilchrist *et al.* (2013). Merit pay/pay for performance adjusts salaries upwards and provides compensation for higher levels of performance. A standard for individual performance is set, such as increased student achievement. If a set standard is reached, the individual receives a bonus or salary increase (Recharadt *et al.*, 2016). The major argument in favor of merit pay is that it can foster individual motivation by recognizing effort, achievement and rewarding it in a concrete way. (Recharadt *et al.*, 2016).

Salary is a huge motivator for many employees. Making the connection between money and performance motivates employees to be more productive and to go the extra mile (Zingheim & Schuster, 2017). Salary is what is paid to people that are permanently employed and this is at a fixed weekly, monthly, or annual rate of pay. It is an agreed payment given at regular intervals in exchange for work done. Caring about employees on a personal level is important as well. Some organizations salary is in terms of commission and transport allowance.

### **Effective Information Circulation**

There are basic human needs and information circulation can be comparable with them. Free flow of information is a right of the people which enable them to participate effectively in the process of economic, social and political activities in the society and enhance education, knowledge and learning even in the workplace (Echezona, 2016). Thus, timely information is the flow of information at the right time, to the right audience, commanding the right feedback, to boost effectiveness and efficiency (Yusuf & Lawal, 2012). It is very important to note that the timely circulation of information among information managers to a large extent determines employees' actions and inactions as regards their job performances. Hence, when information is not circulated to their rightful places as when needed, organizational breakdown of activities is permeated.

Quality of information matters in disseminating and circulating it to the users. The parameters of quality information include relevance, accuracy, sufficiency, and timeliness. Lack of current, accurate, sufficient, relevant and timely information could hinder its reliability and acceptance (William & Trywell, 2017). Thus, in order for timely information circulation to be enhanced, information managers must identify the recipients needed for such information, appropriate means of communication and cost effectiveness with cognizance to technology and globalization which are incessantly shaping business actions. For the information manager to effectively act as an important link and interface between the top management and the operating core, he must be conscious of timely circulation of information to its users within the periscope of jurisdiction (Roth, 2016). The information managers as heads of departments (such as accounting, marketing, production) or business units, or those who serve as project managers in flat organizations are saddled with the responsibility to circulate the rightful information at the right time and right place to enhance effective decision as may be required at a given point in time. The information manager is expected to interpret and later transmit the defined strategies into management decisions and corporate actions, thus circulating such information in form of instructions, procedures or schedules to employees and other stakeholders as the case may be, at a rightful timely basis (Das, 2014).

Information circulation is then said to be effective when it is circulated to recipients at the right time, within the time schedule for such information to be enhanced (Okonu, 2017). In this course, there is the need, therefore, for an information manager to systematically and carefully circulate information to its department, units or other outlets at the right time to promote right actions among its users (employees), thus enabling them to attain predetermined goals and objectives at the right time.

### **Salary and Information Managers' Performance**

Salary, encompassing both fixed salary and piece rate, plays a crucial role in determining the performance of information managers in construction firms in Rivers State. Fixed salaries offer financial stability, ensuring that information managers can focus on their core responsibilities such as effective information circulation, without the distraction of financial insecurity. A fixed salary provides a predictable income, which is vital for maintaining high levels of job satisfaction and commitment. According to Ahmed and Schroeder (2019), stable income enhances employee motivation and reduces turnover, leading to consistent and reliable performance.

Effective information circulation is fundamental in construction firms, where timely and accurate dissemination of information is critical for project success. Information managers receiving a fixed salary are more likely to invest time and effort into maintaining efficient information systems. The stability of a fixed salary allows them to prioritize their duties, ensuring smooth information flow across the organization. Research by Parker and Wright (2020) indicates that employees with secure salaries exhibit higher levels of engagement and performance, particularly in roles requiring meticulous attention to detail, such as information management.

Interpersonal relations, another vital aspect of an information manager's role, are positively influenced by fixed salaries. Consistent income enables managers to engage more effectively with colleagues and stakeholders, fostering a collaborative work environment. Reduced financial stress from a reliable salary improves overall well-being, enhancing interpersonal skills and teamwork. Moore and Larsen (2018) found that employees with predictable incomes demonstrate better communication and collaboration, essential for maintaining strong workplace relationships in construction firms.

On the other hand, the piece rate system, where compensation is based on the volume of work completed, can drive high performance but may also introduce variability in the effectiveness of information managers. While piece rates can incentivize higher productivity, they might encourage managers to prioritize quantity over quality, potentially compromising records management. For tasks requiring accuracy and consistency, such as records management, a piece rate system might lead to rushed and error-prone work. A balanced approach, integrating piece rates with quality checks, can mitigate these risks and ensure thorough and accurate records management (Smith & Jones, 2021).

Overall, the relationship between salary and the performance of information managers in construction firms is complex and multifaceted. Both fixed salaries and piece rates have their advantages and challenges, impacting performance differently based on specific tasks and responsibilities. Huang and Kim (2019) suggest that a hybrid compensation system, offering a stable base salary with performance-based incentives, provides an optimal balance. This approach ensures financial stability while motivating managers to excel in their roles, ultimately enhancing information circulation, interpersonal relations, and records management in construction firms.

### **Social Exchange Theory**

Social exchange theory was propounded by George Casper Homans in the year 1958 (Olannye, 2014). Social exchange theory postulates that "give and take" forms the basis of almost all relationships though their proportions might vary as per the intensity of the relationships.

Pfeffer (1982) cited in Ahiazu and Asuquo (2016) posits that social exchange theory is a behavioural compliance on the part of the individual in exchange for something which is perceived to be

contingent on the individual's behaviour. Thus, the social exchange theory is about giving something of more value to others than what has been given to you and also receiving something of higher value than you have given out (Ahiazu & Asuquo, 2016). Some relevant assumptions of the theory are as follows:

- i. In a relationship, every individual has expectations from his/her partners. A relationship without expectations is meaningless;
- ii. Good relationships are mutually beneficial and not supposed to be one sided. An individual invests his time and energy in relationship only when he gets something out of corresponding or higher value from it (Olannye, 2014).

Accordingly, social exchange theory holds that feelings and emotions ought to be reciprocated for a successful and long-lasting relationship. Good relationships should be mutually beneficial and not supposed to be one sided.

This theory is adopted as the theoretical foundation of this work and the justification is predicated on the relevance of the theory on the predictor and the criterion variables. Obviously, the theory explains that both the construction firms and their information managers have their own unique expectations in their contractual relationship and that the extent to which these expectations are met will influence or determine the quality of relationship and job performance. Construction firms expect their employees to depict high level of performance and commitment towards the achievement of organizational goals by making meaningful inputs, especially in terms of effective information circulation, interpersonal relation, and records management. On the other end, their employees expect them (construction firms) to adopt mouth-watering wages, salary, and incentives, etc. This is just in line with the position of the theory that the extent to which construction firms are able to provide mouth-watering compensations will influence their information managers' performance, especially in terms of effective information circulation, interpersonal relation, and records management.

### **Research Design**

The cross-sectional explanatory survey research design was used in this study.

### **Research Population**

The population of this study consisted of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State.

### **Sample Size/Sampling Techniques**

The entire population of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State were used as the study sample.

### **Instrumentation and Measurement**

The study made use of structured questionnaire as the instrument for data collection. The structured questionnaire was developed by the researcher.

### **Method of Data Analysis**

For data analysis, mean and standard deviation were used for the univariate analysis while the bivariate analysis was done using Spearman rank order correlation in SPSS Version 22.0. Multivariate analysis was done using Partial Correlation. Thus, Spearman Rank Order Correlation Coefficient was computed with the formula below:

$$R = \frac{6\sum d^2}{n(n^2 - 1)}$$

## Results

### Salary and Information Managers' Performance

- Ho<sub>1</sub>: There is no significant relationship between salary and effective information circulation in construction firms in Rivers State.
- Ho<sub>2</sub>: There is no significant relationship between salary and interpersonal relation in construction firms in Rivers State.
- Ho<sub>3</sub>: There is no significant relationship between salary and record management in construction firms in Rivers State.

**Table 1: Correlations between Salary and Information Managers' Performance**

		Salary	Effective Information Circulation	Interpersonal Relation	Records Management	
Spearman's rho	Salary	Correlation Coefficient	1.000	0.663**	0.695**	0.722**
		Sig. (2-tailed)	.	.000	.000	.000
		N	147	147	147	147
	Effective Information Circulation	Correlation Coefficient	0.663**	1.000	0.615**	0.846**
		Sig. (2-tailed)	.000	.	.000	.000
		N	147	147	147	147
	Interpersonal Relation	Correlation Coefficient	0.695**	0.615**	1.000	0.507**
		Sig. (2-tailed)	.000	.000	.	.000
		N	147	147	147	147
	Records Management	Correlation Coefficient	0.722**	0.846**	0.507**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	147	147	147	147

\*\* . Correlation is Significant at the 0.01 level (2-tailed).

**Source: SPSS Output, 2024**

Column two of table 1 above shows r value of 0.663 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating salary and effective information circulation. Since the significance value is less than the alpha level of 0.05, the null hypothesis (Ho<sub>1</sub>) which states that there is no significant relationship between salary and effective information circulation in construction firms in Rivers State, was rejected. This suggests that there is a strong positive relationship between salary and effective information circulation in construction firms in Rivers State.

Column three of table 1 above shows r value of 0.695 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating salary and interpersonal relation. Since the significance value is less than the alpha level of 0.05, the null hypothesis (Ho<sub>2</sub>) which states that there is no significant relationship between salary and interpersonal relation in construction firms in Rivers State, was rejected. This infers that there is a strong positive relationship between salary and interpersonal relation in construction firms in Rivers State.

Column four of table 1 above shows r value of 0.722 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis salary and records management. Since the significance value is less than the alpha level of 0.05, the null hypothesis (Ho<sub>3</sub>) which states that there is no significant relationship between salary and record management in construction firms in Rivers State, was rejected. This implies that there is a strong positive relationship between salary and record management in construction firms in Rivers State.

## Conclusion

Through the empirical analyses engaged in the chapter four of this study, it has been revealed that salary has a strong relationship with the performance of information managers, especially in construction firms. This implies that it takes a competitive salary to enhance the ability of information managers to circulate information effectively, relate interpersonally, and as well as manage records effectively.

## Recommendations

Based on the conclusion of this study, the following recommendations were made:

1. Construction firms in Rivers State should conduct regular salary benchmarking to ensure information managers' compensation packages are competitive with industry standards, hence driving exceptional performance in information circulation, interpersonal relations, and records management.
2. Construction firms should adopt a total rewards strategy, combining salary with other benefits and incentives to enhance information managers' job satisfaction and performance.

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