

Impact of Compensation on Employees Performance: a Study of Guinness Nigeria PLC, Benin City, Edo State

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Abstract

Compensation is usually narrowed to cash and as a result, employers only have a tunneled vision when it comes to the issues of compensation for their employees. Other aspects of compensation which makes up the total compensation package for the employee are not given much attention. The main objective of the study is to find out the impact of compensation on employees performance in the brewery industry with Guinness Brewery Plc, Benin City, Edo State. 376 questionnaires were administered to the respondents and 237 questionnaires were returned successfully which was used as the bases for the research analysis. The research findings revealed that compensation has significant impact on employees' productivity. It was concluded on the note that Compensation can affect employees' level of commitment. It was recommended that the management of Guinness Nigeria Plc Benin City, Edo State should improve on its pay packages, travel allowance, sick leave and so on so as to improve the employee's productivity rate.

Keywords: *Compensation, Entitlement, Pay packages, Performance, Sick leave*

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Background to the Study

Compensation is all forms of financial and non financial returns and benefits employees receive as part of an employment relationship (Milkovich and Newman 2014). The kind of compensation that will motivate employee to give their best to influence performance positively will depend on how much it addresses their need for status, security, and their survival need as postulated by Maslow (1943, 1954) in his hierarchy of needs.

The relationship between employers and their employees, and the organization and its shareholders is expected to be mutually reciprocal. The employer expects employees to give their best in the areas of monitoring their performance, learning to develop themselves, adhere to rules and regulations in the performance of their assigned duties to increase productivity. They also expect their employees to be innovative and take initiative and address problems on their own. Employees on the other hand are also looking up to the employer or management to provide the necessary tools and equipment they need to work with and also get fair compensation for the work they do and the other services they provide.

According to Maslow's hierarchy of needs (1943, 1954) people in achieving organizational objectives are motivated to do so by trying to achieve certain individual needs. These needs are what are spelt out in the 5 level hierarchy of need he postulated in the 5 staged model which is well known in the field today. It therefore beholds on the management of an organization to take into consideration the various needs or need levels of its employees in designing compensation packages that will motivate them to influence performance positively. Research in the past attests to the fact that compensation comprises more than just money. It is also said that since compensation is linked to the organization's strategy for survival and competitive advantage, constantly changing the strategy of an organization to achieve competitive advantage and business goals will also mean a constantly keeping the compensation strategy also in view to meet the human resource at the point of their needs to better motivate them to achieve the organization's goals and objectives. It is important that a rewards program should address the vision of both the company and the individual employee. This cannot be overstated. Personalized incentive programs and compensation packages should be continually assessed, modified, analyzed and adapted to ensure that high-performing employees have their eyes on the same price as the company owners.

Statement of the Problem

Compensation is usually narrowed to cash and as a result, employers only have a tunneled vision when it comes to the issues of compensation for their employees. Other aspects of compensation which makes up the total compensation package for the employee are not given much attention. Employees themselves fail to recognize the fact that their compensation is a package and not only related to cash. The by-product of the above understanding of compensation is that it is poorly managed and most of the time employees' performance in terms of commitment, morale, productivity, efficiency and so on is affected adversely. Therefore the problem the researcher intends to investigate into is to understand what contributes to total compensation and how it can be better managed and linked to employee performance.

Also, most employees in recent times have lamented about the poor compensation plan in the brewing industry and how it affects their level of commitment, productivity, morale or zeal to work. The management of some brewery industry believe that as long as salaries are paid to the

employees then there is no need for any other compensation. It is in the light of this that the researcher decided to embark on this study to find out the impact of compensation on employees performance in the brewery industry with Guinness Brewery PLC, Benin City, Edo State as a case study.

The main objective of the study is to find out the impact of compensation on employees performance in Guinness Nigeria PLC, Benin City, Edo State. The specific objectives are to:

1. Determine whether compensation can impact on employees' productivity in Guinness Nigeria PLC.
2. Ascertain if compensation impacts on employees' morale in Guinness Nigeria PLC.
3. Find out if compensation has impact on employees' level of commitment to work in Guinness Nigeria PLC.

The following hypotheses were also formulated to guide this study:

H₀: Compensation has no significant impact on employees' productivity in Guinness Nigeria PLC.

H₁: Compensation has significant impact on employees' productivity in Guinness Nigeria PLC.

Concept of Compensation

Armstrong (2009), compensation is an integral part of human resource management approach to productivity improvement in the organization. It deals with the design, implementation and maintenance of compensation system that are general to the improvement of organizational, team and individuals performance. Compensation management is concerned with the formulation and implementation of strategies and policies that aim to compensate people fairly, equitably and consistently in accordance with their values to the organization, (Armstrong, 2009). Compensation as the name suggests, implies having a compensation structure in which the employees who perform better are paid more than the average performing employees (Hewitt, 2009). This encourages employees to work harder in order to regain more salaries.

Armstrong and Brown (2005), postulated that compensation is an integral part of human resource management (HRM) approach to managing people and as such it supports the achievement of business objective and it is strategic in the sense that it addresses longer term issue relating to how people should be valued for what they want to achieve. Danish (2010) was of the opinion that compensation is all about developing a positive employment relationship and psychological contract that adopt a total compensation approach which recognizes that there are numbers of ways in which people can be compensated.

In similar view, Bob (2011); Anyebe, (2013) saw compensation as being based on a well-articulated philosophy –a set of beliefs and guiding principles that are consisted with the values of the organization which recognizes the fact that if HRM is about investing in human capital from which a reasonable return is required, then it is proper to compensate people differently accordingly to their contributions. Harrison and Liska (2008) in their study positioned that reward is the centre piece of the employment contract; after all it is the main reason why people work. This includes both extrinsic and intrinsic received as a result of the employment by the organization.

Brown (2013), compensation is referred to as a return in exchange between the employees and themselves as an entitlement for being employee of an organization, or as a reward for a job well done, Employees pay does not depend solely on the jobs they hold, instead organization vary the amount paid according to differences in performance of the individual, group or whole organization as well differences in employees qualities such as security, education levels and skills (Gehart and Milkovich 2012).

Compensation is defined by Monday (2010), as the total of all rewards provided to employees in return for their service, the overall purposes of which are to attract, retain and motivate employees. As compensation is comprised of both fixed and variables components as well as employees benefits and services, an optimum combination of these elements is ideal to effectively influence position employees' performance.

Concept of Employees Performance

Nmadu (2013), employees' performance deals with the knowledge of what activities and outputs are designed, observing whether they occur and providing feedback to help employees meet expectation. According to Nmadu (2013), it is a degree of accomplishment of task(s) that make up an employees job. This definition was in line with the definition given by business dictionary (2010), that Performance is the accomplishment of a given task measured against pre-set standards of accuracy, completeness, cost and speed (Business Dictionary, 2010),

However, performance is associated with quantity of output, quality of output, timeliness of output, presence or attendance on the job, efficiency of the work completed and effectiveness of work completed (Mathis 2009). It is the standard to which someone does something such as a job or examination (Macmillan English Dictionary for Advanced Learners 2007). Employees performance if it is recognized by others within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labour market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (Scotter, 2000).

According to Gibson (2009), employees performance is measured in terms of productivity, job satisfaction, turnover and absenteeism." Employee performance is about the timely, effective and efficient completion of mutually agreed tasks by the employee, as set out by the employer. Authors agreed that when conceptualizing performance one has to differentiate between an action (i.e., behavioural) aspect and an outcome aspect of performance (Campbell, 2012). The behavioural aspect refers to what an individual does in the work situation. It encompasses behaviours such as assembling parts of a car engine, selling personal computers, teaching basic reading skills to elementary school children, or performing heart surgery. Not all behaviour is subsumed under employees performance concept, but only behaviour which is relevant for the organizational goals: performance is what the organization hires one to do, and do well (Campbell, 2012). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (Ilgen, 2011). Moreover, only actions which can be scaled, i.e., measured, are considered to constitute performance (Campbell 2012).

Employees performance will have great impact on the total production, sales, profit, progress and market position of the company in the market, that is why the work their work environment should be conducive. Various factors like skills, training, motivation, dedication,

welfare, management policies, fringe benefits, salary and packages, promotion, communication etc. are responsible to encourage the people to work sincerely and give their best output. The importance of employees' performance must be understood by the management and sincere efforts must be put in that direction. The management of the company taking timely steps in that direction will be in position to develop and motivate the employees.

Types of Compensation

Danish & Usman (2010), asserts that there are different types of compensation and employers and employees are suppose to be aware of them, some of which are:

Base or Guaranteed Pay

The basic cash amount you agreed to pay an employee is that worker's base or guaranteed pay. In most companies, base pay is determined by an employee's job description and position. The company sets a minimum and maximum range that an employee for a specific position may earn for the year. This amount can increase, decrease or stay the same, depending on the employee's performance.

Variable Earnings

Piece-rate plans, merit-based programs, incentive bonuses and profit-sharing plans are types of variable compensation, which is based on an employee's performance or results obtained. Depending on the position, an employer may combine base and variable pay. This may happen with a salesperson who receives a salary plus commission or sales bonus. Note that a bonus can be compensation or a benefit. For example, sales bonuses are compensation but annual Christmas bonuses are benefits etc

Considerations

Compensation might also include supplemental wages, which are paid in addition to regular wages. Some supplemental wages, such as non-performance based bonuses and accumulated sick leave, are benefits. Others, such as commissions, overtime pay and severance pay, are compensation.

Equity Compensation

An equity-based compensation program lets you pay your employees with company shares, such as stock options, restricted stock, stock appreciation rights, profits interest and restricted stock units. Startup companies that cannot afford to pay their employees competitive wages or salaries may offer equity-based compensation instead, You can choose to pay your employees with stock instead of cash; however, this is a tricky process. Obtain legal advice if you decide to offer stock options as compensation.

Voluntary Benefits

Voluntary benefits are incentives you choose to provide your employees; you are not legally required to give them. They might include paid time off such as vacation, sick, personal and bereavement time and other forms of leave. You may also provide medical, dental, disability and accident insurance; a company vehicle and a cellphone; educational assistance; dependent care and adoption assistance programs; retirement plans; and transportation benefits. Moving, meal, travel and lodging reimbursement, wellness programs, athletic facilities, employee discounts and stock options are also voluntary benefits.

Mandatory Benefits

Legally required benefits include Social Security and Medicare taxes, which are used to fund programs that offer benefits to eligible retirees and disabled people and beneficiaries. Most employers must also pay federal and state unemployment insurance, which provides benefits to qualified unemployed individuals. If you have employees, you must carry workers' compensation insurance, which compensates employees who suffer job-related illnesses or injuries. Depending on the state, you might also need to provide disability insurance coverage to employees who suffer non-job-related illnesses or injuries.

Compensation and Employees Performance

Sola and Ajayi (2013), a compensation package does not necessarily mean rewarding in the monetary form. It also includes flexible benefits, medical care, work-life balance, as well as employee perks. Today's employees not only work for the money, but also place equal emphasis on other aspects of compensation. A good compensation package ensures: Retention – A compelling compensation plan helps to reduce the turnover rate of the company. Employees will be more incentivized to stay in their role and this saves potential expenses related to turnover. Motivation – Compensation is the primary motivating factor for employees to continuously push themselves to strive for greater heights. It offers them a reason to work hard and keep driving towards achieving the next milestone.

On the other hand, employee performance and efficiency can be drastically affected if a good compensation package is absent. Here are a few reasons why: Low job satisfaction – Employees will feel underappreciated and derive low satisfaction from their job. This may lead to discontent amongst coworkers and put a dent in workplace morale. Low productivity – Poor compensation induces low productivity. There is less motivation for employees to strive for excellence Furthermore, high turnover – If the reward versus effort ratio is low, employees are incentivized to cast their sights away from their current job. Employee churn incurs a hefty cost to the company (retraining, relocating and time wasted). A well-crafted compensation plan is imperative to the success of the company. But many of today's compensation processes rely on Excel spreadsheets that offer no room for optimization and streamlining. Using specialized compensation software to plan compensation allows compensation managers to use hard data to identify compensation strategies that provide the greatest return on investment.

In addition, with the maintenance of health, the employee will get maximum performance opportunities. The number of working hours or employee present hours is able to obtain a maximum work performance. As a result, the planning process can be obtained with good production. They also noted that low compensation toward employees will trigger the employee to try to get their own business or side job. With the side business, it will disrupt the quality of employees' work and concentration. Low concentrations of certain employees have a negative impact on quality and quality of production of goods in the company. From these facts, it is clear that the influence of compensation on employee productivity is very strong. If it given more reasonable compensation to employees, the higher the productivity of employees. Conversely, if it given lower compensation for employees, the lower the productivity of the employee.

Theoretical Framework of the Study

The theories stated below formed the bases on which the study was anchored.

Maslow's Need Hierarchy Theory (Employee Need Theory) Abraham Maslow, organized five major type of human needs into a hierarchy. The need hierarchy illustrates Maslow's conception of people satisfying their needs in a specific order from bottom to top. The needs, in ascending order are elaborated in the table below: According to Maslow, people are motivated to satisfy the lower needs before they try to satisfy the higher needs. Also, once a need is satisfied, it is no longer a powerful motivator. Maslow's hierarchy is a simplistic and not altogether an accurate theory of human motivation.

Herzberg's Two-Factor Theory

Herzberg's two-factor theory divides Maslow's hierarchy into a lower-level and higher-level set of needs and suggests that the best way to provide motivation for an employee is to offer to satisfy the person's higher-order needs, ego and self-actualization (Herzberg,1960). The Financial Reward Approach Herzberg two-factor theory has attained general acceptability from management and scholars. It encourages managers to provide higher-level need satisfaction for their employee. However, its view that money does not motivate the employee has resulted to several criticisms of the theory. The financial reward approach tries to explain the relationship between money and motivation. According to this view, people are primarily motivated by financial reward and will be motivated to better performance if rewards and penalties are directly tied to the result they achieve.

Empirical Study

Oluigbo and Anyiam (2014), the study examines the role of compensation on employee performance in an Information Technology (IT) Organization. Five research question were raised and one hypothesis was stated. The research questions were analyzed using percentage and the hypothesis showed that there is relationship between compensation and employees performance in an organization. The total number of population of this study was 120 persons including managers and workers and the sample size was 92. The researcher adopted experimentation and survey approach and from the findings, the researcher deduced that compensation helps to increase workers output/productivity and recommended managers of companies and organizations to do everything necessary within their reach to provide incentives and benefits so as to boost the effort of the workers towards greater performance in their job.

Ibojo and Asabi (2014) examined the effect of Compensation Management on Employees Performance in the Manufacturing Sector, A case study of A Reputable Food and Beverage Industry. Primary and secondary sources were used. The use of questionnaire was employed to gather necessary and relevant data from the respondents. The results of the findings show the f – statistics of 32.222 which implies that the model is statistically significant, shows that there is a significant relationship between good welfare service and employees performance. From the results of the study, it can be concluded that there is a significant relationship between good welfare service and employees performance. The study recommends that employees should be adequately compensated so as to improve their level of productivity.

Forja (2012), Labour unrest in the form of strike actions in both public and private corporate organizations underscore the importance employees attach to the issue of compensation. As a result, the human resource functions of many corporate organizations are challenged to

develop and implement effective compensation schemes which will lead to the achievement of organizational goals. This study seeks to examine the relationship between compensation and productivity in the banking industry in Ghana. Using case study approach, a descriptive survey was carried out to collect data from employees of Ghana Commercial Bank in the Greater Accra Region of Ghana. Data was analysed in terms of descriptive statistics. Pearson chi square was used to test the significance of relationship between employee compensation and productivity. The results indicated a significant relationship between compensation and productivity.

Methodology

This research made use of the survey research design, the survey research design was employed to certainly allow the researcher to make more reliable conclusions on compensation and its impact on employees performance. The survey research design adopted becomes imperative because of the population characteristics and a representative nature of the sample of the population for the study.

In order to carry out the research efficiently and effectively, the entire staff of Guinness Nigeria Plc would serve as the population for the study. The total number of employees of Guinness Nigeria Benin city, Edo State branch is six thousand, and three hundred and fifty eight (6,358) as published in the Guinness annual bulletin of 2016. Obtaining data from the entire population of the study will be a difficult task due to time constraint. Hence the researcher decided to employ systematic sampling technique where every employee will have the opportunity of being chosen. The respondents were given questionnaires in order to get information that would be needed for this research.

The Taro Yamane formula was used in computing the sample size. The formula is given as

$$n = \frac{N}{1 + N(e)^2}$$

Where N is the population size = 6,358
e is the margin error (assume 5%)

$$n = \frac{N}{1 + N(e)^2}$$

Hence n= 376 (Approximately)

However, a total of 376 respondents have been selected as the sample size for the study. Hence, 376 questionnaires were distributed and 237 respondents returned their completed questionnaire forms. The research topic and the data collected often determine the statistical techniques to be used in the analysis, interpretation and presentation of the data. In order to make good presentation analysis of the data obtained from the questionnaires distributed to the respondents, some mathematical tools are analyzed thus, and the methods used in analyzing the data collected are:

The chi-square test statistically is given by the underlying formula:

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

Where: X^2 = Chi-square Calculated
 O = Observed Frequency
 E = Expected Frequency
 And, $E = \frac{CT \times RT}{GT}$

Where: CT = Column Total
 RT = Row Total
 GT = Grand Total

Also, in the questionnaire a variety of questions were being asked which allowed the respondents to freely answer yes, no or undecided multiple choice question were also provided whereby respondents can choose from alternative answer. The reason for using the simple percentage method for this research work is that it makes comparison clear, it reduces ambiguity, it is simple and easy to understand and it makes analysis easy.

Chi-square method which is a very reliable instrument was adopted to carry out the analysis in order to arrive with a valid result. The reason for using chi-square for this research work is that it will help to know whether observed frequencies differ significantly from expected frequencies. Also it will help to test the significance of association between any two categorical variables. More so, chi-square methods was used because it will help to determine if our hypothesis should be accepted or rejected.

The decision rule in the testing of hypothesis is that we reject the null hypothesis when the corresponding table value at the relevant level of significance if (X^2) is less than the calculated value of chi-square and vice versa. Chi-square method will help to test the significance of association between any two categorical variables. More so, chi-square method was used because it will help to determine if our hypothesis should be accepted or rejected. The validity of the instrument was established by means of an approval by experts in the fields of psychology and management.

Presentation of Data

This chapter deals with the presentation, analysis and interpretation of the data collected for the study, it is quite important to note that there are many methods of analyzing data but for the purpose of this research study and the medium through which the data have been collected the simple percentage method is use. Two hundred and thirty seven (237) respondents returned their completed questionnaire out of the three hundred and seventy six (376) staff given.

Table 1: Distribution of Questionnaire Administered

Department	Distributed Questionnaire	Returned Questionnaire	Non-returned Questionnaire
Top Level	128	73	55
Middle Level	128	79	41
Junior Level	120	85	43
Total	376	237	139

Table 2: Compensation has a positive impact on employees' productivity in the organization?

Response	Frequency	Percentage (%)
Strongly Agreed	130	55
Agreed	40	17
Undecided	47	19
Strongly Disagreed	8	3
Disagreed	12	5
Total	237	100

Source: Administered Questionnaire, 2017.

From the table above, 55% of the respondents strongly agreed that Compensation has a positive impact on employees productivity in the organization, while 17% agreed to the question, 18% were undecided, 3% strongly disagreed to the question, while 5% disagreed that compensation has a positive impact on employees' productivity in the organization.

Table 3: Does compensation impact on employees' morale to work?

Response	Frequency	Percentage (%)
Yes	170	71.73
No	50	21.10
Undecided	17	7.17
Total	237	100%

Source: Administered Questionnaire, 2017.

From the table above, 71.73% of the respondents agreed that compensation has impact on employees' morale to work, while 21.10% said compensation does not have impact on employees' morale to work, and 7.17% were undecided whether or not compensation has impact on employees' morale to work.

Table 4: Does Compensation have impact on employees' level of commitment to work?

Response	Frequency	Percentage (%)
Yes	174	73.42
No	46	19.41
Undecided	17	7.17
Total	237	100%

Source: Administered Questionnaire, 2017.

From the table above, 73.42% of the respondents agreed that compensation has impact on employees' level of commitment to work, while 19.41% disagreed that compensation does not impact on employees' level of commitment to work, 7.17% were undecided whether or not Compensation affect employees' level of commitment to work.

Table 5: What are the effects of poor compensation on production level?

Response	Frequency	Percentage (%)
Increase scrap and overtime	90	38
Reduced production	80	34
Work disruption	67	28
Total	237	100

Source: Administered Questionnaire, 2017.

From the table above, 90% of the respondents agreed that increase in scrap and overtime are the effects of poor compensation on production level, while 80% agreed that reduction in the level of production is the effect of poor compensation on production level, 67% said work disruption is the effect of poor compensation on production level.

Table 6: Does Compensation affect the Employees' level of Job Satisfaction in the company?

Response	Frequency	Percentage (%)
Yes	180	76
No	57	24
Total	237	100%

Source: Administered Questionnaire, 2017.

From the table above, 76% of the respondents agreed that compensation affect the employees' level of job satisfaction in the company, while 24% of the respondents disagreed that compensation affect the employees' level of job satisfaction in the company.

Table 7: Poor or no compensation leads to increase in labour turnover in the company?

Response	Frequency	Percentage (%)
Yes	183	77.21
No	40	16.88
Undecided	14	5.91
Total	237	100%

Source: Administered Questionnaire, 2017.

From the table above, 77.21% of the respondents agreed that Poor or no compensation leads to increase in labour turnover in the company, while 16.88% disagreed that Poor or no compensation leads to increase in labour turnover in the company, 5.91% were undecided whether or not Poor or no compensation leads to increase in labour turnover in the company.

Table 8: Are employees of the company motivated when compensated for work done?

Response	Frequency	Percentage (%)
Yes	130	55
No	40	17
Undecided	67	28
Total	237	100

Source: Administered Questionnaire, 2017.

From the table above, 55% of the respondents agreed that employees of the company are motivated when compensated for work done, while 17% disagreed that employees of the company are motivated when compensated for work done, and 28% were undecided whether or not employees of the company are motivated when compensated for work done.

Table 9: Does compensation reduces the level of absenteeism in the company?

Response	Frequency	Percentage (%)
Yes	224	94.51
No	10	4.22
Undecided	3	1.27
Total	237	100

Source: Administered Questionnaire, 2017.

From the table above, 94.51% of the respondents agreed that compensation reduces the level of absenteeism in the company, while 4.22% disagreed that compensation reduces the level of absenteeism in the company, 1.27% were undecided whether or not compensation reduces the level of absenteeism in the company.

Test of Hypothesis

Test of Hypothesis involves those scientific techniques or procedure that the researcher undertakes in accepting or rejecting a hypothetical statement. Moreover, in the research, two suppose hypothesis (the null hypothesis H_0 and the alternative hypothesis H_1) were formulated. These hypothetical statements shall however be put to test as follows:

H_0 : Compensation has no significant effect on employees' productivity.

H_1 : Compensation has significant effect on employees' productivity.

Table 2, 3, and 8 are now used for testing the hypothesis as follows:

Observed Frequency Table (0)

Table	Yes	No	Undecided	Total
4.2	170	50	17	237
4.3	174	46	17	237
4.8	183	40	14	237
Total	527	136	48	711

Source: Questionnaire Administered 2016.

$$\begin{aligned}
 Df &= (C-I)(R-I) \\
 &= (3-1)(3-1) \\
 &= 2 \times 2 = 4 \quad X^2_{(4,0.05)} = 1.06
 \end{aligned}$$

Contingency Table

O	E	O - E	(O - E) ²	$\frac{\sum(O - E)^2}{E}$
170	175.7	-5.7	32.5	0.2
50	45.3	4.7	22.1	0.5
17	16	1	1	0.1
174	175.7	-1.7	2.9	0.01
46	45.3	0.7	0.5	0.01
17	16	1	1	0.1
183	175.7	7.3	53.3	0.3
40	45.3	-5.3	28.1	0.6
14	16	-2	4	0.25
				2.07

$X_c^2 = 2.07$ while $X_T^2 = 1.06$
 X_c^2 is greater than X_T^2

Therefore, we reject the H_0 and accept that H_1 which states that Compensation has significant effect on employees' productivity.

Decision Rule

The chi-square rule states that we reject the null hypothesis and accept the calculated value of the chi-square which is greater than the critical value from the table. Therefore, we reject the null hypothesis, which states that Compensation has no significant effect on employees' productivity and accept the alternative hypothesis which states that Compensation has significant effect on employees' productivity.

Summary of Findings

Following the result of the research findings based on the analysis of the data above, compensation improves employees' productivity, employees morale, employees level of commitment, employees job satisfaction and so on in the Brewery industry. From table 4.2, 71.73% of the respondents agreed that compensation has impact on the level of production in the organization, while 21.10% said compensation has no impact on the level of production in the organization, and 7.17% were undecided whether or not compensation has impact on the level of production. It can be deduced from the response of majority of the respondents that compensation has impact on the level of production.

From table 4.3, 73.42% of the respondents agreed that compensation has impact on employees' morale to work, while 19.41% disagreed that compensation has no impact on employees' morale to work, 7.17% were undecided whether or not compensation has impact on employees' morale to work. It can also be deduced from the response of majority of the respondents that compensation has impact on employees' morale to work. From table 4.8, 94.51% of the respondents agreed that Compensation affect employees' level of commitment to work, while 4.22% Compensation affect employees' level of commitment to work, 1.27% were undecided whether or not Compensation affect employees' level of commitment to work. It can also be deduced from the response of majority of the respondents that Compensation affect employees' level of commitment to work.

From table 4.5, 76% of the respondents agreed that compensation affect the employees' level of job satisfaction in the company, while 24% of the respondents disagreed that compensation affect the employees' level of job satisfaction in the company. It can also be deduced from the response of majority of the respondents that compensation affects the employees' level of job satisfaction in the company.

Conclusion

Compensation if ignored can be disastrous, to any organization. Compensation can affect the employees' level of job satisfaction in the company, poor or no compensation can lead to increase in labour turnover in the company, it can also reduce the level of absenteeism in the company. Increase in scrap and overtime are the effects of poor compensation on production level, reduction in the level of production is the effect of poor compensation on production level and also work disruption is the effect of poor compensation on production level too. Compensation can affect employees' level of commitment to work, it can also affect employees morale, it also has effect on employees productivity.

Recommendations

1. Management of Guinness Nigeria Plc Benin City, Edo State should improve on its pay packages, travel allowance, sick leave and so on so to improve the employee's productivity rate.
2. Management of Guinness Nigeria Plc Benin City, Edo State should improve on its compensation plan so as to boost employees' morale.
3. Management of Guinness Nigeria Plc Benin City, Edo State should improve on its pay packages, travel allowance, sick leave and so on so to improve the employee's level of commitment.

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