



Impact of minimum wage on employee turnover in public sector: Evidence from federal republic of Nigeria

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Abstract

The main objective of this study is to examine the impact of minimum wage on employee turnover in Abubakar Tatari Ali Polytechnic, Bauchi. The total population of the study is eight hundred and ten (810) which comprises of four hundred and twenty Academic Staff (420) and three hundred and ninety (390) nonacademic Staff of different carders, the sample size for this study is 233 through the use of Yaro Yemani formula, the instrument used for collecting data from the respondents is the questionnaire, and the data gathered from the respondent was analyzed using percentage analysis. The result shows that there is significant and positive relationship between variables of the study ($r=0.772$, 0.532 and 0.856 , $P < 0.05$). The study concludes that there is positive and significant impact minimum wage on employees' turnover in Nigeria. However, employees work effectiveness, team work, creativity and performance are being determined by increase in wages, salaries and other motivational tools.

Keywords: Organization, employees, teamwork, effectiveness

Introduction

Employees join an organization with the intention of working hard and do a good job in order to fulfill their own needs and the needs of the organization (Roulet, 2009). Employers recruit employees because they understand that in the global competitive environment, their organizations cannot survive without workers who have required skills, knowledge and experience to get the job done. Martin (2005) supported that employees are the most important resources in running of any business and emphasized that without them the business cannot survive.

Despite employees being much important to the organizations, there has been a growing issue of employee' turnover which has been challenging various organizations around the globe, particularly in the area of human resource management (Chan *et al*, 2010). Yankeelov (2008) describe this problem of employee's turnover as a situation in which employees depart the organization due to different reasons and thus affecting the organization in terms of expenditures and the ability of the organization to ensure effective distribution of required services. Considering the extent to which employee's turnover has been affecting organizations, the problem has been a considerable topic for scholars, academics and managers (Al Mamun and Hasan, 2017).

Wages increase is aimed at placing the workers in a favorable economic position by increasing their purchasing power in order to surmount their economic problems arising from high cost of consumer goods which has eroded the value of their wages. The prices of goods and services are sky-rocketing. Little wonder therefore, that workers' wages are not able to absolve the gargantuan costs of living.

The fixing of minimum wage prevents the exploitation of weak, ill-informed or isolated groups of individuals. Minimum wage affords such people a more comprehensive protection than is available through existing voluntary bargaining machinery (Fapohunda, *et al*, 2013).

Another argument is that by the introduction of Minimum Wage employers are not only hindered from using unreasonably cheap labor, they are encouraged to use human resources more effectively and therefore, raise productivity. The issue of minimum wage has assumed an intractable dimension. As a result, it gave birth to four district conventions at the international labor organization, the conventions variously adopted in 1928, 1949, 1951 and 1970. All the essence was to strengthen the minimum wage and devising procedures for fixing, reviewing and also avoiding necessary legalistic ambiguity (Ratnam, 2006).

There are dissenting views among scholars, researchers and policy makers on the impact of minimum wage on the citizenry. Their arguments resolve around employment, income distribution and wage stability. For instance, Stigler (1964) observed that the minimum can have a positive impact on employment. According to Mario, Claude and Alvan (2010), economists believe that on the long-run, the minimum wage can have a negative impact on employment. In a developing economy such as Nigeria's, the employer has a significant market power and is able to control the wage that he pays. A legal imposition of the minimum wage may increase the level of employment (Mario, *et al*, 2010). The employer has the monopoly power to pay wages below workers' productivity. In a situation where the government increases the wage paid (but not above productivity), the employer still has the incentive to keep the worker.

Ultimately, the sign of the impact of the minimum wage on employment is an empirical question. The minimum wage has a political dimension.

The main political goal of the minimum wage is to redistribute income to low-paid workers. As a supplement to the conventions, the international Labor Organization has also passed recommendations to help explain. In one such recommendation, Prasad (1970), addressed particularly developing countries that minimum wage system is meant to and should be an effective instrument of social protection

and an element in the strategy of economic and social development. For clarity, the body further emphasized that minimum wage fixing should constitute one element in a policy designed by nations to overcome poverty and to ensure the satisfaction of the needs of all workers and families (Ratman, 2016).

Extremely, wage fixing according to International Labor Organization (ILO) should be to 'give wage earners necessary social protection as regards minimum permissible level of wages' to be based on prevailing cost of living, among other things. Ogunnlana (1978), suggested a standing policy on wages and salary review to conform with the guideline of International Labor Organization. One of such International Labor organization guideline is that salaries should be reviewed whenever consumer price index rises. In other countries, salaries are reviewed along this International Labor organization line. In Gabon, for example, salaries are reviewed whenever consumer price index rises up to 2 percent; same is applicable in India where proper legislation is being made as regards the minimum wages of various sectors in the economy (Ratman, 2016).

The equity or fairness of wage and salary increase are also important to employees, higher wage increase the purchasing power or workers, accelerates demand for goods and services, thereby learning the stock of goods in warehouses and shops. Top officials of the Nigerian Labor congress (NLC) during the reign of Comrade Adams Oshiomole and then secretary, Comrade Nuhu Mohammed have argued that in spite of the stagnation of worker's salaries, price of goods and cost of living have been galloping and have zoomed beyond unimaginable ratio a few years back, (Lawal, 1998). As the congress president puts it "viewed in the light of the cost of living, it is intriguing how the average Nigerian worker make ends meet" (Lawal, 1998).

The congress then, also provided statistics on the cost of living to back up its negotiation demand for a new minimum wage per month. In September 2, 1998 the Head of State, General Abdusalami Abubakar, blazed the trail when he announced a national Minimum Wage of N3,000 to state workers and N3, 500 to federal workers in Nigeria.

However, president Olusegun Obasanjo on 1st May 2000 announced a national Minimum Wage of N5,000 to State workers and N7,500 to federal workers. Later, the National Assembly passed into law the National Minimum Wage Act in March, 2011. Therefore, the law mandates President Goodluck Jonathan to follow suit. Accordingly, Nigerian workers are to be paid the sum of N18,000 as minimum wage.

The current minimum wage in Nigeria now is N30,000 as amended and approved by Muhammadu Buhari administration in 2018 which up to now some state were not accurately been implemented.

One of the compelling arguments used by proponents of a higher national minimum wage for Nigerian workers is the pitiable level of minimum wage in Nigeria, not only when compared to the actual cost of living, but when examined against the minimum wage in other developing countries. In Africa, countries like Gabon, Algeria, Tunisia and Bostwana have minimum wages higher than Nigeria.

Research Objectives

The aim of this research is to examine the impact of minimum wage on employee productivity in public sector in Nigeria. Specifically are to;

1. Examine the impact of minimum wage on employees' work effectiveness in Abubakar Tatars Ali Polytechnic, Bauchi.
2. Determine the impact of minimum wage on employees' teamwork in Abubakar Tatars Ali Polytechnic, Bauchi.
3. Evaluate the relationship between an increase in wage and employees' creativity in Abubakar Tatars Ali Polytechnic, Bauchi.

Research Hypothesis

The following research hypotheses were formulated to be tested in the study;

H₀₁: Minimum wage has negative and insignificant impact on employees' work effectiveness in Abubakar Tatars Ali Polytechnic, Bauchi.

H₀₂: There is no significant impact of minimum wage on employees' teamwork in the public service in Abubakar Tatars Ali Polytechnic, Bauchi.

H₀₃: The relationship between an increase in minimum wage and employees' creativity is negative and insignificant in Abubakar Tatars Ali Polytechnic, Bauchi.

Literature Review

A. Conceptual of Minimum Wage

The term "minimum wage" has come under close scrutiny in recent times, acquiring an increasingly but strangely controversial status both in terms of usage and policy objectives especially in the 1980s.

The concept of minimum wage is often used in a variety of ways in many countries and by different individuals. It is essentially an expression used in a number of circumstances in which a worker's remuneration is not allowed to fall below a given amount. Minimum wage may be defined as the least monetary wage prescribed to be paid to workers in both the private and public sectors of an economy. In the words of Fapohunda, Atiku and Lawal (2013: 20), "Minimum wage can simply be defined as the smallest hourly wage that an employee may be paid as mandated by Federal Law.

According to the Cain Labour Standard Act of 1938 in the USA, Minimum Wage is the minimum hourly rate of compensation for labour as established by Federal Statute and refined by employers engaged in businesses that affect interstate commerce. It may also be defined as the rate of pay fixed either by a collective bargaining agreement or by government enactment as the lowest wage payable to specified categories of

Employees (Fapohunda, *et al*, 2013).

The ILO (1996), General Survey of Reports pointed of that denotes the minimum sum payable to a worker for work. Performed or services rendered within a given period, whether calculated on the basis of time or output, which may not be reduced either by individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cover the minimum need of the worker and his/her family, in the light of national economic and social conditions.

However, in 1967, the ILO meeting of experts on minimum wage fixing and related problems explained that the concept of Minimum Wage contains 3 basic ideas:

1. The wage should charter for the basic needs of food, clothing, housing, education and recreation of the workers, taking into account the economic and cultural development of each country,
2. Minimum Wage covers the lowest level of remuneration prescribed by regardless of the workers' qualification,
3. Minimum Wage is the wage which each country can enforce with penalty and sanctions. One argument is that fixing the Minimum Wage affords workers a reasonable income to meet their basic needs and raise their standard of standard of living.

B. Concept of Salary

Different definitions have been advanced on salaries and wages usually to show the differences that exist between both terms. Braton & Gold, (2003) basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Wage refers to payment to manual workers, always calculated on hourly or piece rates. Surbhi (2015)^[50] also defined salary as a fixed amount paid to the employees at regular intervals for their performance and productivity whereas wages are the hourly- based payment given to the labor for the amount of work finished in a day. He further argued that while Salaried persons are generally said to be doing "white collar office jobs" which implies that an individual is well educated, skilled and is employed with some firm and holds a good position in the society, whereas the waged person are said to be doing "blue collar labour job" which implies that an individual is engaged in the unskilled or semi-skilled job and is drawing wages on a daily basis.

Maicibi (2005) defined salary given to individuals for work done. He further identified the indicators of remuneration include: basic salary, wages, health schemes, pension schemes, transport allowances overtime allowance and responsibility allowances.

C. Concept of Employee Performance

Hellriegel, Jackson and Slocum (2009)^[29] defined performance as the level of an individual's work achievement after having exerted effort. Job performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully, subject to the normal constraints of reasonable utilization of the available resources (Dar, Akmal, Akram & Khan, 2011)^[18].

Motowidlo, Borman, & Schmidt (2007)^[39] defined employee performance as the overall expected value from employees' behaviours carried out over the course of a set period of time. Charity (2009) performance means the degree of completion of an employee's task or given objective. "Performance is associated with quantity of output, quality of output, and timeliness of output, presence / attendance on the job, efficiency of the work completed and effectiveness of work completed". Employee performance can be defined as the job relevant activities anticipated from an employee and how well such activities are executed. Although there is no general and predominant theory about employees' execution (Calvin, 2017)^[11], thus the viability with which associations oversee, create and empower their employees is a significant cornerstone of organizational performance (Christensen, 2011)^[14].

Hence, people management contributes significantly in performance (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009)^[53]. Performance can be traced back to the attitudes of individuals on the shop floor. Employees work in certain ways and behave in a way that adds to (the objectives of) the association. If employees' performance doesn't add value, the organizations have no reason to exist (Bauer, Erdogan, Liden & Wayen, 2006)^[9]. Employee performance is an activity that is very important because it can be used as a measure of success in supporting the success of the organization's employees (Said, 2008)^[46]. Employees are extremely motivated to monthly rewards. Employee are the important part of any organization increasing the performance they can be motivated through financial and non-financial benefits they can designing that you can says that composition is reward which is receiving by the employee to show their performance (Rizwan & Ali, 2010)^[44].

D. Concept of Employee Effectiveness

Effectiveness is conceptualized in four approaches: goal achievement approach (in terms of fulfillment level of organizational objectives and final achievements of the organization), systematic approach (in terms of ability in using and processing data, its achievement ways and maintaining stability of the organization), strategic factors approach (in terms of fulfilling expectations of external factors, on which organization stability depends) and competitive values approach (in terms of identifying all fundamental variables which influence the performance of organization and the connection of these variables) (Abdollahi, Bijan & Abdolrahim, 2006)^[1].

Hamidi (2004) stated that organizational effectiveness is rooted in management processes and successful organizations have three characteristics in terms of organizational design: simple form, few employees and decentralization aiming at efficiency increase. Employees' effectiveness is the survival and flourishing factors if each organization gains meaning from the employees. Thus, the closer the objectives of employees and those of manager and organization to each other, the easier it would be to achieve those objectives; therefore, the goals of managers and employees would berealized (Abdollahi, Bijan & Abdolrahim, 2006)^[1].

Chen (2004)^[12] investigated employees' effectiveness in his doctorate dissertation and classified them in four subscales of job stress, job satisfaction, job performance and intends to stay in or leave the job and found no significant relationship between different types of leadership and these effectiveness factors.

E. Concept of Employee Teamwork

According to Cohen and Bailey (2009)^[16] an employee team is a collection of individuals who are interdependent in the tasks and who share responsibility for the outcomes. Team's enables people to cooperate, enhance individual skills and provide constructive feedback without any conflict between individuals (Jones, 2007)^[33].

Teamwork is an important factor for smooth functioning of an organization. Most of the organizational activities become complex due to advancement in technology therefore teamwork is a major focus of many organizations. One research study concluded that teamwork is necessary for all types of organization including nonprofit

organizations (Pfaff & Huddleston, 2003) ^[42]. Team members enhance the skills, knowledge and abilities while working in teams (Froebel & Marchington, 2005) ^[24].

According to Ingram (2000) ^[32] teamwork is a strategy that has a potential to improve the performance of individuals and organizations, but it needs to be nurtured over time. Organizations need to look at strategies for improving performance in the light of increasingly competitive environments. Top managers need to have the vision to introduce teamwork activities within the organizations, the sensitivity to nourish it and the courage to permit teams to play an important part in decision making.

Conti and Kleiner (2003) ^[17] reported that teams offer greater participation, challenges and feelings of accomplishment. Organizations with teams will attract and retain the best people. This in turn will create a high performance organization that is flexible, efficient and most importantly, performance. Teamwork is a group of employees, which is coordinated by a team leader or a manager, who has duty to do coaching to all members to show maximum performance by giving guidance, direction, motivation and inspiration, so that any delegated tasks can be performed well (Sinambela, 2016) ^[49]. According to McShane and Von Glinow (2012) ^[38], to work effectively in a team, employees must have more than technical skills to perform their own work.

F. Concept of Employee Creativity

It is difficult to properly define creativity. Over the years, there have been several different definitions of creativity. Creativity can be defined as the production of novel and useful ideas concerning products, services, processes, and procedures (Amabile, 2006) ^[6]. Creativity can be explained as production of new ideas; a creative employee is one who can come up with new suggestions/ideas for the services to be constructed, the flood of the communication and understanding it in the same way which would affect the work done by the employee during his working hour (Amabile, 2006) ^[6].

Creativity is explained as a design in which the employee make such innovative construction in which the work related problems are resolved in rightful manner with step by step process, some explain it as the ability of the individuals how they can develop useful solution to meet the challenges and overcome the problem them self individually (Amabile, 2006 ^[6]; Young, 2004) ^[54]. A creative employee is one who has the ability to be aware of the organization and must be sensitive so that he can tackle the problem, he must have sharp mind so he is able to remember his task for long time, and he must be adaptive, it is because due to Globalization there is rapid change in the technology as well the culture so a creative employee would be one who is able to adapt all the changes before time, in this way he would be termed as creative (Evans, 2001) ^[22].

It has been long observed that employee's creativity is mostly seen by the large organization and team.

Creativity is mostly involved in the generation of change in product, due to working in team the employee are constantly engaged in learning new knowledge, skills which are the necessary requirements needed by the organization from the employee so they can achieve timely goals (Amabile, 2000). Creativity can be explained as introducing new techniques by individual or group of people in organization for achieving the maximum potential of human labor which will

result in achieving goals effectively, due to innovation and globalization if a firm wants to compete with its competitor they must hire creative employee who are extroverts, feeling easy to work in groups.

Employees with proactive personalities are the one which are mostly admired to make constructive change (Zhou and George 2001). Creativity is adapted by the individual to do production with new ideas. The creativity may depend on the employee or situation; an employee may want to be in contact at highest or lowest level although he or she has great potential. Employee may use all of his/her capabilities, skill knowledge in effort to produce creative outcomes (Drazin *et al.*, 2009).

G. Impact of Salary Increment on Employee Effectiveness

Changes in the salary structure do not guarantee an increase in employee effectiveness and make employees feel comfortable in working. Many things can be done by the management organization for the effectiveness of employees is increasingly rising (Ertanto and Suharnomo, 2011) ^[21]. Through this form of compensation and human resource development to be a view that is important for the company and employees. Self-esteem can be a mediating variable between salaries influence on effectiveness, but only useful as a partial mediating variable, it is due to a direct effect on the performance of a larger salary than through self-esteem (Ertanto and Suharnomo, 2011) ^[21]. Work motivation, job satisfaction and wages significant effect on worker effectiveness. Partially there is impact on the performance of the employee salaries, allowances are no significant influence (Umar, 2012) ^[52]. Wages become an important aspect of being effective if linked to the performance significantly (Umar, 2012) ^[52]. Given increase salary is the most complex task for the organization, is also the most significant aspects for workers, because of the amount of salary reflects the size of the value of their work among the workers themselves, their families and communities.

Salaries are very important for the organization because it reflects the organization's efforts to defend human resources in order to have a high loyalty and commitment to the organization. Increase salary strategy is expected to contribute to maintaining the viability of the work force, the realization of the vision and mission, as well as for the achievement of work objectives (Umar, 2012) ^[52].

H. Impact of Salary Increment on Employee Teamwork

Robbins and Judge (2007) ^[45] stressed that salary system should encourage cooperative efforts rather than competitive ones. They opined that promotions, salary raises and other forms of recognition should be given to individuals for how effective they are as a collaborative team member. They pointed out that it does not imply that individual contributions are ignored; rather, they are balanced with selfless contributions to the team. They stated that examples of behaviours that should be rewarded include: training of new colleagues, sharing information with team mates, helping to resolve team conflicts and mastering new skills that the team needs but in which it is deficient. In a related development, Rabey (2003) ^[43] observes that recognition and rewards are the primary focus of the individuals who are working in teams. He reiterated that perceptive managers are quite aware of this and that they constantly capture the benefits of the team.

1. Impact of Salary Increment on Employee Creativity

Increase of an employee's salary depended on change on the cost of living and employees regarded the increase in salary as entitlement without accounting for their own performance, or that of the organization. This meant on one hand that an employee's salary increase did not in any way change his or her attitude to work such that he or she could put more effort to influence the total output in order to cater for the increase, and on the other hand increase of salary boosted the worker's economic freedom while negating the need to increase the volume of their effectiveness towards the organization (Swanepoel, 2003).

It also meant that a worker was likely to increase his creativity of the job but the creativity accumulated slowly and creativity to be acquired were limited thereby leading to redundancy and monotony of work thus reducing an organization's volume of output. Swanepoel (2003) describes that employees were rewarded according to the position held without considering their performance. The increments in basic pay depended on internal and external assessment of jobs. The empirical literature which examines the impact of extrinsic salary on individual creativity has been decidedly equivocal, reporting positive relationships between salary and creativity in some cases (e.g. Eisenberger and Aselage, 2009^[20]; Friedman, 2009)^[23] and negative relationships in others (e.g. Amabile, 2006^[6]; Amabile *et al.*, 2001). Lynch (2000)^[35] agrees that basic salary or basic wage is the vital payment made by the employer to the employee for work done. Pay indicates the value that the employer puts on the work performed by its employees.

Employees are paid depending on the creativity and competencies that they possess, and not what the job is worth. It is employees who have market value, and not jobs (Shields, 2007)^[48].

2. Theoretical Review

a. Reinforcement and Expectancy Theory

Gerhart, Minkoff & Olsen (1995)^[25] reinforcement theory states that a response followed by a reward is more likely to recur in the future (Thorndike's Law of Effect). Aswathappa (2007)^[7] asserted that a behavior which as a rewarding experience is likely to be repeated. The implication for remuneration is that high employee performance followed by monetary reward will make future employees performance more likely. Buchan *et al* (2000) suggest that behaviour can be modified if individuals receive the reward at the time they exhibit the desired behaviors. An important assumption in this theory is that rewards can become an acquired right if they are delivered on a regular basis.

b. Equity Theory

Buchan *et al* (2000) equity theory posits that because employees in organizations expect to be rewarded like other employees for similar levels of input, the distribution of rewards becomes important. It is the perceived equity of the effort-reward balance that is important in determining the employees' level of motivation. Yinka (2017) the theory emphasizes equity in pay structure of employees' remuneration. employees perception on how they are being treated by their firms is of prime importance to them. The dictum "a fair day work for a fair pay" denotes a sense of equity felt by employees. When employees perceive inequity it can result in lower productivity, high absenteeism or increase turnover.

c. Agency Theory

According to Buchan *et al* (2000) an agency relationship occurs whenever one party (the principal) hires another person (the agent) who possesses specialized knowledge and skills. Agency theory focuses on the divergent interests and goals of the organization's stakeholders and the way that remuneration can be used to align these interests and goals. The remuneration payable to employees is the agency cost and that it is natural that employees expect high agency cost while the employer seeks to minimize it. Thus, these theories posit that the remuneration in the form of wages or salaries can be agreed upon on the basis of the outcome or the behaviour of an employee (Yinka, 2017).

This study anchored on equity theory, the reason for chosen this theory, is because the theory posits that employees in organizations expect to be rewarded like other employees for similar levels of input, and this theory is in cognizance with the subject matter under study.

3. Empirical Review

In Nigeria, Abada, Okafor, and Omeh, (2019) deployed the Monkey survey medium and sampled 8,122 respondents from the workforce of the Federal and State governments to investigate critically, the viability of various States governments in complying with the new proposed national minimum wage bill of fifty-six thousand naira; and variables that could be determinants to the successful implementation of the new proposed national minimum wage. They found out that that the inability of the various states to comply with the payment of the present minimum wage of eighteen thousand naira (N18,000) can be attributed to vagaries in the price of oil at the international market; large size and over blot in number of civil service contained therein the payroll and poor financial discipline exhibited by state governors coupled with high cost of governance.

In Anambra State, Ileka and Muogbo (2020)^[40] sampled 374 employees of Ministries to examine how minimum wage, wages and salaries, cash bonus, fringe benefits and monetization of fringe benefit affect employee performance. The finding of the study showed that while wages and salaries, cash bonus, fringe benefits and monetization of fringe benefits all had significant positive effect on employees performances in selected government ministries in Anambra state, the Minimum wage recorded a significant negative effect on employees performances

In South Western Nigeria, Omowunmi (2019) carried out a survey study to investigate the role of wages and work stress and employee's job satisfaction in Lagos, Ogun and Oyo among Civil Servants. A total of 212 civil servants were sampled. Result of the correlation and multiple regression analyses performed showed that while that wages had significant positive relationship with job satisfaction, a significant negative relationship was observed between Work stress and job satisfaction.

Eme, Alo, and Idike (2017) investigated workers' agitation for an increase in the national minimum wage in Nigeria. The study found out that that rather than decrease, industrial conflicts were on the increase in the epoch of recession.

In Delta State, Onoriode (2001) sampled 600 teachers to examine whether there is any relationship between national minimum wage and productivity among the Nigerian civil servants, particularly post-primary school teachers. Analysis outcome of the Spearman correlation conducted showed that

there is indeed an extremely high degree of correlation between wage and productivity.

In Lagos State, Oni, Nwajiuba and Nwosu (2017) conducted a descriptive survey research to determine the influence of staff motivation on workers’ productivity in selected Shomolu Local Government Area. 200 teachers were randomly sampled and studied. Findings obtained from the study’s multiple regression analysis carried out showed that there is a significant relationship between the motivation of staff and their productivity, just as a significant influence of staff motivation on work performance was established as well.

In Ogun State, Ajalie (2017) through a descriptive survey study examined the effect of employee motivation on organizational productivity. A sample of 185 respondents was covered in the student. Using the multiple regression analytical tools, the study found out that extrinsic factors were considered to have more significant effects on organizational productivity than intrinsic factors.

Obadara (2014), in the South West geopolitical zone, carried out a survey study on of 1,000 samples drawn from Lagos, Ogun, Oyo, Osun, Ondo and Ekiti States to ascertain whether any relative relationship exist between teachers performance incentives and increased teacher effort, teacher behavior in the classroom, teacher attendance, teacher teaching methods, teacher retention, and student learning outcome which all represent the interest of the school system. Using the multiple correlation statistical tools, the study found that performance incentives readily aligned the interests of schoolteachers with the interest of the school system without necessarily inducing behavior distortions such as test score manipulations or primarily teaching to test practices by teachers.

Methodology

The researcher adopted the use of non-experimental design with specification in exploratory research design. This study was carried out in Abubakar Tatari Ali Polytechnic, Bauchi. The total population of the study is eight hundred and twenty four (810) which comprises of two hundred and thirty two Academic Staff (420) and five hundred and ninety two (390) nonacademic Staff of different carders. The study adopted the use of Yamani (1964).

Closed ended questionnaire is the major instrument for data collection in this study; this is because questionnaire has the capacity of collecting more relevant data from respondents. Other sources from secondary were equally utilized from textbooks, journals, website document and articles. The questionnaire was design on five points likert scale ranging from strongly agree (5), Agree (4), Undecided (3) Disagree (2), strongly disagree (1). The study however, used Statistical Package for Social Sciences (SPSS) and chooses frequency table and percentage method in analyzing the data obtained. The hypothesis was tested using Spearman correlation 0.05 level of significance.

Analysis and Results

Out of questionnaires distributed; Returned was 233.

1. Hypothesis Testing

Hypothesis I: H₀. Minimum wage has negative and insignificant impact on employees’ work effectiveness in Abubakar Tatari Ali Polytechnic, Bauchi.

Table 1: Spearman’s Correlations Result

		Minimum Wage	Employees work Effectiveness
Minimum Wage	Correlation Coefficient	1.00	.772**
	Sig. (2-tailed)	.	.001
	N	233	233
Employees work Effectiveness	Correlation Coefficient	.772**	1.00
	Sig. (2-tailed)	.001	.
	N	233	233

***. Correlation is significant at the 0.05 level (2-tailed).*

Source: IBM SPSS version 23 Output, 2023

Table 1 above shows that the Pearson’s correlation analysis was conducted to examine the impact of minimum wage on employees work effectiveness. The result of correlation revealed that significant and positive relationships exist between variables, a correlation of 0.772 and significant at 0.001, which is less than 0.05 levels of significance. Therefore, we reject the null hypothesis and accept the alternate.

Hypothesis II: H₀. There is no significant impact of minimum wage on employees’ teamwork in Abubakar Tatari Ali Polytechnic, Bauchi.

Table 2: Spearman’s Correlations Result

		Minimum Wage	Employees team work
Minimum Wage	Correlation Coefficient	1.00	.532**
	Sig. (2-tailed)	.	.000
	N	233	233
Employees team work	Correlation Coefficient	.532**	1.00
	Sig. (2-tailed)	.000	.
	N	233	233

***. Correlation is significant at the 0.05 level (2-tailed).*

Source: IBM SPSS version 23 Output, 2023

In the table above, Pearson’s correlation analysis was conducted to examine the relationship between salary increase and employees teamwork. The correlation result revealed the significant and positive correlation between the variables, a correlation of 0.532 and P value of 0.000, which is less than 0.5 levels of significance. Therefore, the null hypothesis rejected and alternate hypothesis accepted.

Hypothesis III: H₀. The relationship between an increase in minimum wage and employees’ creativity is negative and insignificant in Abubakar Tatari Ali Polytechnic, Bauchi.

Table 3: Spearman’s Correlations Result

		Minimum Wage	Employees creativity
Minimum Wage	Correlation Coefficient	1.00	.856**
	Sig. (2-tailed)	.	.000
	N	233	233
Employees creativity	Correlation Coefficient	.856**	1.00
	Sig. (2-tailed)	.000	.
	N	233	233

***. Correlation is significant at the 0.05 level (2-tailed).*

Source: IBM SPSS version 23 Output, 2023

Table 3 revealed that the Pearson’s correlation analysis was conducted to evaluate the extent of relationship between minimum wage and employees’ creativity. The result of

correlation indicated that significant and positive relationships exist between the variables, a correlation of 0.856 and P value of 0.000, which is less than 0.5 levels of significance. Therefore, we reject the null hypothesis and accept the alternate.

2. Findings

1. The finding of this research revealed that minimum wage has positive and significant impact on employee effectiveness in Abubakar Tatari Ali Polytechnic, Bauchi.
2. Finding also discovered that minimum wage has positive and significant impact on employee teamwork in Abubakar Tatari Ali Polytechnic, Bauchi.
3. Finally it was indicated a positive and significant relationship between minimum wage and employee creativity in Abubakar Tatari Ali Polytechnic, Bauchi.

Conclusion and Policy Recommendations

The study examines the impact of minimum wage on employee turnover: evidence from Nigeria. The study concludes that there is positive and significant impact minimum wage on employees' turnover in Nigeria. However, employees work effectiveness, team work, creativity and performance are being determined by increase in wages, salaries and other motivational tools.

Based on the above finding and conclusion, the researcher recommends that;

- Management should consider motivating their employee through an increase in the amount of wages and salary to cope with the current economic condition of a nation. This will enable an employees an adequate freedom to make effective decision on their job.
- There is need for management create harmonious and enable work environment that would boost collective responsibility and effective teamwork between senior and junior staff where the knowledge and ideas can be taped and shared freely at least or no cost.
- In order to enhance team performance and creativity, the management should encourage employee through increment of salary to enable them develop new creative ideas in the institution. Employee should always be allowed to offer and submit the suggestion and creative ideas in the institution.

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