YOBE JOURNAL OF ECONOMICS
(YOJE)

A bi-annual publication of the Department of Economics,
Yobe State University, Damaturu, Nigeria.

Volume 6, Number 2 September, 2020 ISSN: 2408-5103



The Department of Economics
Yobe State University,
Damaturu Nigeria.

CamScanner

YOBE JOURNAL OF ECONOMICS (YOJE)

A Bi-annual Publication of the
Department of Economics
Yobe State University
Damaturu, Nigeria.

Volume 6, Number 2
September 2020

ISSN: 2408-5103

CamScanner

Yobe Journal of Economics is published by:

The Department of Economics
Yobe State University
Damaturu – Nigeria.

Printed by:

Kabod Limited
NL 7 Lokoja Road,
Kaduna Sate, Nigeria.
+234 (0)803 062 8933 kabodlimited@gmail.com

ISSN: 2408-5103

Copy Rights:
All rights of this publication are reserved. No part of this Journal may be reproduced, stored in a retrieval system nor transmitted in any form by any means without the prior permission of the publisher, except for academic purposes.

Note:
The articles published in this Journal neither in any way reflect the views nor position of YOJE. Authors are individually responsible for all issues relating to their articles. Except for publication and copy rights, any issue arising from an article in this Journal should be addressed directly to the Author.

CamScanner

EDITORIAL TEAM

Editor-in-chief
Prof. Balami D. Hassan, Department of Economics, University of Maiduguri.

Editors
Prof. Garba Ibrahim Sheka, Department of Economics, Bayero University, Kano.

Prof. Elwalied Nourelhu Ahmed, Department of Islamic Economics, Islamic University of al-Madinah al Munawarah, Kingdom of Saudi Arabia.

Prof. Kolawole Subair, Global Research Fellow, Center for Global Entrepreneurship and Sustainable Development, School of Liberal Arts, Indiana University –Purdue University, Indianapolis, United States of America.

Dr Nasreldin Atiya Rahamtalla, Department of Economics, Yobe State University, Damaturu.

Dr Hassan Hassan Suleiman, Department of Economics, Bayero University, Kano.

Dr Bhola Khan, Department of Economics, Yobe State University, Damaturu.

Dr Conerlius Kwanga, Department of Economics, Umaru Musa Yar'adua University, Katsina.

Editorial Advisory Board
Prof. Ummu Ahmed Jalingo, Department of Economics, Bayero University, Kano.

Prof. Isiaka Alimi Pedro, Department of Economics, Bayero University, Kano.

Dr Njiforti Peter, Department of Economics, Ahmadu Bello University Zaria.

Journal Coordinators

Dr Louis Sevitenyi Nkwatoh, Department of Economics, Yobe State University, Damaturu.

Dr Ahmed Mallum, Department of Economics, Yobe State University, Damaturu

CamScanner

TABLE OF CONTENTS

Is Morocco Relevant for the Economic Integration and Development of ECOWAS? - ***Bashir Olayinka Kolawole*** *1*

The African Continental Free Trade Area and the Nigerian Economy– ***Jonathan Gimmy Leo*** *19*

Impact of Remittances on Economic Growth in Selected Sub-Sahara African Countries – ***Ali Yahaya Ukashatu, Umar Haladu Utai, Jaafar Aliyu, Adahama Ibrahim Haladu, Jameel Baba Dara & Ibrahim Inuwa Balarabe*** *43*

Governance - Child Health Nexus in West Africa – ***David Mautin Oke & Gbemisola Adenike Alonge*** *56*

Geospatial Effects of Road Transport Infrastructure on Economic Activities Land Use in Kura Local Government Area of Kano State, Nigeria - ***Bobai F. Danjuma, Njiforti P. Pidvaga, & Shuaibu I. Mohammed*** *73*

Electronic Marketing Strategies and Consumer Buying Behaviour: A Study of Kwara State Polytechnic Students, Ilorin – ***Olanrewaju Isiaka Anafi, Issa Abdulraheem & Zekeri*** **Abu** *88*

Covid -19 Pandemic and Microenterprises (MEs) Performance in Lagos State, Nigeria - ***Adijatu Olubukola Olateju*** *99*

Globalization and Protectionists Economic Public Policy Measures in Response to COVID 19 Pandemic: The Limits of Interdependence Theory – ***Wilson Muna, Lawan Abba, Babamaragana & Abubakar Lawan*** *111*

Non-Oil Export and Economic Growth in Nigeria: A Time Series Econometric Model - ***Ahmed Mallum & Hadiza Baba Ibrahim*** *136*

Understanding the Degree of Social Exclusion in Selected Slums in Lagos State, Nigeria–***Oluwaseyi Omowunmi Popogbe, Oludiran Simeon Akinleye & David Mautin Oke*** *147*

Work Stress Factors and Performance of Employees in Hospitality Industry - ***Abdullahi B. Yusuf, Hauwa Ibrahim Abubakar, Mustapha Nmanda Mustapha, Halima Ali Buratai & Yerima Gimba Alhassan*** *168*

CamScanner

Determining Workers' Productivity in the Nigerian Service Industry: An Exploratory Analysis - ***Ismaila Yusuf &Muhammad Biliyaminu Ado*** *187*

Effect of Exchange Fairness and Trust in Authority on Voluntary Tax Compliance in Jigawa State Nigeria –
Abba Ya'u, Najib Sabo Kurawa & Nura Badamas.....*197*

Crude Oil Price and Exchange Rate in Nigeria: Do Asymmetry Matters?
Saidu, Salihu, Adamu, Peter & Kambai, Elizabeth Peter.....*214*

Capital Market, Financial Deepening And Nigerian Economic Growth
Awotundun, D. Ayo & Yunisa, A. Simon.....*227*

CamScanner

DETERMINING WORKERS' PRODUCTIVITY IN THE NIGERIAN SERVICE INDUSTRY: AN EXPLORATORY ANALYSIS

Ismaila Yusuf
Department of Business Administration and Entrepreneurship
Kwara State University, Malete

&

Muhammad Bilyaminu Ado
Department of Economics, Yusuf Maitama Sule University, Kano

Abstract
This study investigates the influence of wages and salary on workers' productivity in service industry in Kwara state of Nigeria. The basis behind the study is to find out whether wages, salary and employee perception (high & Low wages) can influence workers productivity in service industry in the state. The methodology employed in this study is quantitative; twenty employees were sampled through questionnaire for data collection. The data was analyzed using regression technique trough the SPSS 24.0 with the findings revealing that wages and salary influence worker's productivity in service industry in Kwara state, Nigeria. Also, perception as a moderating variable on wages and salary shows that workers perceived their wages as low wage thus this has led to low productivity. However, the study recommends that there should be moderate increase in wages and salary so as to enhance productivity and change workers' perception of low wages to high wages which will in-turn change job attitude, commitment and improved effectiveness and efficiency of workers in the service industry.

Keywords: Wages and salaries, productivity, service industry, Kwara State, Nigeria
JEL Classification:J29, J31, J33, M10

Introduction

There is developing worry for organization in this present stage of technological development where competition for survival is keen. In the pursuit of organizational bargaining efficiency, most organizations have been prompted to fabricate their quality not just in instruments, machines and equipment anymore but in supporting and receiving data innovation in order to remain sustainably in business. However, going with the contention of Carr (2003), it is contended whether information technology matters or not. According to Carr (2003) even if organizations spent fortunes on data innovation, they additionally need to spend more on individuals (Workers) in light of the fact that the employee or workforce are those aptitude works

CamScanner

that will utilize the innovation to the benefit of the organization by enhancing high productivity. However, this has generated challenges for most organizations in using the workforce to accomplish targeted level of productivity. In *lieu* of this, organizations thus seek to develop the need for paying employees high wages and salaries that will better assist the organizations in realizing their objectives of prompting proficiency and viability of the workers. This would benefit the organizations through maintaining strategic distance from class battle whereby the dispute between the business and the workers is drastically reduced. This is because the business is considered as the industrialist that accommodates components of creation while the employees likewise considered themselves as those that will coordinate different elements to accomplish the objectives of the organizations (Bendix, Reinhard & Seymour M. Lipset,1966).

The significant issue that this study seeks to address is the employees' perception of wages and salaries which this investigation classifies as high and low wages, and how employees' discernment (perception) impacts productivity and efficiency that this study viewed as either relative or absolute. It is on this premise that this study endeavors to analyze the impact of wages and salaries on workers' productivity in the service industry of Kwara state in Nigeria using Chronicles Food Concept Ilorin, Kwara State, as the examination perception. The target of the study is to investigate the effect of high and low wages on workers effectiveness and efficiency on productivity.

This paper is presented in five sections. Apart from the Introduction in Section one, Sections two and three present the Literature Review and Methodology respectively. Further to this, Section four presents Results and Discussion while Section five Concludes the paper with policy Recommendations.

Literature Review

Productivity has been the very basis for development of any nation and it is a function of how efficient the available resource inputs of the economy is. These inputs include labour which among others (such as capital and technology) coordinates and organizes production. For these various inputs are compensations that include wages and salaries for employees which thus tend to influence their efficiency and productivity. On this basis, the relationship between compensation for labour and productivity is considerably important for review in this study.

Wage is a significant compensation that drives workers efficiency in any organization. Similarly, wage is one of the basic reasons why workers engage in paid employments in order to earn a living. Sensible remuneration rates and wages must be paid to employees or workers on schedule, that is, it must be paid as at when due and immediately, too. Further to this, workers are keen on brief instalmental pay rates and

CamScanner

wages by the organization. Additionally, there must be a uniform stage through which pay rates and wages will be paid to the employees working for an organization. While fixing pay rates, the organization must consider factors, for example, the typical cost for basic items, organization capacity to pay, ability of organization to pay and to mention but few among other determinants of wages (Chukwudi, Odogwu & Adedehinbo, 2012). Attributable to the perspective of Chukwudi, Odogwu and Adedehinbo (2012) is that wages and pay must be fixed along the organization's monetary capacity to pay and compensate their employees and along with the typical cost for basic items plus the financial idea of the given organization.

The significance of wages is often fundamentally connected to the productivity of any efficient and profitable business (Umar, 2012). Wage is one among the tasks for business; likewise the most from workers perspective, in light of the measure of wages mirrors the size of the estimation of their work among the workers themselves, their families and networks. Wages are significant for the business since it mirrors the business' endeavors to safeguard employees so as to have a high dependability and duty to the business. High wages procedure is required to add to keeping up the reasonability of the work force, the acknowledgment of this perspective is crucial to most business in order to avoid high employees' turnover and also achieve the objective of the business, which is only attainable by retaining the best employee in the organization (Umar, 2012).

Studies have shown that there exist experts who specialize in identifying the significance of discernment (perception). Based on the investigation conducted by Kotler (1997), perception is viewed as the procedure through which individuals pick, sort out and decipher data so as to shape an important image of the world. This in anyway approves the significance of control variable in considering the fact that employees view their pay as either low or high. This will likewise decide if they are effective or efficient. In addition, Gibson (2003) amplifies that discernment (perception) is the procedure of individual viewpoint in understanding the condition that includes arranging and translation as boosts in a mental encounter. Hence Gibson (2003) views observation from the physical workplace of the workers and advocated it with their mental experience of how agreeable they are in the work space. However, this view is not in an absolute concurrence with this investigation in the light of the fact that the examination takes a gander at perception from the point of workers' view on their wages and salary whether high or low and not the physical working state in which they are exposed to work. Discernment is an inner procedure that permits us to pick, sort out and decipher improvements from our condition and the procedure in influencing us (Mulyana, 2001). As indicated by Robbins (1996) perception can likewise be deciphered as a procedure by which people sort out and decipher their tangible impressions to offer importance to their condition.

CamScanner

Perception helps people in choosing, overseeing, putting away and deciphers improvements into an entire world picture and significance. Since every individual is giving their own significance to the boost, the individual can vary in observing something very similar in various ways. From these explanations, the idea of perception can be viewed as (that):

- the organization of data about the earth regardless of whether acquired through vision, hearing, gratefulness and feeling.
- organization is not recording data that is valid about the circumstance however, it is a novel understanding and even can be altogether different from the truth.

Similarly, this study is adopting the notion that perception is perceived as the action that usually involves the introduction of back, compare, absorb, interpret and establish the meaning and characteristics of object perception. It can be concluded that the perception determines the direction and shapes a person's behaviour which agrees with the moderating variable of employees' perception of wages either as low or high to influence productivity.

Assessing workers productivity is a task that frequently for the most part significant in the light of the fact that it is used as a benchmark and furthermore a quantifier of results in supporting the achievement of the organization's employees (Said, 2008). Metrics used in measuring employee's efficiency incorporate the amount of work, nature of work and practicality (Simamora, 2004). Additionally, there are some attributes that also influence workers' performance and productivity in organization which are nevertheless not restricted to age, sex and instruction, length of business, work situation and workplace. In the interim this study argues that gender orientation influences productivity and performance, the reason for this is that female workers have been seen as less beneficial to their male partner, regardless of having a similar degree of training and different factors that distinguished the individual qualities which is in line and furthermore upheld with the view and result of the investigation conducted by Atovigba (2012).

The idea of productivity of work is divided into individual and organizational productivity. Individual productivity measurement refers to the attributes the individual character possesses such as mental demeanor and individual endeavors to improve the personal satisfaction. Organizational measurement considers the organizational dimensions to productivity within the framework of the relationship between input and output techniques (Kusnendi, 2003). However, and for the purpose of this study, the individual and organizational dimensions of productivity is hereby adopted for this study because employees' perception had been used in moderating wages and salaries. This is thus based on the mental view of what workers received as pay in terms of wages and salaries to influence productivity.

CamScanner

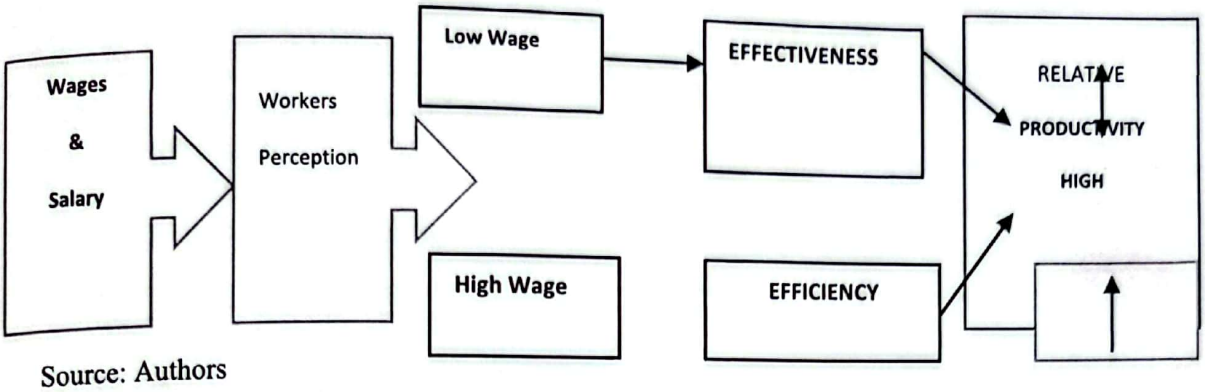
In the study of Sinha (2001) workers' efficiency relies on the readiness and furthermore the receptiveness of the employees themselves in carrying out their responsibility. The study likewise expressed that by having this ability and transparency of the workers in carrying out their responsibility, it could build the employees' viability and proficiency. This is because the directing variable used in examining employee perception will likewise prompts the efficiency, that is, the perception of the employees about their wages which can either be low or high pay. By implication the high pay will fill in as a helper that drives the employees' readiness to accomplish absolute productivity as against relative productivity which is the perspective of this study.

Going by Stup (2003) as a follow up to relative or absolute productivity, it is essential that for standard efficiency to be attained, managers need to get the employees assignment to be done on target as to accomplish the organizational objective or target. By getting the work or task done on target, businesses might screen their employees and help them to improve their efficiency. Besides, it is upheld that the wage structure ought to be in line with the estimation of relative or absolute productivity as used in this study. This therefore suggests that wages ought to be paid based on workers' commitment and contribution to the level of production. Furthermore, Stup (2003) identifies certain factors that influence workers' efficiency. These factors include physical workplace, hardware, important work, efficiency desire and criticism on productivity, prize for fortunate or unfortunate framework, standard working methods, information, abilities and perspectives. Howver, Stup (2003) fails to address employee wage structure and how it can influence workers' relative or absolute productivity in an organization. In the real sense of it employees' view of their wages would likely also determine the workers' relative or absolute productivity in an organization. This implies that if an employee is effective, the organization will attain relative productivity. Whereas if an employee is efficient, the organization will attain absolute productivity.

For Franco *et al.,* (2002) however, productivity depends on inside inspiration such as nearness of inward factors, for example, important aptitudes, scholarly limit and assets to carry out the responsibility unmistakably with positive effect. As a result, managers should provide proper working conditions in order to ensure that employees' efficiency fulfills the necessary guidelines. This study is therefore in line with the assessment of Franco *et al.,* (2002) that depends on the measurement of standard relative or absolute productivity as also opined by Stup (2003).
Based on the various submission by different authors on the relationship between employees' compensation and productivity, the figure 1 thus conceptualizes the extent to which this relationship is sustainable.

CamScanner

Figure 1: Relationship between Workers' Compensation and Productivity



Source: Authors

From the foregoing, this study is premised on the expectancy theory (Vroom, 1964) that has been considered as the most widely acceptable explanations of motivation. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual to make this simple. Expectancy theory (Vroom, 1964) opines that an employee can be motivated to perform better when there is a belief that the better productivity will lead to good productivity appraisal and shall result into realization of personal goal in form of some reward. In the study of Salaman *et al.*, (2005) however, the theory is deemed to focus basically on efforts and performance relationship, performance and reward relationship as well as rewards and personal goal relationship. This theory is further based on the hypothesis that individuals adjust their behaviour in the organization on the basis of anticipated satisfaction of valued goals set by them.

In order for employees to perform going by this theory, there should be alignment of each employee workplace goals and values with the organization's mission and vision in creating and maintaining a high level of motivation. It is believed that this will lead to higher productivity, improves employee performance, reduces the chances of low employee morale, encourages teamwork and instills a positive attitude during challenging times (Salaman *et al.*, 2005). Based on the features of the expectancy theory (Vroom, 1964), this study still conforms to the proposition of the theory in terms of efforts and performance relationships, performance and reward relationship and equally reward and personal goal relationship. This proposition that is largely affected by the perception of both the employee and the organization will use input-output technique to quantify performance, employee with the view that his or her wage as either low or high, and also the organization will quantify productivity as either relative or absolute.

CamScanner

Methodology

The sample for this study was drawn from the population of emerging small businesses in Kwara state. The convenient sampling method was employed for this study because the population of the respondent was few and falls within the range of 0-50 (Creswell, 2004). Therefore, it is not not permissible to use the probability sampling method. Twenty respondents from Chronicles Food Concept in Ilorin were selected and these included workers at different level of operational activities. The study employed questionnaire as a means of data collection. Descriptive and Inferential statistics was employed using regression method in analyzing the data through SPSS.

Results and Discussion

In this section the data obtained from the survey conducted is analyzed. The analysis is based on the hypothesis raised to guide the study

Table 1: Model Summary[b]

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R^2 Change	F Change	df1	df2	Sig. F Change	
1	.728[a]	.530	.521	1.18709	.530	54.200	1	48	.000	2.583

a. Predictors: (Constant), Wages and Salary (High and Low)

b. Dependent Variable: Productivity

Source: Authors' calculation from field survey

The model summary as indicated in table 1 below shows that R^2 is 0.53; this implies that 53% variation in the dependent variable (Productivity) was explained by the independent variables (Wages & Salaries) while the remaining 47% is due to other variables that are not included in the model. This means that the regression (model formulated) is useful for making predictions. The implication to the study is that high and low wages & salaries is highly important factor in workers effectiveness and efficiency if productivity must be attained.

CamScanner

Table 2: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.379	1	76.379	54.200	.000[b]
	Residual	67.641	48	1.409		
	Absolute	144.020	49			

a. Dependent Variable: Productivity, (Effectiveness & Efficiency)

b. Predictors: (Constant), wages & salary (High & Low)
Source: Authors' calculation from field survey

The table 2 summarized the results of the analysis of variation in the dependent variable with large value of regression sum of squares (76.379) in comparison to the residual sum of squares with value of (67.641). This value indicated that the model does not fail to explain a lot of the variation in the dependent variables. However, the estimated F-value (54.200) as given in the table above with significance value of 0.000; which is less than p-value of 0.05 ($p<0.05$) which means that the explanatory variable elements as a whole can jointly influence change in the dependent variable.

Table 3: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	1.458	1.326		1.100	.277			
Wages & Salary	1.076	.146	.728	7.362	.000	.728	.728	.728

a. Dependent Variable: Productivity, (Effectiveness & Efficiency)
Source: Authors' calculation from field survey

The dependent variable as shown in the table 2 explains the influence of wages & salary (high wage, Low wage), effectiveness & Efficiency. This was used as a yardstick to examine the influence between the two variables. According to the result in the table 3 wages & salary-test coefficient is 7.362 and the P-value is 0.000 which is less than 0.05 ($P<0.05$). This means that this variable is statistically significant at 5% significant level. The overall summary of this regression outcome in relations to

CamScanner

the coefficient of wages & Salary have significant influence on productivity. This implies that the null hypothesis was rejected while the alternate hypotheses was accepted (that is, high wage, low wage have significant influence on effectiveness and efficiency). Therefore, hypothesis H_1 not supported, and also hypotheses H_2 is supported, the implication of the supported hypotheses to the study is that, high & low wages have a significant influence on effectiveness and efficiency which will also affect productivity.

Conclusion and Recommendations

The present pattern of business due to competition has influenced most businesses in the service sector and to survive in the game, there is need for them to increase wages and salaries in order to enhance workers' productivity. Small businesses are looking for avenue to promote and sustain their businesses and hence, the spectacular role of wages and salaries in this direction. This study was conducted to investigate the influence of wages and salary on workers' productivity in service industry most especially Food Vendor in Kwara state.

Findings revealed that service industry in Ilorin are finding it difficult to pay a high wage and salary for their workforce because of the level of economic activity in Ilorin, Kwara State in which this has affected employees' productivity, which is supported by the position of (Chukwudi, Odogwu & Adedehinbo, 2012). Hence, the need for organizations to consider cost of living, ability and capability of the business to pay and also the economic status of the state in which they operate before setting high wages and salaries for their employees. This implies that small business owners in Kwara state cannot afford high wages and salaries for their workers based on the outcome of the study.

The study however recommends that the businesses in this industry should adopt high wage and salary to change the perception of their workers, which will help improve effectiveness and efficiency in service industry. The labour union should also come up with a wage structure that will create a level playing ground for workers in this industry, which will in turn enhance workers productivity. This is because if an employee perceives that s(he)is under-employed, that can lead to de-motivation and thus in-effectiveness and inefficiency on his part and therefore generates low productivity. Equally important in motivating employees toward attaining high productivity in the state is improving the conditions of service like health care provision, provision of soft loans, salary advance payment and prompt payment of salaries and wages. If possible, bi-monthly payment of salaries and wages should be encouraged so as to reduce the time lag between when wages and salaries are earned and spent. For this to be realistic, the government should also come up with specific wages and salaries policy that is favourable to the employers and the employees.

CamScanner

References

Atovigba M.V., Vershima A. M., O'Kwu E.I., & Emmanuel, I. (2012). Gender trends in Nigerian secondary school students' performance in algebra. *Research Journal of Mathematics and Statistics,* 4(2), 42-44.

Bendix, R., & Seymour, M. L. (1966). Karl Marx's theory of social classes: In Bendix, R and S. M. Upset (eds.) Class, Status and Power. Glencoe, IL: Free Press, 6-11.

Chukwudi, F. A., Odogwu, C. C., & Adedehinbo, E. B. (2012). Motivation and employees performance in the public and private sector in Nigeria. *International Journal of Business Administration,* 3(1), 31-40.

Franco L. M., Bennett, S., &Kanfer, R. (2002). Health sector reform and public sector health worker motivation: a conceptual framework . *Social Science and Medicine* 54:1255 –66.

Gibson, E., & Pappas, M. P. (2003). Starting Smart: Key Practices for Developing Scopes of Work for Facility Projects. Washington, DC: National Academies Press.

Kotler, P. (1997) *Marketing Management: Analysis, Planning, Implementation and Control*, 9th Edition. Upper Saddle River: Prentice Hall.

Kusnendi, K. (2003). *Economics of Human and Natural Resources*. Jakarta: Universitas Terbuka.

Mulyana, D. (2001). *Communication Studies: An Introduction*. Bandung: Teenagers

Nicholas G. C. (2003). *Does IT Matter? Information Technology and the Corrosion of Competitive Advantage.* Massachussetts: Harvard Business School Press.

Robbins, S. P. (1996). Organizational Behaviour: Concepts, Controversies and Applications. London: English Language Book Series, Illustrated edition

Salaman, G. (2005). *Strategic Human Resource Management Theory and Practice. 2nd edition.* New York: Sage Publications Ltd.

Simamora, H. (2004). *Making Employees More Productive in the Long Term*

Sinha, R. (2001) How Does Stress Increase Risk of Drug Abuse and Relapse? Psychopharmacology, 158, 343-359. http://dx.doi.org/10.1007/s002130100917

Stup, R. (2003). Control the factors that influence employee success. Managing the Hispanic Workforce Conference. Cornell University and Pennsylvania State University.

Umar, A. (2012). Effect of wages, motivation and job satisfaction on the performance of workers in the service industry in the city of Makassar. *Jurnal Aplikasi Manajemen*, 10(2), 406-418.

CamScanner