

IMPLICATIONS OF HALF SALARY PAYMENT SYSTEM ON GOVERNMENT WORKERS IN OSUN STATE

BY

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Abstract: *This study aimed at examine the implication of half salary payment system on government workers in Osun State with objective to investigate the consequences of half salary payment system on workers. Structured questionnaire was used to collect data from a sample of three hundred (300) employees of different Ministries, Agencies, Parastatals and Local Governments across of Osun State. Data collected from primary source were analyzed using Analysis of Variance ANOVA with the aid of Statistical Package of Social Science (SPSS). The results showed that the entire employees selected across of Osun State opined that half salary payment system has significant implications on them i.e workers and independent Ministries, Agencies, Parastatals and Local Governments viewed that half salary payment system has no significant implication on them despite the Government delay in payment of half salary, workers were enduring and manging to fulfil the obligation of coming to their respective duty post. It was recommended that the Government should ensure that the full salaries and other benefits of the employees are promptly paid and given human capital development priority rather than capital projects*

Keywords: *Half Salary Payment System, Ministries, Agencies and Local Governments, Employees, implications*

Introduction

Osun State is a civil servant state in which all economy indicators of the state is relied on government workers salary but with introduction of illegal payment system of which is not constitutional accepted affected the Government workers to the extent that ability to feeds their family is difficult. This also created a set back and reduced the morale of workers to effectively delivered quality services to the Government. Hence, workers now were striving to migrate from public sector to private sector and even many turned into direct and indirect beggars before they can provides for the basic needs of their family.

Therefore, the delay and Half Salary Payment System (HSPS) may leads to incessant strike among the workers in which have negative impact on the economy of the state to the extent that many workers would not be able to leave up to standard and hence, astronomically increase in crime and evils in the society that serve as detriment to the lives and properties of the citizenries. Due to half salary payment system, many workers were not accessible to loan or overdraft to the extent that they cannot laid hand on capital project and to develop themselves to acquire more knowledge and skills including additional certificate that can enhance performance in quality delivery services to Government activities.

Statement of the Problem

In the state today, many workers have created a kind of setback and reduced the morale of workers to effectively deliver quality of services to Government and also precluded them of denying their opportunities as a result of the Half Salary Payment System (HSPS).

In addition, many workers have been faced with unprecedented slow pace of development both in the area of physical and educational development. Some have also witnessed a high labour turnover as workers are now striving to migrate to

private sector, while some are voluntarily resigned to travel out the country. All these are the aftermath implicate of the unnecessary payment half salary created by Osun State Government. The paper will also identified factors that may result to the introduction of Half Salary Payment System (HSPS) in the state.

Objective of the Study

The main objective of this paper is as follows;

- (a) To identify the significant implications of half salary payment system on Government workers
- (b) To examine the causative factors responsible for introduction of half salary payment system
- (c) To investigate the consequences of half salary payment system on workers

Research Questions

The following are the identified research questions to guide the researchers in the course of this study.

- (i) To what extent does the half salary payment system have significant implications on Government workers?
- (ii) What are the causative factors responsible to introduction of half salary payment system in the state?
- (iii) What are consequences of half salary payment on Government workers?

Research hypothesis

In this research work, the main hypothesis is to put forward to be tested in order to arrive at reasonable conclusion and make recommendations therefrom. The hypothesis is presented in both null and alternative forms.

H_0 : The half salary payment system has no significant implications on Government workers

H_1 : The half salary payment system has significant implications on Government workers

Literature review and Theoretical Framework

The paper is targeted to examine the implications of Half Salary Payment System on Government workers in Osun State. It is designed to employ a new area of research / study; hence there is relative small of literature review and theoretical framework. However, the paper will also try to define some concept that will broaden the mind of reader.

Abolarinwa (2006) opined that a system is said to be the composition of various components, while the procedure is an order of doing things. Awe (2002) said that a system usually comprise components parts that relate or work together in the way that differentiate the overall system from any other. These component parts are called sub systems. Accounting system is an embodiment of the general payroll, purchasing, costing and credit control system; interconnection and interaction of subsystems are called interface.

System is a set of object with relationship between the objects and between their attributes connected or related to each other and their environment in such a manner s to form an entity or whole (Fedrick 1984).

A salary is a form of periodic payment system from an employer to an employee, which may be specified in an employment contract or letter. Aswathappa (2014) says salary is fixed amount of money or compensation paid to an employee by an employer in turn for work performed. Salary is commonly paid in fixed intervals, for example monthly payments of one-twelfth of the annual salary.

Today, the concept of salary continues to evolve as part of the total compensation that employers offer to employees. Salary (also now known as fixed

pay) is coming to be seen as part of a “total reward” and various tools which help employers link reward to an employee’s measured performance. *Collins English Dictionary* (2014) defines salary as a fixed compensation paid periodically to a person for regular work or services.

Salary is the remuneration to the services of the employee by the employer and a tool of payment in the form of currency. It includes the base and the auxiliary. The former refers to the foundation to determine various allowances, insurances, and bonuses. The standard to decide the basic pay consist of the following factors; labour’s skills, work experiences, labour intensify responsibility, work importance in the organization strategy , fields, conditions, work years and diploma e.t.c.

The latter includes allowances, bonuses, free working meals, housing subsidies e. t.c of which the bonuses are the remunerations to the extra labour or contribution, and allowances are those to the special labour consumption or to the extra living expenditure in the special working conditions, for example for the particular post or position or labour time e.t.c.

The salary theory has been approaching the humanism management from that on productive elements by Adams (1963) to the modern distribution theory on combining labour with productive elements, from the marginal productivity theory of wages by Gerhart.B, Minkoff and Olsen (1995)cited in John Bates Clark, equilibrium price theory of pay by Marshall, collective negotiation pay and theory of distribution according to work by (Dada 2006 cited in Karl Marx.) The theories of remuneration also include, reinforcement and expectancy theory by Vroom Victor (1964) that focuses on the link between rewards and employee behaviour, equity theory by Adam’s which postulates that an employee who perceives inequality in his / her rewards seeks to restore equity . The theory emphasizes equity in pay structure of employee’s remuneration. The agency theory focuses on divergent interests and goals of the organization’s stakeholders and the way that employee remuneration can be used to align these interests and goals

Implications of Half Salary Payment System on Employees

Inability to provide basic needs i.e many workers are unable to feeds or provide shelthers to his or her family and accessibility of securing loan and overdraft also difficult because many have collected loan in which repayment of both principal and interet have no yet settled. Inadequate provision of health care for themselves and family resulting to unexpected stroke and untimely death . The inability to afford payment of the school fees of their children turns their children to tugs, causing violence within and outside the state

Many workers have no opportunity to developed themselves by acquiring adequate knowledge and skills of which have effects on their performance hence, many workers now striving to migrate from public sector to private sector.

Consequences of Half Salary Payment System on Employees

Generally, half salary payment system has consequences on workers with relatively small or fragile situation that are particular to disruption of the workers activities. Half salaries are detrimental in a number of ways such as; resulting to incessant strike, sit down strike, action among the cooperation of union creates setback and reduce the morale of workers to effectively and efficiently discharge their duties.

Premature and untimely death of active workers including pensioners, since they are not adequately cater for and some workers were living on debt.

It leads to dissatisfaction in performance among workers and face unprecedented slow pace educational development , absenteeism i.e get bored ; do not feel like going to work and increase in the rate of crime and poverty in the state

Causative factors of half salary payment system

This study identified the following factors as being responsible for the half salary payment system in the state. These factors are;

- Mismanagement of resources

- Drastically fall in federal allocation
- Inability of Government to have huge internal generated revenue (IGR) fund
- Given priority on capital project rather than to pay full salary of workers.

Research Method

Population of the study and sample

The population of the study consists of employees in twenty (20) ministries, agencies, parastatals and Local Governments selected across the Osun State. Three hundred (300) employees included key officers were chosen for the purpose of the study

The table below shows the MAPs and Local Governments, number of employees and their locations selected

Table 1: selected MAPs and Local governments, number of employees and their locations

S/N	Name of MAPs	No of employees	Locations

1.	Osogbo Local Government	17	Oke-baale, Osogbo
2.	Olorundal Local Government	21	Igbona, Osogbo
3.	Oriade Local Government	18	Ijebu jesa
4.	Osun State College of Technology	12	Esa- oke
5.	Osun Central Education District Office	22	Ila
6.	Ife Central Local Government	16	Ajebandele, Ile -ife
7.	Ministry of Finance, Economic, Planning & Budget	12	New Secretariat Complex, Osogbo
8.	Ministry of Education, Science and Technology	10	New Secretariat Complex, Osogbo
9.	Ministry of Commerce, Cooperative & Empowerment	16	New Secretariat Complex, Osogbo
10.	Ministry of Human Resources & Capacity Building	14	New Secretariat Complex, Osogbo
11.	Ministry of Local Government & Chieftaincy matter	12	New Secretariat Complex, Osogbo
12.	Ministry of Regional Integrated & Special Duties	13	New Secretariat Complex, Osogbo
13.	Office of the Accountant General	15	New Secretariat Complex, Osogbo
14.	Office of the Auditor General (state)	10	New Secretariat Complex, Osogbo
15.	Osun State Internal Revenue Service	12	New Secretariat Complex, Osogbo
16.	Osun State Water Corporation	10	New Secretariat Complex, Osogbo
17.	Osun Civil Service Commission	15	New Secretariat Complex, Osogbo
18.	Osun State Health Management Board	16	New Secretariat Complex, Osogbo
19.	Universal Basic Education Board	13	Gbongan-Ibadan road, Osogbo
20.	Osun State Broadcasting Corporation	16	Ile –Awiye, Oke-baale, Osogbo
	Totals	300	

Source: *Field survey, 2016*

Method of data collection

The paper made use of primary data as a major source of data collection. The primary source of data was the questionnaire, which was carefully framed and administered to a sample of Three hundred respondents in the Ministries, Agencies, Parastatals and Local Governments selected across Osun State. Hence, responses of the respondents emanating from the question on 5-point Likert rating scale and it is assumed that the respondents understand the content of the questionnaire.

Method of data analysis

The adopted method of data analysis in this paper is descriptive analyses with the aid of *Analysis of Variance (ANOVA)* employed as a statistical tool to examine the implications of Half Salary Payment System on Government workers in Osun State. The ANOVA test is based on F- test statistic for the reject of the null hypothesis if the computed F-statistic is greater than tabulated F-statistic i.e $F_c > F_t$ (reject the null hypothesis). The F-test is express as:

$$F = \frac{SSB/(k-1)}{SSW/(n-k)} \dots\dots\dots(1)$$

$$F = \frac{SSB / (r-1)}{SSW / (n-k)} \dots \dots \dots (2)$$

Where SSB--- Sum of square between

SSW--- Sum of square within

(k-1) and (r-1) k(n-1) are degree of freedom

k-is number of column

r-is number of row and

n-is total number of sample.

Test of Research hypothesis

The formulated research hypothesis of the study is tested using Analysis of Variance ANOVA to determine the significant implications of Half Salary Payment System on Government workers in Osun State, The ANOVA results are presented as follows:

Hypothesis

H₀: The half salary payment system has no significant implications on Government workers

H₁ : The half salary payment system has significant implications on Government worker

Table1: Result of One Way -ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups (Combined)	239133.412	4	59783.353	8.771	.000
Within Groups	2010841.588	295	6816.412		
Total	2249975.000	299			

Half salary payment system * Responses

Table 2: Result of One Way -ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups (Combined)	209.167	4	52.292	1.721	.198
Within Groups	455.833	15	30.389		
Total	665.000	19			

Half salary payment system *ministries, agencies, parastatals and Local Government

Source:Result from SPSS *Output, 2016. Version 20*

Results and Discussion of Findings

ANOVA Table 1, shows that the computed F-value is 8.771 while table value of F at alpha of 0.05 significance level and degree of freedom of $F_{4, 295}$ is 2.37. Since the computed F-value of 8.771 is greater than F-table value of 2.37 i.e ($8.772 > 2.45$). Then H_0 (Null hypothesis) is rejected. We therefore conclude that the entire Government workers of the ministries, agencies and Local Governments selected viewed that the half salary payment system has significant implications on them to the extents that ability for many workers to provide basic needs for their family is difficult and accessibility of securing loan and overdraft is also difficult and many workers have no opportunity to developed themselves by acquiring adequate knowledge and skills.

While the ANOVA Table 2, opined further that the F-computed of 1.721 is less than F- table value of 3.06 at alpha of 0.05 significance level and degree of freedom of $F_{4, 15}$ is 1.721 i.e ($1.721 < 3.06$), Then H_1 is rejected and this implies that independent ministries ,agencies, parastatals and Local Governments selected viewed that half salary payment system has no significant on them, because it is observed that the services delivery in ministries, parastatals and Local Government does not changed, despite the Government delay in payment of half salary, workers were still going to work to performed their statutory duties The implication is that workers now striving to migrate from public sector to private sector and facing

unprecedented slow pace educational development also many workers were living on poverty level.

Conclusion

Based on the result of the tested hypothesis, it is evident that;The half salary payment system have significant implication on Government workers of Osun State to the extent that creates setback and reduce the morale of workers effectively and efficiently.Accessibility of securing loan and overdraft is also difficult.Provision of adequate health care for themselves and their family is difficult. Many active workers including pensioners met their premature or untimely death. Despite the Government delay in payment of half salary, workers are still enduring and manging to fulfil the obligation of coming to their respective duty post

Recommendations

Since the half salary payment system is an illegal and unconstitutional activity which has adverse effects on the Government workers, it must not continue. Hence, the following recommendations are to be effected;

- Government should ensure that the full salaries and other benefits of the employees are promptly paid
- Government should ensure that all monies were properly spent as it appeared in the appropriation.
- They should ensure that human capital development are given priority rather than capital project.
- The Government should minimize the reckless spending on unviable and non- functioning projects.
- The legislature should gear up to discharge their oversight functions to check reckless spending of the Executives

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