

# Compensation Practices in the Nigerian Public Service: Analysis of Wage Differential

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## Abstract

*In spite of global conventions, declarations, and other legal framework established to promote equity in compensation for work of equal value and to abolish discriminatory reward system in both public and private sector organizations, discriminatory compensation has remained unabated in Nigerian public service. Although, several attempt has been made to redress these anomalies but proved abortive. This study acknowledges the various theoretical arguments to justify pay disparity. The main thrust of this paper centers on examining the pattern of inter-sectorial wage structure. The study adopted secondary source of data where figures of salary structure were extracted from the quarterly report of National Salaries, Income, and Wages Commission; data collated were analyzed using coefficient of variation. This paper found a huge pay gap (i.e., highly discriminatory) wage structure which could obviously transcend to industrial disharmony, hence affect public service stability and effective performance. The study holds firm convictions that pay parity amongst categories of workers in workplace is *sin qua non* to harmonious working environment (*quid pro quo*). Therefore, the study recommends that pay equity remains a fundamental human right, most especially for worker whose job description, objective, and criteria for recruitment are similar, this is capable of bridging the inequality gap, promote mentorship, and stability, hence strengthened institutional capacity for better service delivery.*

Keywords: *Compensation, equity, pay parity, public service, wage*

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## INTRODUCTION

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In the world over, the debate on the appropriate compensation and reward system for workers in private and public sector organizations has remain unabated. As the issue of compensation, reward system and other incentives related matter for employee in every organization falls with the purview of personnel management or human resource management. The United State Agency for International Development (2016) affirm the fundamental role of wages as a viable instrument for income distribution and reduction of poverty and economic growth. Therefore, the main thrust of this paper aimed direct attention to address the ugly trends in Nigerian wage administration system to guarantee virile, stable, and productive public service. Oyedele (2016) contends that compensation system perhaps is one of the most difficult, complex, and controversial issue in the management of human

resources in organization which administrator has to contend with. It's worth of note, that salary and wages administration is vital and of course a matter closest to heart of every workman in both public or private sector of the economy. Generally, there is no argument on the centrality of adequate human resources (quantity and quality) to organization's efficiency and effective.

In the viewpoint of Milkovich and Newsan (2014), a well packaged compensation system can create and sustain a comparative advantage for organizations over other competitors in the labour market. The central point of our discussion is employee's satisfaction built on the principle of equity, fairness, and justice to promote team work, interdisciplinary synergy as a critical factor for organizational performance. However, pay inequality continues to persist and gender pay gaps in some instances have stagnated or even increased (Oelz et al., 2013). Ensuring that the work done by women and men is valued fairly and ending pay discrimination is essential to achieving gender equality.

To actualize this, The International Labour Organization (1951) convention on equal remuneration article 2, ratified by Nigeria on 8th May 1974 Stipulates that: *Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.* This principle may be applied by means of-- (a) national laws or regulations; (b) legally established or recognized machinery for wage determination; (c) collective agreements between employers and workers; or (d) a combination of these various means.

ILO (1958) convention on discrimination (employment and occupation) which became operational in 1960, which Nigeria ratified on 2nd October 2000 emphasized that: *Each Member for which this Convention is in force undertakes to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof.*

In principle, the institutional and regulatory framework existing in Nigeria is relatively in line with ILO and struggling to work within international standard, but a practical deviation from ILO standard is obvious, because the frameworks existing and their functioning are clearly below acceptable international standard. However, the subject matter of this paper had its roots from the pre-independence epoch. Adamu (2014) averred that he struggle for equity in remuneration began from this era and in response to the aforementioned, the government made several attempt through composition of the following commissions: Hunt Commission 1934, Briges Committee

of Enquiry 1941, Tudor Davies Commission 1945, Harraging commission 1945, Miller commission 1947, Gorsuch commission 1955, Elwood commission 1956, Mbanefo commission 1959, Morgan commission 1963, Adebo commission 1970-1971, Udoji report 1974, Cookey commission 1981, Fatai Williams 1990, Ayida panel 1994, Vission 2010 committee report 1997, but for emphasis Tudor Davies and Harraging 1945 was mandated to specifically design modalities to review salaries, wages and other condition of service, in the same vein Miller Commission's assignment 1974 recommended the application of the principle of payment. The successive government attempts always meet bricks wall, with continuation of the imbroglio for nearly ten decades, often than not been stage-managed without holistic and pragmatic approach to completely solve this unsmiling crisis.

In spite of international conventions, declarations, and other legal instruments established to promote equity in remuneration for work of equal value and, which denounce discriminatory remuneration in both public and private sector organization, discriminatory remuneration still persist in both private and public sector of the Nigerian economy. The level of preferential treatment in terms of salary and wage administration in the service has assumed a worrisome dimension with attendant spillover effects on labour turnover. The performance of the Nigerian public service most especially service providers continued to operate at lowest occasioned by pay discrimination, it exist inter-sectorial and intra-sectorial wage differentials. The Bureau of Statistic (2009) clearly states that seven out of ten public sector employees are anticipating to change their jobs attributable to existing inter-sectorial wage disparities. Also, evidence from (Jonah & Yousuo, 2013) reveals increasing geographical and occupational mobility in addition to geometrical increase in the number of applicant for placement in organizations "*classified as super*" Commissions, parastatals, agencies, and extra ministerial departments with the public service.

Apparently, the adverse effects of the disparities manifests in the persistent industrial disputes in the service which often emanates from agitations for wage review in most cases originates from unhealthy rivalry within same public service arising from pay disparity. Agba and Ushie (2013) affirms that the proportion of wage induced industrial disharmony is unprecedented, alarming and problematic. An empirical case was reported by Dupe (2012) when he narrated a disagreement which ensued between the medical doctors and paramedics (pharmacist, nurses, laboratory scientist, and other allied hospital workers), the subject of the crisis was a demand by paramedics union for the scrapping of Consolidated Health Sector Salary Structure (CONHESS) which they considered unjust, because it bestow more enhanced salary package to medical doctors fatter than other health professionals (paramedics) in the sector, which has assumed a more worrisome dimensions and prompted government overtime to constitute commission of enquiry because it created frowzy relationship between the health sector

workers. The illustration above is typical example of acrimony between the core and allied workers which have characterized the entire service, and hence created bottleneck effective and efficient service delivery. The study set out to analyze the reward pattern and scrutinize the differential wage regime in the Nigerian Public services, the specific purpose are as follows: To dissect inter-sectorial pay gap and to unravel the spillover effects of this wage pattern

## **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

Many studies have been carried out on compensation, discriminatory wage administration at workplace, and also between urban and migrant workers in many countries i.e. China, Spain, Brazil, Peru, India and Ecuador and other countries of the world, but a significant part of these investigations abridged their work on compensation disparity with emphasis on gender discrimination at workplace (see Schafgan, 2000; Lizhang, 2016; Shape & William, 2016; Jong & Dann, 2017; Kim & Choi, 2015; Deshpande, Goel, & Khanna 2018; Chapman & Benis, 2017; Jong-wha & Dainn, 2017; Kennedy Rae Sheridan & Valadkhan, 2017) their work explore gender wage gap among permanent wage/salaried earners along the various age distribution and workers job categorization, which reveals that, while the wage earnings patterns of women improved relative to men, the discriminatory component of the gender wage gap increased. This paper intends to expand knowledge horizon beyond these areas, because literature assessed and analyzed only concentrated attention on the aforementioned areas as if discriminatory wage does not exist even within same public sector.

In addition, the ILO (2016) report put forward the issue of inequality that has continued to ascend the global policy agenda recently. The report arising from the survey conducted in 2014 which revealed the level of inequality between the “have and have not” raised concern that the problem has assumed a more worrisome dimension, which unarguable affects economic growth and all social fabric of a country. In the same vein, the report indicates that wage inequality arises not only from differences in worker’s skill, but also from a combination of differences wages between institutions (what can best be described as inequality between institutions) and wage inequality within organizations. However, various typologies have been adduced for explaining the circumstance of rising wage inequality of institutions, supported by (Alvarez et al., 2017; Mincer, 1974; Heckman, Lochner, & Todd, 2003). However, studies on pay gap between Chinese Private-Public sector conducted further analyze social equity in the face of increase pressure to reform the current pension system, the exercise found the contemporary institutional mechanism for pension management in china, where the result implies negative incentives for workers in the public sector (Hongbo et al., 2017, Jose, 2015).

Gregory, Jonathan, and Rahul (2017) research work acknowledged the existence of unexplained pay differences that has characterized the public sector of the economy, and maintained that the gap have not narrowed much since year 2000. He further stressed the importance of pay equity in the public sector, based on the fact that democratic institutions, government should ensure equal treatment not for all citizens but for all employees as canvassed by ILO convention. Analysis of scholar's viewpoint on the thrust of this paper reveals firm espousal against discriminatory wage regime in public institutions which often transient to high occupational mobility. This study was anchored on Adam Smith Equity theory; and to be augmented by Erica Goshen (1991) wage differential theory. The theories were painstakingly considered for adoption, because of its capacity to underpin the main thrust of this research. Goshen postulates on variation in the wage earned by worker. The tenet of the theory was based on the fact that wage differentials exist because of varying bargaining power by labour unions, labour quality, productive capacity and most especially level of education (skill).

In a nutshell, the theory was preoccupied with argument to justify wage disparity. In another perspective, Adam smith theory (1964), averred that employee engaged in comparison between themselves and others, weighing their commitment to assigned task (input) and the attendant result (outcome) afterward. The basic theory equity, fairness or applied to their baized viewpoint of condition and not necessarily to the unprejudiced situation. The presumption states that when individuals perceived an equal treatment, they experience "equal tension" which they attempt to reduce by appropriate behaviour. This act may be to positively show more commitment which manifest in improved performance ( discharged responsibility appropriately) an seek to enhance compensation, or act otherwise, that is performing assigned task slowly on the premise of been under rated or undercompensated) it therefore behold on human resource manager to reflect on the underline assumptions/ principle of this thesis ( equity theory) to willfully admit that subject notion about compensation pattern are extraordinarily potent factor of motivation, without which aggravate to serious horse racing, strikes, boycotts, threat, and unsmiling industrial dispute between the employers and employee in the public sector.

### ***Institutional and Policy Frameworks for Wage Administration***

The legal instrument which provides for institutional mechanism for salaries, income and wages, administration in Nigeria came into existence through ACT 99 of 1993. The commission was established in response to the recommendations made by various ad-hoc commissions, committees or panel constituted by government over the years to address matters relating to salaries and wages of workers. The commission was charged with the task of advising government on all matters relating to salaries, wages, pension and other fringe benefit on the national economy, and also to facilitates realistic

compensation system in the Nigerian economy (NISWC, 2017). The explicit mandates of the commission are as follows:

- (i) advice the federal government on national income policy,
- (ii) recommends the proportion of income growth which should be utilized for general wage increase,
- (iii) examine areas which rationalization and harmonization of wages, salaries and other conditions of employment are desirable and feasible as between the public and private sector of the economy and recommends guidelines which will ensure sustained harmony in work compensation policies at both public and private sector,
- (iv) examine, streamline, and recommends salary scale applicable to each post in the public service, among others. The criteria for wage/salary fixing are determined by the following: cost of living (inflation) trend, industrial relativity, industrial relative pressure, affordability or ability to pay, productivity and government policy, amongst the aforementioned government policy has proved to be the commonly used parameter for wage review. It became crystal clear that the commission seems to align with the tenets of Goshen wage differential theory discussed earlier. Although, their mandate was to ensure relative variation in wages and salaries with the public service against the current precarious situation.

However, a painstaking overview of wage policy and legal instrument in Nigerian public service seem to have created the crisis from the onset, because some government parastatals and agencies (revenue generating) were accorded special status which confer autonomy in wage administration on these agencies i.e. federal Inland Revenue Service, Nigerian Maritime and Safety Agencies etc. From the legal perspectives, Federal Inland Revenue Service (establishment) Act, 2007 provides for the composition of a board who shall subject to section 7 Part II (d) have power to: *employ and determine the terms and condition of service and (e) stipulate remunerations, allowances, benefits and pension of staff.* In the same manner, the Nigerian Maritime and Safety Agency Act 2017 section 14 (2) *empower the agency to determine the job description, title, items qualification and salaries employee in the agency.* It therefore instructive to note that the aforementioned provision conflict with the mandate of the national Salaries, Income and Wages commission, thereby polarizing wage determination and management within the Nigerian public service. This portends that these categories of parastatals and other agencies of government were technically moved out of control of the commission, they became super agencies and parastatals because the autonomy (wage determination) bestow on these organizations.

## METHODOLOGY

This paper adopted analytical research method, where parametric statistics was used to analyze the data collected from the secondary source. The data presented and analyzed were sourced from National salaries, Income and Wages Commission published quarterly report 2009. We divide the data into four under each salary structure; find summation of remuneration into grade levels for five years. We also do provide empirical illustration of frowzy relationship that existed in the workplace attributable to existing pay disparity amongst workers in the service. Coefficient of variation were used in analyzing data sourced from the report of National salaries, income and Wages commission, the statistical tool was painstakingly considered because of its usefulness in comparing variation of two different variables, and coefficient of variation was adopted to determine variability in the salary structure. Our key dependent variable is the growing discordance amongst workers in the public service and our key independent variable is discriminatory compensation system. We first calculate the mean earnings (in constant naira) for each group, also calculate the per annum earnings for 5 years.

To ascertain the intergroup wage gap, we calculated the coefficient of variation to identify the magnitude of variation that existed and the assumption was that these categories of workers perform similar task most especially the unskilled workers (GL01-06) who are usually clerical, supporting or auxiliary workers. We run mean, standard deviation and coefficient of variation basically to determine the extent of gap and variation inherent in the wage structure. The structure was grouped into four and classified into two for the purpose of compares (two groups each). The main observed shortcoming of the data provided by the National salaries, Income and wages Commission quarterly report was that, it failed to account for all sectors most especially sectors designated (Special or grade A), these categories of agencies and parastatals have revenue generating mandate, who are accorded special status and flexibility in wage administration to motivate their workforce for effective performance. Though, the commission's mandate covers all agencies, ministries and parastatals in the public sector, but can only exercise such mandate concurrently with the appointed management boards to determine appropriate salaries, wages and other fringe benefit for workers with the organization.

The test of coefficient of variation became expedient in this work, and was run repeatedly to confirm the accuracy of the result, in the same vein graphical illustration was provided to explain the trends and disparity on the gap. According to the National Salaries, income and wages commission report mentioned their constraint thus: the staff compensation system of a large organization such as the public service with estimated total strength of about One Million, remains a challenging phenomenon, indisputably

government remains the largest employer of labour in the country, therefore issue of staff remuneration becomes a key and vital factor in the economy.

Coefficient of variations as a tool of analysis basically measures relative variability of two different set of data, also useful in determining the depression of a data point in a data series around the mean. The tool represents the ratio of standard deviation to the mean, are calculated as follows: Coefficient of variation = (standard deviation/mean) X100, the essence is to identify the magnitude of variation in between different wage structures selected. The basic principle in coefficient of variation is that, it's typically presented in percentage and approximated into round figure, it then shows the percentage of CV to the mean ( $\bar{X}$ ) value. The table 1 & 2 above shows breakdown of salary structures of four selected sectors namely: consolidated tertiary (CONTISS), consolidated public service (CONPSS), consolidated health (CONHESS) and consolidated research and allied institution salary structure (CONRAIS) from grade level 1 minimum entry point to grade level 15 terminal point, on annual step movement consecutively for five 5years.

## FINDINGS

Table 1 begins with the presentation and analysis of differences in the four selected salary structures. The paper fist sum up 5 years' emolument across all levels GL 01-15, of the selected sectors (see Table 3) to ascertain the gap. In the same vein, analysis of inter sectorial variations (between CONTISS and CONPSS) in salary structure as shown in table 3 (3rd column) entry point GL 01-15 show a different of #108,720; #109,245; #138,848; #215,481; #329,025; #572,880; #1,319,790; #13,009,655; #145,944; #1,602,365; #157,485, #1,704,429; #7,396,171; #5,279,965; #28,775,845 respectively. In the same vein, proportional study of CONHESS and CONRAISS wage makeup confirms their disproportions are as follows: #190,112; #123,697; #206,712; #197,578; #288,245; #462,111; #8,236,654; #773,471, #732,379; #225,599; #661,730; #44,730; #52,628; #435,589.

### *Consolidated Tertiary Institution Salary Structure (CONTISS) and Consolidated Public Service Salary Structure (CONPSS)*

On the first two salary structure, the result of mean (Mean ( $\bar{X}$ )), standard deviation (SD) and coefficient of variation (C.V) calculated and obtained from excel output as presented in table 4 indicate that, CV for GL 01, 03, 04, 13, 14 and 15 are < 1 (see Table 4 Column 4). In furtherance to the CV rule, the outcome means a lower variance, which can be interpreted to mean that our CV is closer to the mean value, differences in wage exist in the aforementioned level but not too wide, but. However,

the CV result for GL 02, 05, 06,07,08,09, 10, 11 and 12 are  $> 1$  (see Table, 4, Column 4) signifies higher variance, this simple mean a high significant variation in the two salary structures.

***Consolidated Health Sector Salary Structure (CONHESS) and Consolidated Research and Allied Institution Salary Structure (CONRAISS)***

Proportional breakdown of CONHESS and CONRAISS Coefficient of variation result reveal that from GL 01-15 are  $>1$  (see Table 4) it infers higher coefficient of variance, and implies considerable diverse between the two wage structures, in addition the breakdown of data denotes high level of dispersion when compare data series in the two groups. The result indicates a significant different in the two salary structure studies, and suggests that the data points between the two salary structures are very spread out from the mean, and from one another.

Table 1: Breakdown of Consolidated Tertiary Institution Salary Structure (CONTISS) and Consolidated Public Service Salary Structure (CONPSS)

CONTISS		Annual Step (5 years)					CONPSS		Annual Step (5years)				
		1	2	3	4	5			1	2	3	4	5
<b>GL</b>	<b>01</b>	152544	156850	161156	165462	169768	<b>GL</b>	<b>01</b>	133584	136498	139412	142326	145240
	<b>02</b>	154637	159930	165223	170516	175809		<b>02</b>	135754	139564	143374	147184	150994
	<b>03</b>	162027	168385	174743	181101	187457		<b>03</b>	137607	142290	146973	151656	156339
	<b>04</b>	183712	191102	198492	205882	213272		<b>04</b>	144143	149769	155395	161021	166647
	<b>05</b>	224196	233201	242206	251211	260216		<b>05</b>	163329	169865	176401	182937	189473
	<b>06</b>	362757	376206	389655	403104	416553		<b>06</b>	199145	207112	215079	223046	231013
	<b>07</b>	579391	599242	619093	638944	658795		<b>07</b>	330681	342908	355135	367362	379589
	<b>08</b>	671747	695053	718359	741665	764971		<b>08</b>	427322	441875	456428	470981	485534
	<b>09</b>	777984	803243	828502	853761	879020		<b>09</b>	501960	519287	536614	553941	571268
	<b>10</b>	871729	909773	947817	985861	1023905		<b>10</b>	589236	608290	627344	646398	665452
	<b>11</b>	1075353	1118655	1161957	1205259	1248561		<b>11</b>	679669	709224	738779	768334	797889
	<b>12</b>	1445599	1503506	1561413	1619320	1677227		<b>12</b>	758579	789825	821071	852317	883563
	<b>13</b>	1820908	1891016	1961124	2031232	2101340		<b>13</b>	837855	871493	905131	938769	972407
	<b>14</b>	2232199	2312648	2393097	2473546	25553995		<b>14</b>	1152648	1200288	1247928	1295568	1343208

Source: Extracted from the (2009) Quarterly Report of National Salaries, Income, and Wages Commission, Abuja

Table 2: Breakdown of Consolidated Health Salary Structure (CONHESS) and Consolidated Research and Allied Institution Salary Structure (CONRAISS)

CONTISS		Annual Step (5 years)					CONPSS		Annual Step (5years)				
		1	2	3	4	5			1	2	3	4	5
<b>GL</b>	<b>01</b>	257070	264381	271892	279003	286314	<b>GL</b>	<b>01</b>	293050	301404	309755	318108	326460
	<b>02</b>	260623	269609	278695	287683	298570		<b>02</b>	297110	307378	317642	327908	338175
	<b>03</b>	273169	283984	294759	305554	316349		<b>03</b>	311442	323773	336106	348437	360769
	<b>04</b>	309986	322533	347826	360172	372719		<b>04</b>	353500	367822	382165	396497	410830
	<b>05</b>	378719	394008	409297	424586	439875		<b>05</b>	432016	449481	466947	484412	501878
	<b>06</b>	612256	635053	657851	680848	703445		<b>06</b>	698251	724282	750313	776344	802374
	<b>07</b>	949119	9881712	1014304	1046896	1079488		<b>07</b>	1073217	1110095	1146973	1183851	1220729
	<b>08</b>	1102850	1141189	1179527	1217866	1258205		<b>08</b>	1247654	1291257	1334661	1378066	1421470
	<b>09</b>	1305688	1342232	1384510	1428787	1489065		<b>09</b>	1449363	1496525	1543687	1590847	1638010
	<b>10</b>	1551786	1590117	1628448	1668779	1705105		<b>10</b>	1632502	1703912	1775323	1846733	1918144
	<b>11</b>	1845557	1887305	1929053	1970800	2012543		<b>11</b>	1823167	1898670	1974171	2049673	2125176
	<b>12</b>	2192425	2251804	2309783	2367963	2426142		<b>12</b>	2014717	2095999	2177279	2258559	2339840
	<b>13</b>	2775426	2858442	2941453	3024474	3107490		<b>13</b>	2723069	2836736	2950403	3064070	3177737
	<b>14</b>	3419418	3517866	3618314	3714761	3813209		<b>14</b>	3352334	3489726	3627119	3764511	3901903
	<b>15</b>	4222544	4335751	4448363	4562165	4675372		<b>15</b>	4047467	4204744	4362027	4517776	4676592

Source: Extracted from the (2009) Quarterly Report of National Salaries, Income and Wages Commission, Abuja

Table 3: *Summary of Variations in the salary Structure of some Selected Organizations (Source: Extracted from Excel Output of Data obtained from NSIWC, Abuja, 2018)*

GL	CONTISS		CONPSS							
	SUM(Step1-15) A	SUM (Step 1-15) B	Variation A-B	Mean ( $\bar{x}$ )	SD ( $\epsilon$ )	SUM Step (1-15) C	SUM (Step1- 15) D	Variation C-D	Mean ( $\bar{x}$ )	SD ( $\epsilon$ )
01	805781	697061	108720	218232.833	134296.833	1548778	1358661	190112	166176.83	210960.1
02	826117	716872	109245	137686.167	235665.4988	158215	1395182	123697	119478.67	216993.9
03	873716	734868	138848	145619.333	249266.7086	1680530	1473818	206712	122478	222442.1
04	992464	776979	215485	1652410.667	283150.2831	1910818	1713240	197578	129496.5	235210.5
05	1211035	882010	329025	201839.169	345508.2383	2334739	2046490	288249	147001.67	257011.1
06	1948281	1075401	872880	324713.5	555812.066	3751570	3289459	462111	179233.5	325556.3
07	3095472	1775682	1319790	515912	883042.4837	5734872	13971526	8236654	295947	537521.5
08	3591803	2282148	13009655	598633.833	1024638.078	6673116	5899645	773471	380358	690798.9
09	4142519	2683079	145944	690419.833	1181696.484	7718441	6950291	768150	447179.83	812166
10	4739095	3136730	1602365	78949.167	1352159.477	8876624	8144245	732379	522788.33	949450.4
11	5268766	3693907	1574859	878127.667	1503214.194	9870868	9645269	225599	615651.17	1118337
12	5809797	4105368	1704429	96829.5	1657539.5	10886406	11548129	661730	684228	1242849
13	78067078	4105368	7396171	1301179.69	1301179.221	14752028	14707298	44730	754278.17	1370061
14	9805634	4525669	5279965	1634272.33	222735.023	18135607	18083582	52625	1039942.5	1888984
15	34965500	6239655	28725845	5827583.33	2797459.703	21808621	22244210	435589	1283663.5	2331631

Table 4: *Calculation of Coefficient of Variation*

CONTISS/ CONPSS	Mean ( $\bar{x}$ )	SD ( $\epsilon$ )	CV Coefficient of Variation	CONRAISS/ CONHESS	Mean ( $\bar{x}$ )	SD ( $\epsilon$ )	CV Coefficient of Variation
<b>GL</b>				<b>GL</b>			
<b>01</b>	218232.833	134296.833	0.61538236	<b>01</b>	166176.83	210960.1	1.269492
<b>02</b>	137686.167	235665.4988	1.71161348	<b>02</b>	119478.67	216993.9	1.816173
<b>03</b>	145619.333	249266.7086	0.71176933	<b>03</b>	122478	222442.1	1.81618
<b>04</b>	1652410.667	283150.2831	1.771179975	<b>04</b>	129496.5	235210.5	1.816346
<b>05</b>	201839.169	345508.2383	1.771179975	<b>05</b>	147001.67	257011.1	1.748355
<b>06</b>	324713.5	555812.066	1.7116999	<b>06</b>	179233.5	325556.3	1.816381
<b>07</b>	515912	883042.4837	1.71161455	<b>07</b>	295947	537521.5	1.816276
<b>08</b>	598633.833	1024638.078	1.71162741	<b>08</b>	380358	690798.9	1.816181
<b>09</b>	690419.833	1181696.484	1.71156219	<b>09</b>	447179.83	812166	1.816196
<b>10</b>	78949.167	1352159.477	1.71269632	<b>10</b>	522788.33	949450.4	1.816128
<b>11</b>	878127.667	1503214.194	1.71184015	<b>11</b>	615651.17	1118337	1.816511
<b>12</b>	96829.5	1657539.5	1.71181252	<b>12</b>	684228	1242849	1.816425
<b>13</b>	1301179.69	1301179.221	0.99999964	<b>13</b>	754278.17	1370061	1.816387
<b>14</b>	1634272.33	222735.023	0.13629003	<b>14</b>	1039942.5	1888984	1.816431
<b>15</b>	5827583.33	2797459.703	0.4800377	<b>15</b>	1283663.5	2331631	1.816388

Source: *Excel output of Coefficient of variation, 2018.*

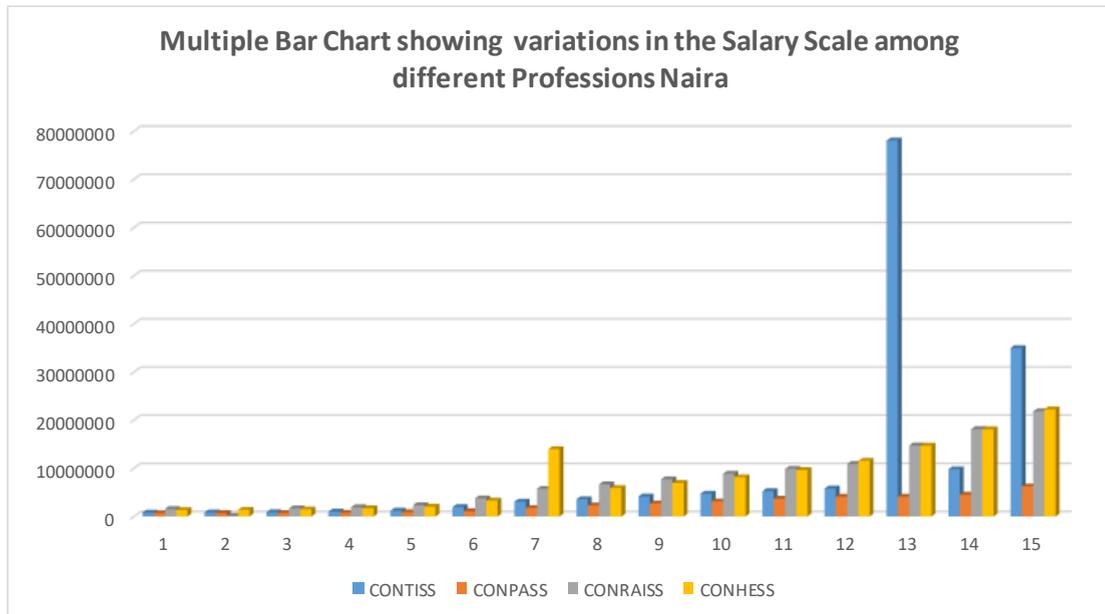


Figure 1: Variations in the salary scale among different professions Naira

The chart above on the horizontal x-axis show four selected salary structure, while the vertical y-axis shows the salary earned for 5 consecutive years; on a grading system of (GL1-15). As indicated in the chart, there exist a significant variation amongst the selected salary structure. Ostensibly, the wage gap become widen as the worker transits to higher cadre.

## DISCUSSION

From the analysis, it became crystal clear that the pattern of compensation practices in the public sector institutions varies in cross-sectional manner, discriminatory wage system has been institutionalized, pay disparity continues to characterize the system which contravenes international conventions and treaties willingly ratified by ILO member countries. Although, some scholars have provided arguments to justify pay differentials, from their viewpoint focused more on worker in one organization performing different task i.e. between professional (skilled) and auxiliary workers (unskilled) etc., but this work was interested in workers whose duties, competency required and workload (work of equal value) are same. For instance, unskilled workforce in the service perform similar either in Ministry A, or parastatals B,

what we bear in mind is their categorization: Unskilled and unskilled irrespective of the organization where they work.

Evidence from the result analyzed revealed a slight gap in the first group most especially between GL01-05 and the gap continues to widen as it moves to higher cadre, also in the second group the outcome of the study shows significant variation the two salary structures compared. Generally, the interpretation of the result obtained implies a fragmented, discordant and spongy wage management system which paved way for disproportionate reward system. It is pertinent to mention that apart from issues of salaries and wages, other concerns which began in 1970's was the trends of proliferation of irregular allowances and other fringe benefit added to salary, another dimension was infused with the adoption of monetization policy 2003 and pay consolidation, 2007, coupled with polarized collective bargaining mechanisms. The existing pay structure characterized by disparities heartens pre-mature occupational mobility, which in turn leads to high labour turnover.

Therefore, to achieve the desired virile, result-oriented public service and maintain institutional stability, government should be willing to swiftly address the following grey areas of concern: overhaul the collective bargaining mechanism that have been hitherto polarized, streamline, harmonize institutional mechanism and procedures for determination and develop a pragmatic approach to administration of remuneration and other fringe benefit across public sector. In other to expand the horizon of knowledge in the field of wage and salary administration, the paper suggests that future research to ascertain spillover effects of discriminatory wage and salary administration in Nigeria on labour turnover, and the stability of the public service.

## NOTES

1. Most studies on wage differentials concentrated on gender, ethnic, urban-rural, but this study examine inter-sectorial wage disparities. The study obtained the latest data on salary structure in the public service from the national Salaries, Income and Wage Commission. Data was extracted on four clustered parastatals and agencies of government.
2. We restrict the sample to those who are career staff in the employment of Federal government and excluded those who are political executives as they can only serve for maximum of 8 years, and they are entitle to special salary structure.
3. The research adopted coefficient of variation as a useful statistical tool for comparing the degree of variation from one data source (salary structure A) to another (salary structure B) The study assumed and calculated for annual progression for 5 years across all grade levels.

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