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COMPENSATION STRATEGIES AND COMPETITIVENESS OF PRIVATE SECONDARY SCHOOLS IN RIVERS STATE

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ABSTRACT--
This study empirically examines the extent to which compensation strategies affect competitiveness of privates schools in Port Harcourt. Monetary and non-monetary compensations were adopted as dimensions of compensation strategies. The research design adopted was the cross-sectional research design which is an aspect of the quasi-experimental research design. 5 private secondary schools in Port Harcourt were purposively selected by the researcher. 20 copies of research instruments were distributed to the teachers within these schools. Structural equation modeling was used in testing the null hypotheses and analyzing the model fitness of our variables. Our findings reveal that there is a significant relationship between compensation strategies and competitiveness. The study further reveals that non-monetary compensation has more effect than monetary compensation. The study recommends that Management of private secondary schools should ensure that they remuneration scale fits into the conditions of what employees give out and other bonuses should be provided to employees based on their performance secondly, firms should ensure that their performance is measured with industry standards and appropriate control measures should be applies where necessary

KEYWORDS: ***Compensation, strategy, monetary, non-monetary, banks***--

INTRODUCTION

Just like the primary education was pioneered by the Christian missions, secondary school education in Nigeria also owed its origin to the activities of the various Christian missions. Adeyinka (1971) in his work on 'the development of secondary grammar school education in the western state of Nigeria' attributed the origin and development of secondary school education to the pioneering efforts of the Christian missions and later, to the encouragement given by the government. The Christian missions at the initial stage were not interested in promoting education beyond the primary school level in Nigeria (Eliasu, 1998). From their proselytization perspective, secondary education was repetitious and could turn its beneficiaries into materialistic and intellectually arrogant set of people. It is important to note that since the introduction of western education in 1842 and the establishment of elementary schools by the Christian missions in Nigeria, the few Nigerian educated people began to agitate for the establishment of secondary schools. The reason is because, they desired a kind of post-primary education that would qualify their children to work as intermediate civil servants, and that would subsequently qualify them to gain admission into higher institutions of learning after which they could become doctors, lawyers, engineers, and so forth. Thus, they could occupy leadership roles in the nation (Adebowale, 2000).

The persistent clamor for secondary school education by the few Nigerian educated people led to the establishment of the first secondary school in Nigeria – CMS Grammar School, Lagos, founded in June, 1859 (Adeyinka, 1971). It was a privately-owned school as it was founded by Church Missionary Society (CMS). This was the beginning of secondary school education in Nigeria. Adebowale (2000) stated that in 1876, Wesley Boys' High School, Lagos, was founded by the Wesleyan Methodist Society. This was followed by the establishment in 1878 of Wesley Girls' High School, Lagos by the same mission, while Saint Gregory's College, Obalende, Lagos was founded in 1879 by the Roman Catholic. According to Ayoade (2000) the Baptist Academy, Obanikoro, Lagos, that was founded in 1853 by the Southern Baptist Convention, America, later metamorphosed into two secondary schools in 1885; one for boys and the other for girls. Abeokuta Grammar School, founded in 1908 was added to the number of secondary schools that were established by the Christian missions (Isiaka, 1999). Over the years, a plethora of secondary shools have emerged and their impact on society can never be undermined

The term "competitiveness" is one of the most commonly used concepts in economics but it is not precise enough, which means that there is no generally accepted definition of competitiveness (Baker & Sinkula, 1999). The term originated from the Classical Latin word "petere" meaning to seek, attack, aim at, desire, and the Latin prefix "con-" meaning together. The concept of competitiveness has evolved in the history of economic thinking, embracing different approaches, from classical theories of mercantilism, which introduced the notion of trade rivalry between nations, to absolute advantage of nations, the theories of competitive and comparative advantages and up to neoclassical critiques of international competitiveness of countries. More recent theories (Porter, 1980) developed the concept of regional competitiveness, bringing classical theories more close to applied economics of the regions. Being competitive, nowadays, implies a great capacity to face its competitors, to satisfy its customers in a personalized way, to present know-how with regards to the products and the services offered on the market and to cooperate, with other firms within the industry, in intensive knowledge-based activities while (equally) equitably exploiting opportunities presented by new technologies in order to sustainably guarantee the effectiveness and the efficiency of the firm (Aschehoug, & Boks, 2012). Certainly, this powerful manner of maintaining knowledge is not easy and it differs from one firm to another and from one industry to another respectively, facing the environmental changes which became a constant determining this knowledge-based research on the market.

Compensation strategy on the other hand is a reward strategy, which is approved by the Board of the organization, and it is always the top executive management function since it has a huge impact on the costs of the organization. It helps to define the pay market and how the desired level and position on the pay market will be achieved. The compensation strategy defines the basic compensation components used in the organization and the standard rules applied to each compensation component. The concept of compensation encompasses the output and the benefit that employees receive in the form of pay, wages and also some rewards like monetary exchange for the employee's to increase the performance (Holt,1993). It is all forms of payments or rewards given to employees which arise from employment (Dessler, 2005). Compensation is one of the basic reasons for employees to seek employment. Employees are compensated for their services and efforts that they exert on their work. Harrison & Liska, (2008) in their study affirm that reward is the centre piece of the employment contract; after all, it is the main reason why people work. compensations is a human resource management function. It deals with every type of reward individuals receive in exchange for performing organizational tasks, with a desired outcome of an employee who is attracted to the work, satisfied, and motivated to do a good job for the employer (Ivancevich, 2004).

Research Objectives

i. To examine the extent to which Monetary compensation relates with competitiveness of secondary schools
ii. To examine the extent to which Non-Monetary compensation relates with competitiveness of secondary schools

THEORETICAL FRAMEWORK

The theoretical pillers of this work is anchored on Equity theory

Equity theory is a process model of motivation. It says that the level of reward we receive, compared to our own sense of our contribution, affects our motivation (Dumville, 2003). The theory considers the concept of equality and fairness, as well as the importance of comparison to others. At its core, Adams' equity theory says that individuals want a fair relationship between inputs and outputs. What this means is that they want the benefits (rewards) they receive from work to seem fair in relation to the inputs (contribution) that they provide (Armstrong, 2009). Similarly, they want the rewards that others receive for their work to be similar to the rewards that they themselves would receive for the same level of contribution. This theory fits into this study because the concept of compensation has its relationship with equity in the minds of employees and employees would always know when they have been treated right or wrong with regards to their contribution towards organizational development. This would in turn create room for competitiveness.

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CONCEPT OF MONETARY COMPENSATION

Monetary compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization (Branham, 2005). The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc. They are given at a regular interval at a definite time (Akintoye, 2000).

Basic Salary: Salary is the amount received by the employee in lieu of the work done by him/her for a certain period say a day, a week, a month, etc. It is the money an employee receives from his/her employer by rendering his/her services.

Housing Allowance: Organizations either provide accommodations to its employees who are from different state or country or they provide house rent allowances to its employees. This is done to provide them social security and motivate them to work (Young, Worchel, & Woehr, 1998).

Conveyance: Organizations provide for cab facilities to their employees. Few organizations also provide vehicles and petrol allowances to their employees to motivate them.

Leave Travel Allowance: These allowances are provided to retain the best talent in the organization. The employees are given allowances to visit any place they wish with their families. The allowances are scaled as per the position of employee in the organization.

Medical Reimbursement: Organizations also look after the health conditions of their employees. The employees are provided with medi-claims for them and their family members. These medi-claims include health-insurances and treatment bills reimbursements.

Bonus: Bonus is paid to the employees during festive seasons to motivate them and provide them the social security. The bonus amount usually amounts to one month's salary of the employee.

Special Allowance: Special allowance such as overtime, mobile allowances, meals, commissions, travel expenses, reduced interest loans; insurance, club memberships, etc are provided to employees to provide them social security and motivate them which improve the organizational productivity (Sweeney & McFarlin, 2005).

CONCEPT OF NON-MONETARY COMPENSATION

Non-monetary rewards are actually the non-cash benefits given by the business for retaining and motivating them for their outstanding work functioning (Woodruffe, 2006). Non- monetary rewards are viewed as more appreciated than financial rewards as it is highly viewed from the esteem and gratitude view on workers' accomplishment (Aguinis, Joo, & Gottfredson, 2013). In addition to the argument, Nelson (1996) revealed that there is solid connection among non-monetary inducements and personnel's job engagement. Studies revealed Non- monetary inducements include training and development and pleasant working environment (Owolabi, Ajiboye, Bello, Aderibigbe, & Omotoso, 2014). Other studies showed that these non-monetary rewards are between the top favorites by the group Y which took birth later 1982 (Allen & Helms, 2002). Training and development was ranked on high for of global struggle and ambiguities that were born in the budget and in fact it had led extra stress on person investment (Akhter, et al., 2016). Literature suggests that a non-monetary reward includes training and development, pleasant work environment and working conditions, furnished office, official colleague i.e. personal assistant or secretary, preferred lunch hours (Munroe 2015), and personal visiting cards (Business card).

$H0_1$ Monetary does not significantly relate with competitiveness of secondary schools

COMPETITIVENESS

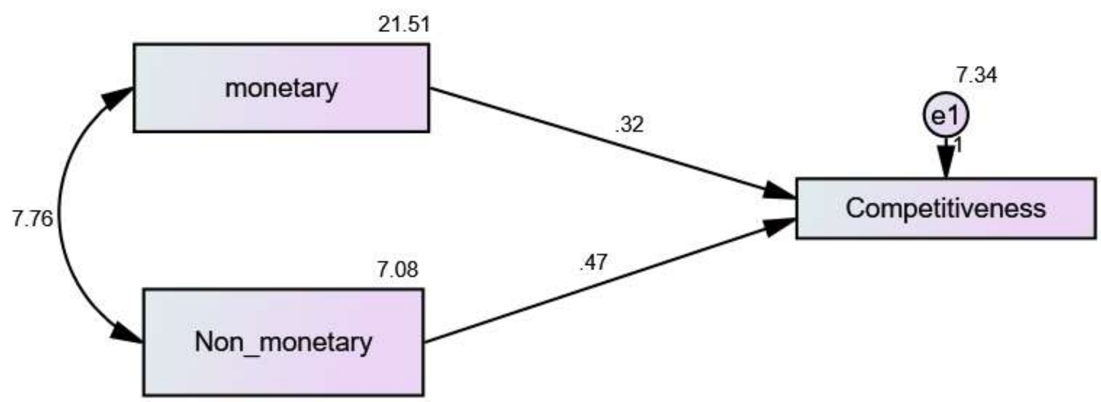
According to Newbert (2008), competitive advantage is the implementation of a strategy not currently being implemented by other firms that facilitates the reduction of costs, the exploitation of market opportunities, and/or the neutralization of competitive threats. At this level competitiveness consider different factors that affects the results, such as innovation and technology (Kotler & Keller, 2009), Profitability, cost reduction and product differentiation (Camison & Fores, 2015; Kuo, Lin & Lu, 2017), among others. Competitiveness is a complex concept that had called the attention of academics and practitioners due to the importance of developing this construct for survival to changeable environments and highly competition. In literature, there are different approaches for analyzing the competitiveness at the firm level; the industry-based perspective (Porter, 1980) and the Resource Based View (Barney, 1991) leads the main research streams in this topic. The industry-based model analyzes the competitiveness at the firm level from the perspective of industry conditions that could generate competitive advantages and the Resource Based View examine competitiveness from the internal attributes and resources of a company as the way for achieving superior performances. Every stream research comprehends factors that may influence organizational competitiveness through the interaction with internal and external conditions.

$H0_2$ Non-Monetary compensation does not significantly relate with competitiveness of secondary schools

METHODOLOGY

The research design adopted was the cross-sectional research design which is an aspect of the quasi-experimental research design. 5 private secondary schools in Port Harcourt were purposively selected by the researcher. 20 copies of research instruments were distributed to the teachers within these schools. Structural equation modeling was used in testing the null hypotheses and analyzing the model fitness of our variables.

DATA ANALYSES AND FINDINGS



Source: Amos version 21

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Competitiveness	<---	monetary	.325	.053	6.091	***	W1
Competitiveness	<---	Non_monetary	.472	.093	5.075	***	W2

When monetary goes up by 1, Competitiveness goes up by 0.325.
The regression weight estimate, .325, has a standard error of about .053.
Dividing the regression weight estimate by the estimate of its standard error gives

z = .325/.053 = 6.091.

In other words, the regression weight estimate is 6.091 standard errors above zero.

The probability of getting a critical ratio as large as 6.091 in absolute value is less than 0.001. In other words, the regression weight for monetary in the prediction of Competitiveness is significantly different from zero at the 0.001 level (two-tailed).

When Non_monetary goes up by 1, Competitiveness goes up by 0.472.

Standard error of regression weight

The regression weight estimate, .472, has a standard error of about .093.

Dividing the regression weight estimate by the estimate of its standard error gives

z = .472/.093 = 5.075.

In other words, the regression weight estimate is 5.075 standard errors above zero.

The probability of getting a critical ratio as large as 5.075 in absolute value is less than 0.001. In other words, the regression weight for Non_monetary in the prediction of Competitiveness is significantly different from zero at the 0.001 level (two-tailed).

With these results, we reject the stated null hypotheses and accept the alternate.

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
Competitiveness	<---	monetary	.409
Competitiveness	<---	Non_monetary	.341

When monetary goes up by 1 standard deviation, Competitiveness goes up by 0.409 standard deviations.

When Non_monetary goes up by 1 standard deviation, Competitiveness goes up by 0.341 standard deviations.

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
monetary	21.507	2.156	9.975	***	V1
Non_monetary	7.075	.709	9.975	***	V2
e1	7.341	.736	9.975	***	V3

The variance of monetary is estimated to be 21.507.

The variance estimate, 21.507, has a standard error of about 2.156.

Dividing the variance estimate by the estimate of its standard error gives

z = 21.507/2.156 = 9.975.

In other words, the variance estimate is 9.975 standard errors above zero.

The probability of getting a critical ratio as large as 9.975 in absolute value is less than 0.001. In other words, the variance estimate for monetary is significantly different from zero at the 0.001 level (two-tailed).

The variance of Non_monetary is estimated to be 7.075.

The variance estimate, 7.075, has a standard error of about .709.

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Dividing the variance estimate by the estimate of its standard error gives

z = 7.075/.709 = 9.975.

In other words, the variance estimate is 9.975 standard errors above zero.

The probability of getting a critical ratio as large as 9.975 in absolute value is less than 0.001. In other words, the variance estimate for Non_monetary is significantly different from zero at the 0.001 level (two-tailed).

Model Fitness
CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	6	.000	0		
Saturated model	6	.000	0		
Independence model	3	222.496	3	.000	74.165

The Independence model has a discrepancy of 222.496.

The Independence model has 3 degrees of freedom.

Assuming that the Independence model is correct, the probability of getting a discrepancy as large as 222.496 is .000

For the Independence model, the discrepancy divided by degrees of freedom is 222.496 / 3 = 74.165.

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Independence model	.606	.540	.675	.000

RMSEA = .606 for the Independence model

With approximately 90 percent confidence, the population RMSEA for the Independence model is between .540 and .675.

PCLOSE = .000 for the Independence model Under the hypothesis of "close fit" (i.e., that RMSEA is no greater than .05 in the population), the probability of getting a sample RMSEA as large as .606 is .000.

Sum
Mary of Findings
From our summary of findings, we realized that non-monetary rewards have a stronger effect on competitiveness unlike monetary rewards. from our default model, we realized that when monetary rewards goes up by one standard deviation, competitiveness goes up by 0.325 standard deviations. when non-monetary reward foes up by one standard deviation, competitiveness goes up by 0.472 standard deviations. this implies that respondents care moore about the monetary rewards than they do for monetary rewards. this is to say that employers should ensure those elements of non-monetary rewards are put in place to ensure competitiveness in private schools in Rivers state. also the test of our model fitness reveals a pclose of 0.000 which is quite significant and a CMIN p-value of 0.000 which is also less than alpha of 0.5.

CONCLUSION
Monetary rewards and non-monetary rewards are very useful for organizational growth. It accounts for a significant proportion of motivation in the educational sector. Over time, private secondary schools have been well organized in

terms of remuneration and this has really made them competitive especially when compared to public institutions. This study reveals that non-monetary rewards has a significant contribution towards the competitiveness of private secondary schools and this is because employees these days do not just look at what they are being paid but the situation surrounding the job conditions and physical environment. Employees care about the recognition they receive, the commendations and job security.

RECOMMENDATIONS

i. Management of private secondary schools should ensure that they remuneration scale fits into the conditions of what employees give out and other bonuses should be provided to employees based on their performance
ii. The competitiveness of firms would come when there is a benchmark. Firms should ensure that theire performance is mesasured with industry standards and appropratie control measures should be applies where necessary
iii. Apart from pament of cash, employees should be made relevant in the organzition. Their ideas and suggestions should be relied upon because this would make them feel like citizens of the organization.

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Appendix

Statement items

Monetary compensation	SD	D	A	SA
I am satisfied with the pay I receive in my school				
My pay is competitive within the industry				
With my earnings, I can take care of myself and family				
I am motivated by my pay				
Non-monetary compensation				
I love the recognition I receive in my job				
My work environment is safe for me				
My supervisor coaches and mentors me				
In my school, we are all one family				
Competitiveness				
My school is one of the best schools in town				
My school can compete both nationally and internationally				
Our curriculum fits into modern day learning				
We have the best set of teachers				