



Effects of the Monetisation Policy on employee performance in the Nigerian civil service

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Background: This article examined the enormous financial burden placed on the Federal Government of Nigeria by the management and maintenance of its civil servants. The cost of governance in Nigeria continues to rise mainly because of the provision of fringe benefits (such as free residential accommodation, medical services, transport facilities and utilities, including telephone service, water and electricity) to public servants. Yet, public employees' performance continues to decline, which leads to low levels of human and physical infrastructure development.

Aim: This article examines the effects of the rising cost of governance in Nigeria and how to enhance employee performance. The article interrogates the effects of the monetisation of fringe benefits policy (the Monetisation Policy) of the Obasanjo Administration (2003–2007).

Setting: The study was conducted in the Federal Civil Service Secretariat in Owerri, Imo State, Nigeria.

Methods: This article is anchored in social exchange theory. The study participants comprised 1007 federal civil servants selected from 32 federal establishments. The participants were selected using the total population sampling technique. A structured questionnaire with a reliability coefficient estimate of 0.742 was used to generate the data for the study. The Statistical Package for the Social Sciences (SPSS) aided the presentation and analysis of data relating to the research objectives using frequency distribution tables and testing research hypotheses with chi-square statistics and Pearson's product-moment correlation statistic.

Results: The findings revealed that the Monetisation Policy has helped to enhance employee payment packages. A statistically significant positive correlation was found between high monetised benefits and high employee performance. The study found that the Monetisation Policy has had positive effects on employee performance in the federal civil service in Imo State.

Conclusion: This study concludes that the Monetisation Policy has helped to enhance employee motivation and morale, and to reduce employee work-related stress, which are vital indicators of work efficiency. These factors do not only affect the contextual performance of the civil servants, but also predispose their task performance. The researchers recommend that the Monetisation Policy should be sustained. It is also recommended that the government should introduce other measures aimed at enhancing the motivation of employees who receive lower monetised benefits so as to further improve the overall performance of the Nigerian civil service.

Keywords: Monetisation; fringe benefits; civil service; employee performance; Nigeria.

Introduction

Background and problem statement

Civil service can be described as the 'wheel' on which the state and government run. The importance of civil service is easily observed in policymaking, fiscal management (such as revenue generation and budgeting), and providing access to public goods and services. Without civil service, it would be difficult to plan, coordinate and implement policies and programmes that would improve the living conditions of the citizenry and achieve sustainable national development. Therefore, a skilled, motivated and efficient civil service with professional ethos is a necessary condition for good governance (Schiavo-Campo & Sundaram 2001:12). The quality of life in any country depends in many ways on those who work for the government (civil servants) and the way they carry out their work (performance). According to Besley and Persson (2010), the effective functioning of the government bureaucracy is an important determinant of poverty, inequality

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and economic growth. Calderon (2009:3) asserted that the quality of infrastructure in a country mirrors the quality of the civil service of that country. Therefore, the role of the civil service employees in producing public outcomes is often used as a measure of their performance (Schacter 2002:4).

In recent times, there have been many criticisms against the Nigerian civil service. Much of the criticism against the Nigerian civil service is largely because of its failure to discharge its statutory mandates and because of the high rate of bureaucratic corruption prevalent in the service. The inability of the civil service to respond to public demands through demonstrable results, such as good healthcare system, quality public schools system, good sanitation system, proper supervision of government contracts and full implementation of annual budgets, has made public criticism so terse.

Statistical facts, such as Nigeria's Human Capital Index, can be used to illustrate the low and/or declining performance of the civil service. For instance, the poverty rate in Nigeria rose in the past three decades: from 27.2% in 1980 to 46.3% in 1985, and in 1992 decreased to 42.7%. By 1996, the poverty rate in Nigeria had risen to 65.6% (National Bureau of Statistics 2012:8). This situation is because of the poor and/or non-implementation of policies and programmes aimed at addressing the alarming rate of poverty in the country. It is against this background of poor performance that spirited calls are made for reform in the civil service.

Over the years, successive Nigerian governments have initiated reforms aimed at improving the capacity of the civil service to deliver public services. The reforms were designed to correct the observed inadequacies of the Nigerian civil service, which include excessive bureaucracy that causes significant delays in service provision, high levels of corruption and low productivity. Some of the civil service reforms that have been undertaken in Nigeria since the 1940s were driven by instituted commissions and panels such as the Hunt Commission of 1934, the Bridges Committee of 1941, the Davis Commission of 1945, the Harragin Commission of 1946, the Gorsuch Commission of 1954 and the Mbanefo Commission of 1959 (Adebayo 2000:7; Ogunna 1999:6). Some others are the Morgan Commission of 1963, the Elliot Grading Team of 1966, the Adebo Commission of 1970, the Udoji Commission of 1974 and the Ayida Panel of 1995 (Adebayo 2000:7; National Salaries, Incomes and Wages Commission 2010:89; Ogunna 1999:6).

One of the more recent reforms is the Public Service Renewal Programme (PSRP), which had the specific objectives of tackling corruption in the civil service, checking the wastage of government resources, stopping undue delays in service delivery, correcting the stagnation at the top echelon of the service and reducing the huge personnel cost. In order to achieve these objectives, the government introduced reform policies such as the Contributory Pension Scheme, the Rationalisation Policy, the Service Compact (SERVICOM),

the Due Process Policy and the Monetisation Policy. The latter is the focus of this study.

The main objectives of the Monetisation Policy are to address the ever-rising cost of governance in the country, to curtail the flagrant waste and abuse of government resources, to enhance employee morale and to improve employee performance (Office of the Head of the Civil Services of the Federation [OHCSF] 2013:7). Recent experiences show, however, that the government's recurrent costs are rising instead of dropping. For instance, the recurrent budgetary allocation to the Office of the Secretary to the Government of the Federation rose from N46 200 983 088 in 2014 (Federal Government of Nigeria 2014). Despite this, there were no significant changes in the performance of Nigerian public employees – judging by the state of key development infrastructure such as electric power supply and public school system, which are still problematic.

The Monetisation Policy was also designed to help counter the dependency syndrome developed by public servants. It was expected that the policy would help to prepare civil servants for post-retirement life. It could be argued that the latter objective had been met to some extent as some categories of civil servants purchased the official houses and cars given to them. Despite this, the policy has created some problems. According to Fayomi (2013:8), the implementation of the Monetisation Policy induced inflation, which reduced the purchasing power and worsened the living standard of civil servants in the Nigerian ministries. Fayomi (2013:9) also stated that the Monetisation Policy has created a negative work attitude in the mainstream civil service because of the discrepancy in the fulfilment of monetisation packages to civil servants in the ministries as compared to public servants in other government agencies and departments. Monetisation has also led to the redundancy of certain categories of staff like drivers, as many government vehicles were sold.

The Monetisation Policy entails a new salary package for civil servants. It should be stated that the policy has led to an increment in the emoluments of civil servants. Nevertheless, the salaries of civil servants are pitiable when compared to those of their counterparts in the private sector. The gap in salaries between the public and private sector is between 300% and 500% (Nwanolue & Iwuoha 2012:6). Within the public sector, the salary of the civil servant is the lowest. For instance, the least paid staff member of the Central Bank of Nigeria earns more than a Grade 13 officer in the civil service. The pay package of a director in the civil service is only 20% of that of his or her equivalent in the Nigerian National Petroleum Corporation (Federal Republic of Nigeria 1995:6). This may likely cause many civil servants to feel short-changed, and it could be a probable precursor to the high level of corruption and poor work performance. Hence, it is pertinent to examine the effects of the Monetisation Policy on employee performance in the Nigerian federal civil service.

Objectives of the study

The main objective of this study is to investigate the effects of the Monetisation Policy on employee performance in the Nigerian civil service, with particular reference to the federal civil service in Imo State.

The specific objectives of this study are as follows:

- to investigate the effect of the Monetisation Policy on employee pay packages in the federal civil Service in Imo State
- to examine the effect of the Monetisation Policy on employees' attitude towards work in the federal civil service in Imo State
- to ascertain whether the Monetisation Policy has a homogeneous effect on all employees in the federal civil service in Imo State.

Research hypotheses

The hypotheses of this research are as follows:

- There is a significant relationship between the Monetisation Policy and increased employee performance in the federal civil service in Imo State.
- Employees with higher monetised benefits are more likely to perform better than employees with lower monetised benefits in the federal civil service in Imo State.

Literature review and theoretical framework

The concept of monetisation

The concept of monetisation has its origin in economic literature. Monetisation is simply the process of converting or establishing something into legal tender. The term 'monetisation' is also used to refer to exchanging possessions for cash or cash equivalents, including charging fees for something that used to be free (OMICS International 2014:4). In public sector reform, particularly in Nigeria, monetisation entails converting in-kind entitlements (such as free housing, utilities and transportation) into equivalent cash payments. For instance, the Nigerian government led by President Olusegun Obasanjo during the Fourth Republic initiated a monetisation policy through a reform programme called the PSRP, chiefly for the quantification of public employees' fringe benefits and the payment of the cash value. Prior to the introduction of the Monetisation Policy, public servants in Nigeria used to enjoy many benefits-in-kind as part of their benefits of service. These benefits-in-kind included highly subsidised residential accommodation, residential furniture, chauffeur-driven official vehicles (for the top echelon of the service), free medical services and public-funded utilities such as potable water, telephone service and electricity (Federal Ministry of Information and National Orientation 2013:9). Some of these benefits came with allowances such as meal subsidies, furniture allowances, entertainment allowances and motor vehicle maintenance allowances (OHCSF 2013:9). These benefits are usually termed fringe benefits.

The introduction of the Monetisation Policy by President Olusegun Obasanjo was necessitated by the revelation that over 85% of public sector expenditure in Nigeria went to overhead costs (Fayomi 2013:8). One of the identified reasons for the very high overhead cost, which affected the overall development of the country, was the burden of providing fringe benefits to all categories of public servants. For instance, the government was spending large amounts of resources to purchase, rent, renovate, maintain and furnish residential accommodation, and to purchase, fuel and maintain official vehicles for public servants. The provision of these fringe benefits contributed to the escalating cost of maintaining the civil service. As Aluko (2003:12) observed, although the civil servants constitute approximately 20% of the population of Nigeria, to maintain them took up between 60% and 70% of the annual national budget. The Monetisation Policy was therefore initiated to reduce the cost of running and maintaining the civil service. The policy was equally aimed at curtailing the waste, misuse and abuse of public resources. Other objectives of the Monetisation Policy include encouraging a maintenance culture and discipline among public servants, and to discourage their dependency syndrome. Ultimately, the policy was initiated to conserve funds for capital expenditure (Aluko 2003:12).

The Monetisation Policy took effect from 01 July 2003 with the passage of the *Certain Political, Public and Judicial Office Holders (Salaries and Allowances, etc.) Act* of 2002. The main feature of the Monetisation Policy is that individual pay cheques would henceforth comprise monetised fringe benefits such as housing, utilities and transportation.

TABLE 1: Approved harmonised fringe benefits and allowances for federal civil servants under the Monetisation Policy.

S/N	Type of allowance	Grade level	Rate per annum
1.	Accommodation	01–06	50% of annual basic salary
		07–14	60% of annual basic salary
		15 and above	75% of annual basic salary
2.	Transportation	01–17	25% of annual basic salary
3.	Meal subsidy	01–06	₦6000.00
		07–10	₦8400.00
		12–14	₦9600.00
		15–17	₦10 800.00
		Permanent secretary (PS)	₦16 200.00
4.	Utility	01–16	15% of annual basic salary
		17 and above	20% of annual basic salary
5.	Domestic servant	15	1. GL. 3 Step 8
		16–17	2. GL. 3 Step 8
		PS and above	3. GL. 3 Step 8
6.	Leave grant	01 and above	10% of annual basic salary
7.	Medical	01 and above	10% of annual basic salary
8.	Furniture allowance	01–06	NIL
		17 and above	200% in 5 years (i.e. 40% per annum)
9.	Vehicle loan	01–05	100% of annual basic salary
		06–07	150% of annual basic salary
		08 and above	200% of annual basic salary
10.	Driver	17 and above	1. GL. 3 Step 8

Source: Federal Ministry of Information and National Orientation, 2013, *The Obasanjo reforms: Monetisation policy*, Production, Publications & Documentation Department, Abuja
S/N, serial number; GL, grade level; ₦, Naira; NIL, zero.

Thereafter, employees would be responsible for all their expenses relating to the monetised benefits (OHCSF 2013:5).

Employee performance

Employee performance is one of the most important concepts in organisational studies. This is because the achievement of organisational goals is dependent on the performance of the employees (Campbell 1990:8). Employee performance describes how well employees execute the job-related activities expected of them. One key feature of job performance is that it is directed towards the goals of the organisation. Campbell (1990:8) defined employee job performance as behaviour. He proposed a multi-factor approach to defining and predicting job performance, which consists of examining an employee's task-specific behaviour, non-task-specific behaviour, commitment, personal discipline and willingness to assist co-workers. Roe (1999:9) emphasised that employee performance falls within process and outcome aspects. Discussions of employee performance usually revolve around two dimensions, namely task performance and contextual performance. Williams and Karau (1991:13) stated that task performance covers an employee's contribution to organisational performance through actions that address the requirements as specified in job descriptions. For Werner (2000), task performance consists of behaviours that are directly involved in producing goods or services. Essentially, task performance refers to the effectiveness with which employees perform activities that contribute to the organisation's technical core (Borman & Motowildo 1993:12).

The second dimension of performance, which is contextual performance, is defined as performance that helps to shape the social and psychological context of the organisation (Borman & Motowildo 1993:15). Contextual performance is a multi-dimensional concept (Van Dyne & LePine 1988) that serves as critical catalyst for tasks and processes. It is usually 'voluntary' in nature. Examples of contextual performance include the following: prescribed rules and procedures (such as Civil Service Rules and the Code of Conduct for Public Officers), assisting or cooperating with co-workers, job dedication and enthusiasm and volunteering for extra work (Borman & Motowildo 1997:14). With regard to rules, the word 'voluntary' implies that the employee, despite being aware of the implications of non-adherence to prescribed rules, must decide the course of action to follow.

Motowildo and Schmit (1999:23) articulated that the three major differences between task and contextual performance are as follows: (1) task performance is job specific, whereas contextual performance activities are comparable for all jobs, (2) task performance is in-role behaviour and part of the formal job description, whereas contextual performance is extra-role and discretionary and often not rewarded by the formal reward system and (3) task performance is predicted by ability, whereas contextual performance is predicted by motivation and personality. Organisations customarily highlight the importance of employee task and contextual performance in the evaluation of their staff. The civil service

annual appraisal form conveys this importance as it assesses employees' performance based on task and contextual performance. The discussion of employee performance in this study revolves around the two dimensions of performance (task and contextual) as both contribute to the growth of the civil service (Motowildo & Schmit 1999:23).

However, because of the nature of civil service work that varies according to the different ministries, departments and agencies (MDAs), and because of the different job descriptions in the MDAs, it is often difficult to accurately apply a uniform measure of employee performance based on task performance. For this reason, the researchers emphasise contextual performance indicators in an attempt to measure and aggregate employee performance across the entire civil service.

Monetisation policy and employee performance

Few studies have investigated the effect of the Monetisation Policy on public sector employees in Nigeria. For instance, Adeleke (2010) investigated the implication of the monetisation of fringe benefits on workers' commitment in AdekunleAjasin University, Ondo State, Nigeria. The study found that the monetisation of fringe benefits did not improve employee welfare because of the rate at which market prices of goods and services were increasing. Adeleke (2010) observed that this affected employee productivity and loyalty towards the university. Saka (2012:14) studied the relationship between output and monetisation of public servants' wages and salary structures. The results showed that the new salary package, which had monetisation as an important component, varied in the right direction with output. The implication is that the new salary package through monetisation increased productivity and output.

Okafor (2014:21) investigated the impact of the Monetisation Policy on organisational citizenship behaviour in Nigeria. The cross-sectional study sought the opinions, perceptions and reactions of respondents relating to the Monetisation Policy and citizenship behaviour constructs of organisational loyalty, organisational compliance and employee conscientiousness. The findings showed that the Monetisation Policy was not positively linked and associated with organisational loyalty. The conclusion of the study was that the policy of monetisation had so far failed to improve organisational citizenship behaviour. Ayapere (2015:16) investigated the effect of the Monetisation Policy on workers in the Nigerian civil service, specifically examining the effect of monetisation on workers' job satisfaction and on workers' attitude towards job performance.

The findings of Ayapere's (2015) study revealed that there was no positive effect of the Monetisation Policy's implementation on workers' attitude towards job performance in the Nigerian civil service, and that the Monetisation Policy had no positive effects on workers' job satisfaction. Ayapere (2015) therefore concluded that monetisation had no positive effect on workers in Nigeria's

civil service. The mixed results from the above-stated studies, among other reasons, propelled this study. The researchers considered it expedient to continue to deepen the discussion on the relationship between the Monetisation Policy and employee performance, especially within the federal civil service in Nigeria. This is because of the crucial role of the federal civil service in the drive towards achieving sustainable national development.

Theoretical framework

Social exchange theory

Theories provide frameworks and foundations for the analysis of any phenomenon. This study considers the social exchange theory to be useful and appropriate in interrogating and explaining the relationship between employers and employees within the context of reforms. The theory is equally helpful in explaining the outcomes of such relationships. This study is therefore anchored in the social exchange theory. The social exchange theory was popularised by Claude Levi-Strauss, George C. Homans and Peter M. Blau, who proposed that social behaviour is the result of an exchange process (Cherry 2016:15).

The purpose of the exchange is principally to maximise benefits and, in the process, minimise costs. According to Cherry (2016:14), the social exchange theory suggests that people value the benefits and costs of each relationship in order to determine how much a relationship is worth. She further stated that social exchange involves more than cost-benefit analysis; it involves establishing comparison levels based on social expectations and experiences, and comparing the potential alternatives. The social exchange theory has been applied to organisational settings to provide a basis for understanding the roles that organisations play in creating feelings of employee obligation and pro-organisational behaviour such as performance and citizenship (Wayne et al. 2002:16).

Two main streams of research apply the social exchange theory in organisations, namely leader-member exchange (LMX) and perceived organisational support (POS). According to Wayne et al. (2002:23), studies on LMX usually focus on the quality of the exchange (relationship) between the employee and the manager. In contrast, research on POS emphasises the exchange between the employee and the organisation. Essentially, LMX is based on the degree of emotional support and exchange of valued resources derived from the relationship between the supervisor and the employee, while POS is based on the employee's perception of the employer's commitment to them. One key component of the social exchange theory is the norm of reciprocity, which implies that persons who are treated favourably by others are most likely to respond in a positive manner. The norm of reciprocity is a fundamental factor in the exchange relationship between the supervisor and the employee, and between the employee and the organisation.

Dabos and Rousseau (2004:12) emphasised that reciprocity within an organisation refers to the cooperative exchange between employees or between employees and the organisation. Reasoning along this line, employees who are satisfied with the results of their workplace exchanges will be inclined to respond favourably towards the needs or goals of the organisation (Shaw et al. 2009:18). In other words, employees who perceive a high level of organisational support or who have a high-quality relationship (exchange) with the supervisor feel a sense of indebtedness and reciprocate in terms of attitudes and behaviours that benefit the exchange partner.

Another factor that is usually emphasised by social exchange theorists in their studies of organisational partners' exchanges is the perception of organisational justice or fairness. According to Moorman, Blakely and Nichoff (1998:12), justice perception refers to an employee's evaluation of the discretionary actions taken by the organisation, which are indicative of the degree of organisational support. There are four main categories of organisational justice – procedural justice, distributive justice, informational justice and interactional justice – all of which reflect employees' perceptions of outcomes, processes, interpersonal interactions and how employees are treated within the organisation. Greenberg (1990:399) pointed out that perceptions of organisational justice are 'a base requirement for the effective functioning of organizations and the personal satisfaction of the individual they employ'.

In applying the social exchange theory to this study, the researchers hypothesised that irrespective of the goals of a reform policy such as the Monetisation Policy, the perception of the employees regarding their position on the relationship scale would determine whether they would buy into the policy. Employees' perceptions of the policy and its environment would determine how they would adjust their work behaviour towards policy prescriptions. Hence, if employees (i.e. federal civil servants) perceive the Monetisation Policy as a ploy by their employer (the federal government) to withdraw its support to them or to deny them of their entitlements, they would likely respond negatively by exhibiting anti-organisational behaviour (disloyalty, lack of commitment and low performance). If, however, the civil servants perceive the Monetisation Policy to be fair (just) and as an expression of organisational support, they will respond by exhibiting pro-organisational behaviours such as loyalty, commitment, organisational citizenship and high performance. Consequently, the civil servants will consider the success of the federal civil service as their personal priority. Therefore, they will not undermine policies aimed at enhancing organisational efficiency.

Methodology

This work was designed as a cross-sectional survey and a descriptive study. Cross-sectional surveys aim at collecting information on certain variables in a study population at one point in time. This method is justified by the assumption that

there are many similar elements in any population. The study is descriptive because it seeks to describe the relationship between two key variables: the Monetisation Policy and civil service employee performance.

Area of the study

The area of the study is Imo State, which is one of the five states that make up the southeastern region of Nigeria. Imo State is composed of 27 local government areas (LGAs). These 27 LGAs are politically structured into three senatorial zones, namely Orlu, Owerri and Okigwe. Orlu comprises 12 LGAs, Owerri has 9 LGAs, while Okigwe is made up of 6 LGAs.

Based on the 2006 National Population and Housing Census, Imo State has a total population of 3 927 563 persons. Of this number, 1 976 471 are men and 1 951 092 are women. Imo State has a population density of 757.8 persons per square kilometre (km²) and covers a land size of 5182.82 km² (National Population Commission 2010). Imo State is bordered by Anambra State to the north, Delta State to the west, Abia State to the east and Rivers State to the south. The major rivers and lake in Imo State are the Njaba River, Imo River, Otamiri River and Oguta Lake. The major occupations of Imo State inhabitants are civil service, agriculture and commerce.

Population and sample size

A total survey of the entire study population of 1086 federal civil servants was attempted. However, only 1007 federal civil servants responded adequately to the research questionnaire. Therefore, a sample size of 1007 was used to generate quantitative data for this study. The sample size represents 92.7% of the study population.

Sampling technique

The sampling techniques adopted for the study were the purposive sampling technique and the total population sampling technique. The purposive sampling technique was utilised to select 32 federal establishments out of the 64 federal establishments operating in Imo State. This technique was adopted because of the need to select federal establishments that share the common characteristic of being labelled as the federal civil service, that is, those establishments that are regulated by the Federal Civil Service Commission and are subjected primarily to Civil Service Rules. This study adopted the total population sampling technique in administering the questionnaire to the respondents, which included all 1086 employees of the 32 federal civil service organisations.

Instrument for data collection

The survey data were collected via questionnaire. The research questionnaire consisted of questions designed to elicit the responses of civil servants on the effects of the Monetisation Policy on employee performance in the federal

civil service in Imo State. The questionnaire was not cadre-sensitive; it targeted all cadres of employees. In order to increase the reliability of the data collected with the questionnaire and to avoid ambiguity, the questionnaire was piloted on employees of the Nigeria Customs Service and the Nigeria Immigration Service.

The reliability of the research instrument

A pilot study adopting a test-retest method was conducted in order to estimate the reliability of the research questionnaire. The pilot study was conducted using 50 respondents selected from two federal establishments (the Nigeria Customs Service and Nigeria Immigration Service), which are not part of the core civil service, and, as such, not involved in the main study. The questionnaire was administered to the pilot study respondents on two separate occasions at an interval of 2 weeks. The data retrieved from the first and second administration were subjected to a reliability test using Cronbach's alpha. The reliability test revealed a coefficient estimate of 0.742, which indicated a high level of internal consistency of the questionnaire, and therefore justified its reliability as a research instrument.

Methods of data analysis

The research data were analysed using descriptive and inferential statistics. The descriptive statistics involved the use of frequency and percentage distribution tables to present and analyse the respondents' responses to questionnaire items addressing the research objectives. The research hypotheses were tested with inferential statistics consisting of chi-square statistics and Pearson's product-moment correlation statistic.

Presentation of data and discussion of findings

Data presentation and analysis

This section presents and analyses the survey data. The data presented herein are the responses of 1007 study respondents. The research data are analysed to answer the research objectives. This section also contains the test of research hypotheses. The data on the respondents' socio-demographic characteristics have been omitted for the sake of brevity.

Effect of the Monetisation Policy on employee pay packages

In order to investigate the effect of the Monetisation Policy on employee pay packages in the federal civil service in Imo State, Nigeria, the respondents were asked whether the Monetisation Policy enhanced their pay package. Data analysis revealed that 59% (594) of the 1007 respondents responded 'yes', which indicated that the Monetisation Policy has enhanced their pay package, 22.9% (229) said they were not sure, while 18.3% (184) said 'no' (Table 1-A1). The majority of respondents therefore confirmed that the Monetisation Policy has helped to enhance employee pay packages in the Nigerian federal civil service.

Effect of the Monetisation Policy on employees' attitude to work

The respondents were asked a series of questions to ascertain the effect of the Monetisation Policy on employees' attitude to work in the Nigerian federal civil service. When the respondents were asked whether the Monetisation Policy has helped to enhance their work motivation, the majority (57.3%) said 'yes', 23.6% said they were not sure and 19.1% said 'no'. In terms of whether the introduction of the Monetisation Policy has encouraged them to remain in their jobs, the majority (56.9%) of the respondents answered 'yes', 26.6% indicated that they were not sure and 16.5% said 'no'. With regard to whether monetisation has helped to reduce employees' work-related stress, 63.3% said 'certainly', 25.6% said 'doubtful' and 11.1% said 'not at all'.

When the respondents were asked to indicate the option that best described the effect of monetisation on them, the majority (54.4%) indicated enhanced morale, 26.2% of the respondents indicated increased level of apathy, 16.4% indicated increased frustration over conditions of service, while 3% of the respondents indicated other options (Table 2-A1). Evidently, the analysed data revealed that the majority of the respondents were of the view that the Monetisation Policy has helped to enhance employee motivation and morale, and that it has helped to encourage employees to remain in their jobs. The data equally showed that the Monetisation Policy has helped to reduce employee work-related stress.

Effect of the Monetisation Policy on employees

The third specific objective of the study was to investigate whether the Monetisation Policy had a homogeneous effect on employees in the Nigerian federal civil service. To ascertain this, the respondents were asked whether employees with higher monetised benefits were more likely to experience better work-life balance in terms of meeting work challenges and family demands. Most (70.9%) of the respondents answered 'certainly', 21.8% said 'doubtful' and 7.2% said 'not at all' (Table 3-A1). This shows that the majority of the respondents stated that employees with higher monetised benefits experienced better work-life balance in terms of meeting work challenges and family demands.

TABLE 2: Chi-square test of Hypothesis 1.

Variable	Value	df	Asymp. Sig. (2-sided)
Pearson's chi-square	56.604	4	0.000

df, degrees of freedom; Asymp. Sig., asymptotic significance.

Dependent variable = increased employee performance; significant at level of 0.05.

TABLE 3: Pearson's product-moment correlation test of Hypothesis 2.

Correlations	Description	Monetisation Policy and worker motivation	Higher monetised benefits and employee performance
Monetisation Policy and worker motivation	Pearson's correlation	1	0.087†
	Sig. (2-tailed)	-	0.006
	N	1007	1007
Higher monetised benefits and employee performance	Pearson's correlation	0.087†	1
	Sig. (2-tailed)	0.006	-
	N	1007	1007

Sig., significance.

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

Testing of hypotheses

H1: There is a significant relationship between the Monetisation Policy and increased employee performance in the federal civil service in Imo State.

Table 2 contains a chi-square test of Hypothesis 1, which states that there is a significant relationship between the Monetisation Policy and increased employee performance in the federal civil service in Imo State. The chi-square test shows the p -value (0.000) for $X^2 = 56.604$ with $df = 4 < 0.05$. As the p -value is < 0.05 , Hypothesis 1 is accepted:

H2: Employees with higher monetised benefits are more likely to perform better than employees with lower monetised benefits in the federal civil service in Imo State.

Table 3 contains a correlation test of Hypothesis 2, which states that employees with higher monetised benefits are more likely to perform better than employees with lower monetised benefits in the federal civil service in Imo State. The test shows a statistically significant positive correlation ($p = 0.006$, $r = 0.087$) between higher monetisation benefits and employee performance. As the p -value < 0.05 , Hypothesis 2 is accepted.

Discussion of findings

This study specifically investigated the effects of the Monetisation Policy on employee pay packages and on employees' attitude to work. The study also investigated the possibility of a homogeneous effect of the Monetisation Policy on employees. The findings revealed that the Monetisation Policy has helped to enhance employee pay packages, employee motivation, employee morale and employee retention rate. The study found that the Monetisation Policy has helped to reduce employee work-related stress. These assertions are premised on the responses of the majority (59%, 57.3%, 56.9%, 54.4% and 63.3%) of the respondents to questionnaire items that address the research objectives.

Hypothesis 1, which states that there is a significant relationship between the Monetisation Policy and increased employee performance in the federal civil service in Imo State, was tested using chi-square statistics. The chi-square test showed a significant relationship ($p < 0.05$) between the Monetisation Policy and increased employee performance (0.000) for ($X^2 = 56.604$, $df = 4$, $p = 0.000$). Hence, Hypothesis 1 was accepted. The findings are consistent with the findings of Saka (2012), that the new salary package through monetisation increases productivity and output.

Hypothesis 2, which states that employees with higher monetised benefits are more likely to perform better than employees with lower monetised benefits in the federal civil service in Imo State, was tested. The test results showed a statistically significant positive correlation ($p = 0.006$) between higher monetisation benefits and employee performance, therefore Hypothesis 2 was accepted. The majority (70.9%) of the respondents affirmed that employees with higher monetised benefits were more likely to experience better work–life balance in terms of meeting work challenges and family demands.

This result suggests that employees who enjoy higher monetised benefits are better placed to handle work challenges and family demands more effectively. In other words, employees with higher monetised benefits are more likely to be more motivated to perform their work duties better than employees with lower monetised benefits. The social exchange theory explains this phenomenon by postulating that employees are likely to adjust their work behaviour according to their perception of fairness or unfairness in the distribution of organisational rewards. Thus, those who receive more rewards (such as higher monetised benefits) or perceive fairness in the distribution of rewards will respond positively with high commitment and performance, whereas employees who perceive unfairness or receive a lower ratio of rewards may show hostility by reducing their job effort.

Conclusion

The introduction of the Monetisation Policy by the Obasanjo-led administration was necessitated by the rising cost of maintaining the Nigerian civil service and by the declining performance of the civil servants, which hampered national development. The Monetisation Policy was therefore introduced to address these challenges. The Monetisation Policy was received with high expectations and, like previous reform policies, views and reservations have been expressed about the efficacy of the policy. This study therefore considered it pertinent to investigate the effects of the Monetisation Policy on employee performance in the Nigerian civil service, with particular reference to the federal civil service in Imo State.

The conclusion that can be drawn from the study is that the Monetisation Policy has had a positive effect on employee pay packages, which has probably induced enhanced work efforts directed towards achieving more pay increases through job promotion and higher monetised benefits. The enhanced pay packages have also helped to maintain and even to increase the employee retention rate in the Nigerian civil service. This study concludes that the Monetisation Policy has helped to enhance employee motivation and morale, and to reduce employee work-related stress, which are vital indicators of work efficiency. These factors do not only affect the contextual performance of the civil servants, but also predispose their task performance. This study therefore concludes that the Monetisation Policy has had

positive effects on employee performance in the Nigerian civil service, particularly in the federal civil service in Imo State. The researchers recommend that the Monetisation Policy should be sustained. It is also recommended that the government should introduce other measures aimed at enhancing the motivation of employees who receive lower monetised benefits so as to further improve the overall performance of the Nigerian civil service.

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Competing interests

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Author's contributions

Theoretical work was conceptualised and contextualised by D.C.U., while the fieldwork and data collection were performed by C.O.

Ethical consideration

This article followed all ethical standards for carrying out research without direct contact with human or animal subjects.

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Data availability statement

Data sharing is not applicable to this article as no new data were created or analysed in this study.

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Appendix 1

Survey data

TABLE 1-A1: Respondents' views on the effect of the Monetisation Policy on employee pay packages.

Questionnaire item and response categories	Frequency	%
Has the Monetisation Policy enhanced your pay package?	-	-
Yes	594	59.0
Not sure	229	22.7
No	184	18.3
Total	1007	100.0

TABLE 2-A1: Respondents' views on the effect of the Monetisation Policy on workers' attitude to work.

Questionnaire item and response categories	Frequency	%
Has the Monetisation Policy helped to enhance your work motivation?	-	-
Yes	577	57.3
Not sure	238	23.6
No	192	19.1
Total	1007	100.0
Has the Monetisation Policy encouraged you to remain on the job?	-	-
Yes	573	56.9
Not sure	268	26.6
No	166	16.5
Total	1007	100.0
Has the Monetisation Policy helped to reduce your work-related stress?	-	-
Certainly	637	63.3
Doubtful	258	25.6
Not at all	112	11.1
Total	1007	100.0
Which one of the options best describes the effect of the Monetisation Policy on you?	-	-
Enhanced morale	548	54.4
Increased level of apathy	264	26.2
Increased frustration over conditions of service	165	16.4
Others	30	3.0
Total	1007	100.0

TABLE 3-A1: Respondents' view on the effect of the Monetisation Policy on employees.

Questionnaire item and response categories	Frequency	%
Employees with higher monetised benefits are more likely to experience better work-life balance in terms of meeting work challenges and family demands:	-	-
Certainly	714	70.9
Doubtful	220	21.8
Not at all	73	7.2
Total	1007	100.0