The impact of compensation on the job satisfaction of public sector construction workers of jigawa state of Nigeria

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Abstract
Compensation is the reward workers receive for their service or contribution to the organisation. A literature reviewed showed that compensation packages have relationships with workers' job satisfaction. A study established a theoretical framework based on equity theory and used it to examine how different compensation packages might be influencing workers' job satisfaction. The Positivist paradigm; which holds principles that knowledge is arrived at through the gathering of facts that provide the basis of laws, guided this empirical research, focused on the public construction sector in Jigawa State, Nigeria. A questionnaire was developed, pilot-tested and administered to gather the data on workers' job satisfaction regarding four compensable aspects, namely: salary, allowance, gratuity and pension. A total of 265 questionnaires were administered and 260 were collected, representing a response rate of 98%. No questionnaire was invalid or returned uncompleted. The respondents were selected using the stratified random sampling technique. The data collected was analysed using structural equation modelling. The findings of the study revealed that compensation impacts positively to workers' job satisfaction.

1. Introduction
Compensation is a fundamental component of human resource management It covers economic reward in the form of wages and salaries as well as benefits, indirect compensation or supplementary pay (Ojo, 1998). Compensation emanates basically from the fact that it provides income to workers and constitutes an important cost item to the employer (Martocchio, 2011).

The Nigerian construction industry is heavily labour intensive which requires mutual cooperation and good human relations to thrive (Fagbenle et al.2004). The sector employs human resources with various skills which comprise of operatives, skilled craftsmen, technicians, and professionals such as civil engineers and surveyors. Compensation plays a significant role as it is the back bone of any employment relationship more especially in an industry like construction which requires human effort to achieve its objective. Workers cannot put their effort without return for their labour as referenced to classical theory that the return for labour is reward; thus workers in the any industry including construction sector are engaging their labour for economic incentive or rewards (Igalens and Roussel, 1999; Ciarniene and Vienazindiene,2010).

The most recent study of reward in Nigerian construction sector was undertaken by Fagbenle et al. (2004) their study is basically on the impacts of non- financial incentives on bricklayers' productivity in private firms. The respondents for their research are bricklayers on site. Thus their context of research was intrinsic reward impact among private firm employees. It is of paramount importance to study extrinsic reward in the construction sector also, which this research is focussed to achieve.

Employees' compensation is divided into two categories: the intrinsic and extrinsic reward. Intrinsic rewards relate to a psychological mindset that is experienced by workers at work. whereas the extrinsic reward covers employees' pay and benefits, which workers enjoy as a result of their contribution to the organisation (Armstrong, 2002).The most vital tool for creating value to organisation is extrinsic compensation (Lai,2012).

Therefore, this research will be undertaken on public construction employees' extrinsic reward. Extrinsic compensation does not only involve salary alone but all remuneration, benefits and allowances offered to the employees for their service (Bhattacharya and Sengupta, 2009; Bruvik and Gibson, 2010).

This research will apply the theoretical framework based on equity theory to examine how the elements of total compensation might influence workers' motivation, job satisfaction, attraction and retention at work. Thus, the principal dimensions of total compensation that give rise to different reactions among workers will also be examined in this study. The focus of this study is the compensation packages in form of pay (salary and other allowances) and workers' benefits (pension and gratuity), which public workers are enjoying in Nigeria, in form of seniority and longevity pay. Therefore, seniority and longevity pay system compensates workers based on the time spent in service, that is to say; pay increases in a number of years put in service (Martocchio, 2011).

2. Theoretical Framework
There is need to define the two constructs/ variables used in this study, before measuring the impact of compensation on workers attraction.
a) The compensation packages
The research used the classification of compensation packages used in the Nigerian civil service. A person-focused pay is another compensation plan based on worker's possession of job-related competences, knowledge or skills, rather than required job performance. These classifications are made up of four groups: salary, allowances, gratuity and pension.

In this categorisation, salary is a fixed amount paid to workers for the service or work done (monthly salary, yearly salary and promotional salary increase). Salary is calculated on a weekly, monthly or annual basis. It is designate to pay white-collar workers administrative, professional and executive employees (White and Drucker,2000). Thus, salary is also called basic pay and allowances.
Allowances are monetary benefits other than salary offered to workers for specific purposes such as personnel movement, financial support and personnel engagement allowances. Benefits are supplementary compensation awarded to workers apart from the basic salary as a result of some certain circumstances like retirement in this context. Pension is benefits to workers paid upon retirement monthly. A worker to be entitled for pension pay must put in at least ten years of service. Gratuity is lamp sum amount paid to workers after retirement (Amrstrong,2002). Therefore to qualify for the gratuity a worker must have served for at least five years.
b) Job Satisfaction
Job-related   behaviours go along with need for satisfaction (Herzberg et. al 1959). Job satisfaction is one of the major concerns of organisation because it affects organisational outcomes like employee performance and productivity, absenteeism and turnover (Onukwube, 2012). Most employees are proud of their various jobs (Onukwube, 2012) because they are satisfied. In fact, employees show the high degree of job satisfaction and low turnover intention, when the characteristics of their place of work satisfied their need (Bright, 2008). Job satisfaction has been defined in different ways or perspectives (Locke, 1976).

Locke (1969) defines job satisfaction as the pleasurable emotional state which emanates from assessment of individual job as facilitating the accomplishment of individuals' job values. Onukwube (2012) defined it as a feeling of well being, pleasure and comfort ability that worker drive when his earned reward is equitable to his performance or contribution.

Robbins (2005) defined it as the total of all feeling that employee perceives about his job. This means that positive perception toward employees' job is attributed to a high degree of job satisfaction. This equally is supported by Bowen et al. (2008).

Spector (1997) refers to how employee feel about his job and various aspect of the job or job satisfaction is the extent to which employee like his own job.

The term job satisfaction refers to the attitude and feelings of people have about their work. Positive and favourable attitude towards the job indicates job satisfaction, and negative and unfavourable attitudes toward the job indicate job dissatisfaction. In other words, job satisfaction can be defined as the extent to which the individual's need are satisfied and to the extent to which the individual perceives that satisfaction stems from his total work situation.

All the above definitions of job satisfaction by these researchers fail to understand and explain the main factor which is more important before employees could be satisfied with their job, that factor or element is no one but employee pay and benefit, but instead they based their definition on feelings, perceptions and so on. Thus, the employee could be satisfied with his job when his rewards are commensurate with his contribution to the organisation.

Dipboye et al. (1994) categorized job satisfaction theory into three: The dual factor theory, Compares theories and Cognitive theories.

The two or dual factor theory tried to highlight how job satisfaction is being influenced by intrinsic factors like responsibility and achievement. This support the assertion that the most significant condition or determinant factors for job satisfaction are intrinsic factors (Borzaga and Tortia, 2006 ;Ellickson,2002; Kim, 2004, Wright and Davis, 2003). This conclusion of some writers like Herzberg is misleading and vogue since the prerequisite and the result for any responsibility and achievement of any task is extrinsic factors(rewards) as such it supposed to be given priority not intrinsic factors. Therefore, job dissatisfaction is affected by extrinsic factors such as salary and working conditions.

Compares theories cover concept such as need and value, meaning that workers measure what they expect to gain in their job and compare it with how it will satisfy their need and value.

3. Compensation links to Job Satisfaction

It has been established in several studies that job related factors such as pay, hours of work, promotion opportunities, job security influences job satisfaction (Brown et al. 2008; Bygren 2004;Capelli and Sherer 1988; Clark et al. 2009; Clark and Oswald 1996; Heywood and Wei 2006; McCausland et al. 2005; Pouliakas and Ioannis,2010); whether the job involves difficult, boredom or risk, (Skalli,et al.2008); whether the job is fascinating, prestigious, or demanding (De Jonge and Wilmar, 1998; Katz 1978); and whether the job involves little worker freedom, gives room for learning skill, allows one to be self accomplished for getting something valuable (Bockerman and Ilmakunnas 2009; Clark 1998; Linz 2003). Nevertheless, the research conducted in developed market economies, found positive responses or association for pay, promotion, security, challenging, interesting, prestigious with job satisfaction (negative responses associated with dissatisfaction) whereas, for hours, difficult, boredom, risk involved, and close supervision are negative correlated to job satisfaction.

However, the importance of pay and benefit in satisfying economic need of an employee could never over emphasis since what employee will gain in his employment relationship is

salary and benefit; this statement has been supported by all the writers of job satisfaction in their explanation of determine employee job satisfaction in organisation where they have written similar things like promotion, work itself, supervision. All these determining factors of job satisfaction when looked at critically it can conclude that the end result for a worker is pay and benefits. There is a correlation between compensation/reward and workers' job satisfaction (Nelson, 2008). As views by Armstrong and Murlis (1994) that reward is a means through which various workers' need are satisfied. The thus unsatisfied Workers normally reduce workplace morale and lower productivity (Garrett, 1993). Therefore, satisfaction of project participants (site participant) is a vital measure and key factor for success in the construction sector (Nzekwe-Excel, 2009). Job's satisfaction could be enhanced by increasing autonomy, stress reduction and above all rises in compensation package (Whitt, 2006).

4. Causes of Job Satisfaction
Literatures in other economic sectors have indicated the causes of job dissatisfaction as poor working condition, low reward(compensation), lack of promotional opportunities is main causes of such job dissatisfaction according to Onukwube (2012) are promotion and salary. Thus, the level of employee job satisfaction could be measured using five facets: pay, promotion, work itself, supervisors and co-workers. Spector (1997) added contingent reward, fringe benefits, operating condition and communication among these facets.

Most scholars have shown that job satisfaction is higher among public sector employees at all tiers of government (De-Santis and Durst, 1996; Kamdron, 2005; and Ting, 1997) while other studies conducted by Bogg and Cooper(1995) revealed that it is not higher among public sector employees.

Many researchers have found that job satisfaction can be influenced by some certain factors such as: factor related to working setting, factors related to specific aspects of the job and factors attributed to employees' involvement in the organization (Baron, 1986). Hassan (2009) viewed factors or determinants of job satisfaction in the organisation as; Intrinsic motivating factors which relate to job content, challenge, responsibility, control over work methods, and control over the workplace, the opportunity to use skills and abilities and involvement in decision making. Extrinsic factors which relate to workers compensation and the content in which the work is carried out e.g. pay, benefits, praise and so on. The work group in which Elton Mayo believed that a 'man's desire to be continuously associated in work with his colleague is one of the strongest factor of job satisfaction, if not strongest. Thus, it is true that social interaction can be very vital to most of people. Therefore, relationship with peer at work can be a major source of job satisfaction. Success or failure in the work performed   creates satisfaction or dissatisfaction. However, the most popular determinants of job satisfaction which encompasses all other literatures for job satisfaction determinants could be traced to five facets of job satisfaction (Onukwube, 2012). Namely as follows:

a) Work Itself
Locke (1995) viewed that worker's job satisfaction is contingent upon job component like work setting. Robbins et.al (2003) define work itself as the degree at which job gives an employee the stimulating task, opportunities for learning and growth and the chance to have initiative for his work. Oshagbemi (2000) has shown that there is a strong relationship between job satisfaction and work itself. Furthermore, Oshagbemi (1997) stated that work itself could create satisfaction and dissatisfaction.

b) Reward (Pay)

Oshagbemi (2000) carried out a research on UK academics and discovered that there is a strong relationship between pay and job satisfaction. But young et. al (1998) Studies public sector employees in UK and found no significant relation between pay and job satisfaction.

This is a major concern for both workers and their employers. For an employee, pay has a paramount importance in satisfying their economic need. The pay is so significant because when workers are satisfied with pay, their behaviour and attitude could be influenced towards the desired objective (Onukwube, 2012). Employees' dissatisfaction with pay can lower their morale and commitment, increase theft and enhance employee turnover (Currall et. al., 2005)

c) Supervision
This is a provision of emotional/ technical support and guidance to workers who carry out the job (Robbins, 2003). A number of studies have suggested supervision that encourages friendship, mutual trust, respect and increase employee satisfaction. The relationship with an immediate supervisor is a step towards worker's job satisfaction (Dupre and Day, 2007). In fact, the concern supervisor has for his workers under him for their feeling; wellbeing and contribution is an indicator of job satisfaction (McCormack et al. 2006)

d) Promotion opportunities
Various studies have suggested that job satisfaction has a strong link with promotion opportunities in organisation (Pergamit and Veum, 1999,) which is supported by Ellickson (2002) in his study of a public employee found that there is a strong relationship between promotion opportunity and job satisfaction. Bowen et al. (2008) supported this assertion.

Keiner and Kinicki (2001) lamented that a significant relationship exists between job satisfaction and promotion, and they viewed that job satisfaction is contingent upon what employee perceives as equity in his employment relation like reward.

e) Co-workers
Therefore, according to social network theory support from peers at work serves as a means of job satisfaction (Bonache, 2005). Several authors stated that the understanding and good relationship between co-workers enhance job satisfaction (Raabe and Beerhr, 2003).

The hypotheses for this research were formulated based on the problem statement, objective of the study, and theoretical and conceptual evidences identifies from the previous literature. Thus, the research hypotheses that were tested are as follows:

Hypothesis I: There is a significant relationship between salary paid and job satisfaction in this ministry.

Hypothesis II: There is a significant relationship between allowance and job satisfaction in this ministry.

Hypothesis III: There is a significant relationship between gratuity payment and job satisfaction in this ministry.

Hypothesis IV: There is a significant relationship between pension payment upon retirement and job satisfaction in this ministry.

5. Research methodology
a)   Sample & Procedure
The public construction workers in Ministry of Works and Transport, Jigawa State is made up 850 workers across three cadres, namely clerical (610), officer (190) and Director (50). 265 out of 850 workers were chosen using stratified sampling technique since the samples fall into distinctly different categories/ cadre (strata) and homogeneous. The questionnaires were administered in paper format via face to face to the research respondents. Job satisfaction can be evaluated with interviews, questionnaires and asking a supervisor to estimate the job satisfaction of employees working under him (Spector, 1997).

 The questionnaire is comprised of three sections. The first section reported information about the respondents' profile. The second and third sections included the scales used in this research.

Normally, the covariance-based SEM methodology needs a relatively large sample size because of its underlying objective of a hypothesized validation of model analysis. (Tenenhaus, 2008) suggested that there are different views in use of the term 'large' among the scholars across various disciplines. Thus, there is no agreement on any acceptable sample size (Doloi et al. 2012). A study conducted by Jin et al. (2007) for understanding the relationship-based determinants of building projects used 116 samples. Vinodh and Joy (2012) secured 60 valid responses in the investigating the factors affecting lean manufacturing practices, Doloi et al. (2012) conducted a research on Structural equation model for investigating factors affecting delay using 77 respondents . As a matter of fact based on the above review, the number of respondents required or sample size to conduct SEM analysis cannot be generalized.

Therefore, the sample size for this research i.e. 260 can be regarded as reliable and appropriate for SEM analysis in this study.

 Responses with regards to gender; male are 254 (98 %) while female are only 6 (2 %).Those who are working less than 5 years are 7(3%), 5-10 years 92 (35 %), 11-20 years 134 (51%) and 20-35 years 27 (10%). The staff cadre: 186 (72 %) were clerical , 58 (22%) were officers and 16 (6%) were directors. The nature of work in the ministry: office with 94(36%), onsite 141(54 %), both office and onsite 25 (7%).

b) The Measures

The measures were derived from previous empirical studies in the literature. To adapt the measures to the specific conditions in Nigeria, the questionnaire was pilot-tested with the research sample of the study. Amendments were made to the questionnaire based on suggestions and recommendations that emerged from the pilot survey so that the questions could be understood in the Nigerian context easily.

The workers' job satisfaction was measured using the JDI used by (Stanton et al., 2001) and Onukwube (2012), because of its capability of producing highly reliable results in the research. Pertaining to the five facets of job satisfaction, the sample is: You are satisfied with the promotion policy of this ministry. A likert scale ranging from 1(Strongly disagree) to 5(Strongly agree) was used. Salary, allowance, gratuity and pension were measured using Igalens & Rousell (1999) scale. Concerning the workers' salary, one of the items is: Please, indicate the level of your satisfaction with regard to: The salary you are paid compared to the services (contribution) you render. Allowance construct, one of the item is: Please, indicate the level of your satisfaction with regard to: The personnel movement allowances paid to you compared to the services (contribution) you render. Gratuity sample item is: Please, indicate the level of your satisfaction with regard to: The payment of workers' gratuity by Government. Pension sample item is: Please, indicate the level of your satisfaction with regard to: Government's contribution to the workers' pension scheme. A likert scale ranging from 1(Extremely dissatisfied) to 5(Extremely satisfied) was adopted for these constructs with internal consistency reliability of (.72, .83 and .77 respectively).

In this regard, CFA was conducted based on the views of the above mentioned scholars to test the convergent validity of the individual constructs in the questionnaire through assessment of factor loadings, average variance extracted (AVE) and construct reliability. Pension and Gratuity have single items, thus, CR are equal to 1 in each case.

6. Data analysis & Findings
a) Confirmatory factor analysis (CFA)

CFA is said to be a prerequisite for measurement model in which both the number of factors loadings and their corresponding items or indicators are defined clearly (Kline, 2011).

Confirmatory factor analysis (CFA) is used to test convergent validity. Average Variance Extracted (AVE) is normally conducted in which 0.5 and above indicates high convergent validity (Fornell and Larcker 1981). However, Hair et al. (2009) argued that convergent validity is established when individual items factor loading is ≥ 0.5. Thus, any construct fall below ≥ 0.5 should be deleted.

Construct reliability (CR) is an indication of internal consistency which means that the measures are consistent in representing the latent constructs for which they measure. However, Hair et al. (2010) suggested that, reliability between .6 and .7. But Henseler et al. (2009) recommended that values of .6 may be accepted.

b) Assessing normality

Checking for normality and outlier is a required step in undertaking sound and reliable research. However in this study, test of normality was used in order to clear the data from any type of error. Byrne, (2010) viewed that in any statistical research Skewness has more effect on mean. Therefore, DeCarlo (1997) argued that when conducting structural equation modelling, kurtosis should be given more emphasis because it severely affects test of variance and covariances. Byrne (2010) further emphasized that since SEM is an analysis of covariance structures, the researchers should at all times consider kurtosis. Though, there is no clear consensus on the actual bench mark of extreme kurtosis (Kline,2005). However, West et al, (1995) viewed that values > 7 to be early departure from normality. Ullman and Bentler (2001) recommended that kurtosis values > 5 are regarded to be non -normally distributed. Thus, based on that normality test of the data, it revealed that both the latent and measured variables/ constructs were < 5.

Kurtosis for all items ranges from maximum of 2.625 to minimum of -.918which all falls within the values of less than 5 as suggested by Ullman and Bentler (2001). And also, the overall multivariate Kurtosis = 43.768 which implies that the sample is normally distributed because the multivariate Kurtosis is not large, as argued by Gao et al. (2008) that, large multivariate Kurtosis indicates that the sample has severe multivariate non-normal distribution. Scrima et al. (2014) stated that the kurtosis multivariate index should not exceed the critical cut-off of 483.

c) Assessment of linearity

The correlation analysis was conducted to examine the linearity of the independent variables i.e. salary, allowance, pension and gratuity. Though, independents can be regarded as components of the same domain. The table below shows that all variables used in the model related with each other statistically. Barbaranelli (2003) proposed that the underlining correlations should be equal to or greater than 0.30, since the correlation coefficient is sensitive to the sample size and capable of detecting the existence of low level of significance in the relationship between constructs.

Variables	Mean	SD	Y	X_1	X_2	X_3	X_4
Y (Job Satisfaction)	4.32	.41	1				
X_1 (Salary)	4.09	.68	.583***	1			
X_2 (Allowance)	4.10	1.08	.312***	.630***	1		
X_3 (Pension)	4.01	1.03	.417***	.353***	.318***	1	
X_4 (Gratuity)	3.96	.67	.711***	.612***	.326***	.664***	1

Table 1: Correlation estimates of job satisfaction, salary, allowance, pension and gratuity

***. Correlation is significant at the 0.01 level (2-tailed).

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

d) Goodness of fit (Gof) indices

According to Ho (2006) Goodness-of-Fit indices (model fit) determine the degree to which the proposed model predicts (fits) the observed covariance matrix. Therefore in assessing the goodness of SEM, the researchers adopt the Goodness-of-Fit indices (model fit).

Model fit indices used in this research includes; chi-square (χ^2), relative χ^2 (χ^2/df), AGFI, GFI, CFI, IFI, RMSEA and RMR.

Kline (2005) seriously recommended the use of the Chi-Square test, the RMSEA, the CFI and the RMR/SRMR as the indices that should be reported in model fit.

One of the most vital measures of assessing the Goodness-of-Fit in SEM is chi-square (χ^2) statistics (Joreskog&Sorbom, 1993) and the model accepted if the χ^2 value is less than three times the degree of freedom (Carlmines& McIver, 1981), which is refers to relative χ^2. If chi-square is significant, the model is regarded as unacceptable or not fit. Therefore, numerous researches did not consider this index when the sample size exceeds 200 or so and other model fit indices met the requirement (Bentler and Bonnet, 1980; Jöreskog and Sörbom, 1993).Thus, because of these shortcomings of Chi-Square, scholars (researchers) have come up with alternative indices to measure model fit. One of this alternative statistics that reduces the consequence of Model Chi-Square on sample size is called Wheaton et al. (1977) relative/normed chi-square (χ^2/df)..

Even though there is no standard or acceptable ratio threshold for this statistic, but Relative/normed chi-square (χ^2/df) values as high as 5.0 (less than 5) (Wheaton et al. 1977, Schumacker & Lomax, 2004) are recommended.

IFI values that exceed .90 are accepted in the model, and sometimes IFI index can be greater than > 1 Bollen (1990). GFI and AGFI- the lowest acceptable thrash hold is .80 (Hart,1994). CFI value of .90 depicting the acceptable threshold for good fit model (Bentler,1990). Finally, Root Mean Square Error of Approximation (RMSEA) suggested by Steiger and Lind (1980), measures the error of approximation in the population. Browne and Cudeck, (1989) proposed that RMSEA value < .05 signify good fit, whereas value > .08 show reasonable errors of approximation in the population. equally, RMSEA value of 0.06 was recommended by Hu and Bentler (1999). Byrne (2010) viewed that RMSEA values ranging between .08 to .10 "indicate mediocre fit", and those values > .10 indicate poor fit. Ho (2006) suggested that RMSEA and RMR should be ≤ .056 and .065 respectively.

However, Hair et al. (2009) recommended that whenever three out of four indices (goodness of fit indices) meet up the requirement, both measurements and structural models can be accepted.

7. Structural model evaluation and Hypotheses testing

Structural equation modelling is the third level of analysis so, in this study, structural equation modelling was used to examine the individual and collective contribution of set of predictors (independent) variables entered in to the equation in relation to the outcomes (dependent) variables. Therefore, the analysis of structural equation modelling using AMOS shows that the structural model is fit, which means the model fits the data as illustrated by the following Goodness-of-Fit indices in figure 1 below; χ^2 (*CMIN*) = 76.390 (*df* = 50), relative χ^2 (*CMIN/df*) = 1.528, *p* = .010, *AGFI* = .931, *GFI* = .956, *CFI* = .969, *IFI* = .970,*RMSEA* = .045 and *RMR* = .059. Conventionally, relative χ^2 (*CMIN*) should be < 5, while *AGFI, GFI, CFI and IFI* should be > .9 (Bentler, 1983; Ho &Bentler, 1999; Byrne, 2010) and *RMSEA* and *RMR* should be < .08 (Browne &Cudeck, 1989; BacCallum et al. 1996; cited in Byrne, 2010). Furthermore, Ho (2006) suggested that, RMSEA and RMR should be ≤ .056 and .065 respectively, which fall within the adequate range as suggested by Ho (2006).
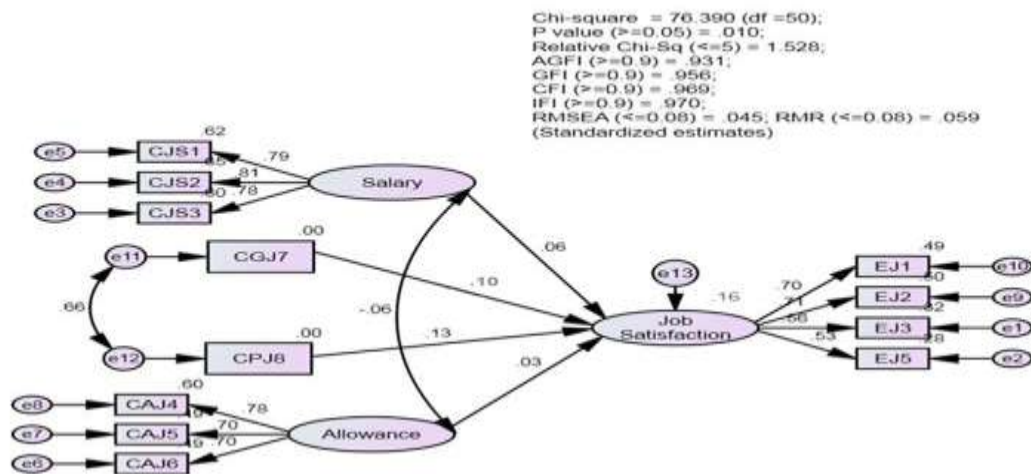
Figure 1: Structural model

The analysis of structural equation model in table above shows that the standardized path coefficients were consistent with the hypothesis by indicating that there is a significant relationship between pension and job satisfaction in this ministry. (β = .101, CR = .748, p = .045), Hypothesis IV which states that there is a significant relationship between pension payment upon retirement and job satisfaction in this ministry is supported. There is a significant relationship between gratuity and job satisfaction in this ministry. (β = .131, CR = 1.360, p = .024) Hypothesis III which states that there is a significant relationship between gratuity payment and job satisfaction in this ministry is supported. However, there is no a significant relationship between salary and job satisfaction in this ministry. (β = .060, CR = .760, p = .447). Hypothesis I which states that there is a significant relationship between salary paid and job satisfaction in this ministry is not supported.

Allowance (β = .025, CR = .310, p = .757).There is a significant relationship between allowance and job satisfaction in this ministry. Hypothesis II which states that there is a significant relationship between allowance and job satisfaction in this ministry is not supported.

8. Discussion

Workers make comparison of their inputs (effort, experience, education and competence) and outcomes (reward) in relation to other people inputs and outcomes. Much of the work of the equity theory is based on the work developed by J. Stacey Adams. Equity in the theory refers to workers' perceptions of fairness of rewards. It focuses on the individual's feelings of how fairly he/she had been treated compared to others. The heart of equity theory is money, viewed as the most important reward in an organisation. Thus, employees try to balance the reward received by comparing what they are paid for their expanded efforts with what others in similar situation received before getting satisfaction on their jobs.

The study investigated the impacts of compensation on motivation, job satisfaction, job attraction and retention among public sector construction employees in Nigeria.

Hypothesis IV which states that there is a significant relationship between pension payment upon retirement and job satisfaction in this ministry is supported. Pension is significant to workers' job satisfaction because at least workers are receiving or earning some money monthly after retirement. Equally, there is provision of pension in the public construction sector in Nigeria while in private sector that provision is not in existence.

Hypothesis III which states that there is a significant relationship between gratuity payment and job satisfaction in this ministry is supported. The significant of gratuity to workers is apparent. Thus, when workers receive reasonable lamp sum in form of gratuity will led to the satisfaction of their various needs upon retirement. As revealed in some studies such as Armstrong and Murlis (1994), Nelson (2008), Gerhart (2000). Oshagbemi (2002) and Currall et al.(2005). Therefore, these scholars confirm that compensation has an impact on workers job satisfaction. However, there is no a significant relationship between salary and job satisfaction in this ministry. Hypothesis I which states that there is a significant relationship between salary paid and job satisfaction in this ministry is not supported. Salary has no significant influence on job satisfaction because public sector workers in Nigeria are not satisfied with their salaries. The salary paid in the public sector is so meagre compared to other sectors. This led to consistent agitation for the salary review in the sector.

Hypothesis II which states that there is a significant relationship between allowance and job satisfaction in this ministry is not supported. Allowance has no significant impact on job satisfaction because it is not paid on regular basis but relative to certain circumstances. Therefore, since it paid relative to certain condition is not satisfying to public construction workers in the state. This is in line with Young et. al (1998) Studies on public sector employees in UK and found no significant relation between pay and job satisfaction.

It is commonly belief that an increase in job satisfaction will result in improved performance. The human relation school advocates the behavioural perspective which indicate that employee deserves to be the central focus of any organized activity. This movement makes managers more concerns for their workers need, which are supported by three important but different historical influences such as the threat of unionization, the Hawthorne studies of 1924, and the philosophy of industrial humanization. All the proponents of this approach like Elton Mayo, McGregor, Maslow, and Herzberg advocate that people should be the central for productivity. These scholars suggested that work rule, technology, standard do not ensure or guarantee better performance, but instead success depends on how organizations treat people or employees. Thus, the assumption of human relation movement was that the key to improve worker's productivity is to increase employee satisfaction. Put it simply the whole Human Relation Movement was based on the belief that productivity could be increased by making workers more satisfied (Hassan, 2009) therefore, inducement such as pay, benefits could be considered as a tool for satisfying one or more vital needs of workers. Thus, clearly higher degree of productivity could be attained along with job satisfaction for employees who perform the desired job (Wood et.al, 2004).

9. Conclusion

This research has provided a very significant contribution to the literature on relationship between compensation and public sector construction workers' job satisfaction in Jigawa state, Nigeria. The study concluded that Salary has no significant influence on job satisfaction because public sector workers in Nigeria are not satisfied with their salaries. Allowance has no significant impact on job satisfaction because it is not paid on regular basis but relative to certain circumstances. The significant of gratuity to workers' job satisfaction is apparent. The reasonable lamp sum received in form of gratuity will be used to satisfy some basic needs of workers upon retirement .Pension is significant to workers' job satisfaction because it is earn monthly after retirement and it is provided o in the public sector unlike private sector in Nigeria.

10. Limitations & Direction for Future Research

Despite the fact that this study revealed the extent on how compensation influences public construction workers, some limitations need to be considered. The research was conducted in Jigawa state, Nigeria specifically on public construction workers; the variables used in establishing the relationships in the study are limited to salary, allowance, gratuity and pension and job satisfaction. Therefore, future researches can be conducted in other states in Nigeria using additional variables which might have not been employed in this study.

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