

## ASSESSING FINANCIAL MOTIVATION AND ITS INFLUENCE ON PERFORMANCE OF TEACHERS IN GOVERNMENT SENIOR HIGH SCHOOLS IN GHANA

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**ABSTRACT:** *The study looked at financial motivation and its influence on performance of teachers in Government Senior High Schools in Ghana. The sample of the study consisted of 207 public senior high schools drawn from a population of 535. A total of 621 questionnaires were distributed to teachers working in various public senior high schools out of which 520 representing 83.74% were retrieved. The respondents that constituted the sample were drawn using convenience sampling. The researchers used Chi Square to assess the independence between financial motivation and performance of teachers which was measured using the pass rate of students at the West Africa Examination Council. From the Chi Square test statistic and analyzes of questionnaires retrieved from respondents, it was realized that there is association between financial motivation (Single Spine) and performance of teachers at public senior high schools. The study concluded by advising that for financial motivation to continue to serve as motivators in the long run, it is crucial to manage other variables that are associated with it.*

**KEYWORDS:** Financial Motivation, Teachers, Performance, Senior High Schools, Ghana

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### INTRODUCTION

All over the world, compensation in the form of wages or any other form of incentive influences job performance and has effects on organization's success (Adeogun, 2008). According to Wayne (1992), compensation includes direct cash payments and indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity and is usually the single most important employment reward that has a significant effect on individual attitudes and job performance.

Motivation guides peoples' actions and behaviours toward achievement of some goals (Alam and Farid, 2011). Teacher motivation has become an important issue given their responsibility to impact knowledge and skills to learners. It is argued that satisfied teachers are generally more productive and can influence students' achievement (McCollum, 2001). Some educationists and politicians have also shown concerns about this issue of financial motivation for teachers. For example, during the 15<sup>th</sup> National Best Teacher Award ceremony (6<sup>th</sup> June, 2009) the former and late President of Ghana, Professor John Evans Atta Mills, delivering his message through the then Vice President, John Mahama, directed that "the Ministry of Education and the Ghana Education

Service should ensure that salaries and emoluments of teachers, especially newly engaged ones and those in deprived and remote areas, are promptly paid". He noted that "one of the major demoralizing factors for teachers had been the delays and inequity in remuneration for work done in comparison with their colleagues in other sectors."

It is a well-known fact that teachers who teach in the first and second cycle institutions and employed by Ghana Education Service and the Ministry of Education in Malawi, and some other African countries, including Ghana, are not well compensated, with respect to salary and allowances. There is also a broad consensus among other stakeholders, including community members and students that poor incentives and conditions of service have resulted in low morale and thus poor performance among teachers (Wragg et al 2001; Malen, 2005). Related studies done by other researchers have established the linkage between financial motivation and job performance in organisations (Artz, 2010) but with regard to specific research work on financial motivation and job performance of teachers particularly in government sector, it is woefully inadequate. This gap in literature needs to be filled in order to increase the understanding of the relationship between financial motivation and job performance of government teachers using Ghana as a test case. In view of this, the study seeks to find out the sort of relationship between direct and indirect compensation given to government teachers and its impact on their job performance.

## LITERATURE REVIEW

The general purpose of this study is to assess the extent financial motivation plays in influencing the performance of teachers in Ghana. Considerable controversy surrounds the concept of pay as a motivator, but studies continue to reveal that incentive pay plans can increase productivity and improve efficiency (Aronso, 1979). In the case of the Senior High School teacher, such financial motivations include the basic monthly salaries and some fringe benefits such as car maintenance allowance, house or form master's allowance, medical care, accommodation allowance, and guidance and counseling allowance (Ghana Education Service, 2000). From the comments of Kokemuller (2013), financial motivation relates to the way in which an organization uses compensation structure to motivate workers to perform well. To the writer, companies use a variety of pay structures depending on the type of work environment and the nature of the work being performed.

In Ghana, the Ghana Education Service Council, acting on behalf of the Government of Ghana, collaborates with teachers' Associations such as Ghana National Association of Teachers (GNAT) and National Association of Graduate Teachers (NAGRAT) to spell out the conditions and scheme of service and the code of professional conduct for teachers. Unlike most of the private sector, public school teacher salaries are set largely based on seniority, experience and educational level. In the public sector, teacher unions often negotiate salaries levels for their members with the Ghana Education Service (GES) and teachers with higher levels of education and seniority or experience are paid more, while entry-level teachers are paid far less than their most senior counterparts. However, teacher attrition rates are high, with more than half of all new teachers leaving the profession within five years due to low pay and poor working conditions which according to

National Education Association cited in Hedges, Laine and Greenwald (2011) remains a very high figure.

One of the factors that researchers believe to motivate employees is fringe benefits. Murray (2013) stated that fringe benefits are benefits or compensation given to employees in addition to wages or salaries. Fringe benefits can be in the form of time off, such as paid vacation or sick time, or for benefits with monetary value such as pensions, health insurance coverage, and life insurance coverage. Fringe benefits are meant to influence employees' performance positively but is it always the case? Kwak & Lee (2009) found out that there are more negative signs than positive signs on the fringe-benefit variables, a study which they conducted on Korean firms. Looking at their findings, it is not surprising that such a situation will occur simply because in most circumstances it is not the quantum of financial reward that motivates the employees but it is how equitable the employees see the financial reward in relation to the skills, effort and knowledge. On the basis of this, an employee is likely to let unacceptable financial reward affects his performance negatively more than if the financial reward was not in existence. In supporting this argument, there are lot of fringe benefits that are found in the Ghana Education Service but these benefits have not aid teachers in Ghana to improve their performance. A comment from the Volta Regional Director of Education in Ghana on 27<sup>th</sup> November 2013 which can be found on [www.modernghana.com](http://www.modernghana.com) indicates that poor performance of students should be blamed on teachers since they did not put up their best and hence abysmal performance of students. Looking at such comment, it is clear that although the GES Council and the GNAT conditions of service reveals various fringe benefits such as maintenance and mileage allowances, night allowance to employees on duty, allowance for teachers in difficult/deprived areas, bonuses, housemaster and form master allowances, guidance and counseling allowances, car-maintenance allowances for those who own means of transport, transfer allowances and accommodation, all these financial benefits have not yielded the expected outcome in terms of improved performance of teachers in Ghana. Though giving awards to employees to enhance their performance has been seen as discretion on the part of the employer rather than a statutory requirement, many studies have proved that they are very vital and as such impacts positively on employees performance. A study conducted by Holt (2001) found that teachers view distributing school awards as appropriate in relation to motivating them to improve upon their performance, although the writer believed that when there is no fairness in the distribution, employees performance can be affected negatively.

From the various literature, it is possible for one to set hypotheses for the study as:

**H<sub>0</sub>:** Performance of Government Senior High School Teachers in Ghana is independent on provision of financial motivation

**H<sub>1</sub>:** Performance of Government Senior High School Teachers in Ghana is associated with provision of financial motivation at 5% level of significance.

## **METHODOLOGY**

The study looks at how financial motivation influences the performance of Government Senior High School Teachers in Ghana. The target population for the study is all the 535 government

senior high schools in Ghana as at the year 2013. In getting sample for the study, the researchers adopted a probability sampling technique where a simple random table was used to select 207 government senior high schools for the study. In doing this all the government senior high schools were coded using six digits 001000 to 535000. Going through the random table, 207 government senior high schools were selected provided they fall within the range. These senior high schools came from all the ten regions of Ghana.

For the researchers to get teachers to be used in the study, convenience sampling which is a non probability sampling technique was adopted. The choice of this non probability sampling technique was based on difficulty of the researchers getting full list of all the names of teachers in these 207 sampled schools so that randomly they could be selected. On the basis of this difficulty, the researchers decided to sample 3 teachers each from these schools based on their willingness to provide answers to the questionnaires distributed. In all 621 teachers were involved in the study. The main data collection instrument used for the study was questionnaires. The questionnaires distributed to the respondents centered on the extent to which they agree to wages and salaries, fringe benefits and end of year awards influence their ability to perform well in their respective institutions. In looking at financial motivation and its influence on performance of teachers in the selected sample schools, the researchers used chi square to test the independence between financial motivation and teachers performance in these government senior high schools. This was done by looking after the introduction of single spine pay policy by the government of Ghana which was meant to motivate workers at the public sector and before the introduction of the policy and its corresponding influence on students pass rate in those selected schools.

### **Description of variables as used in the methodology**

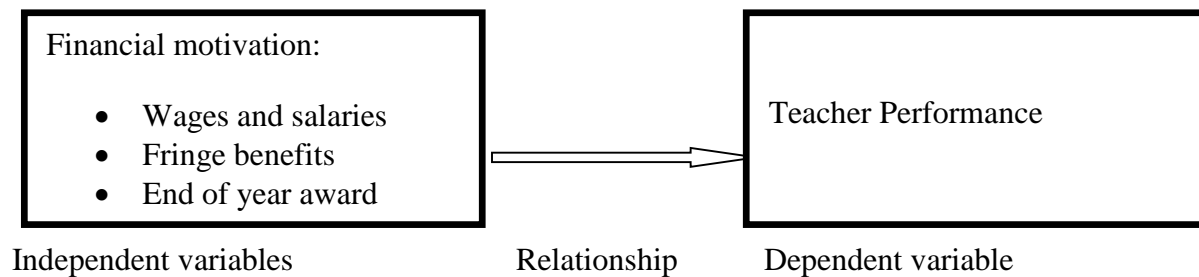
Defining performance of the teacher is an important factor in understanding this research work but it has been a topic that has not received sufficient attention. The large literature (Darling-Hammond & Loewenberg, 1998; Hughes, 2011; Srafi, 2011 Chapman & Lowther, 1982; Carr et al 2010) on teacher performance generally looks at the effect of teacher characteristics on students' performance in the area of examination results and this is exactly how the researchers also define performance in the context of this research work.

In doing this, the performance of completed third year students at the West Africa Examination Council was compared with the Government of Ghana before and after the introduction of the single spine pay policy using a four year period (before: 2006 to 2009) and (after: 2011 to 2014). Performance of students were measured based on their ability to obtain Aggregate 36 (A1 – C6) or less which qualifies them to enter into universities or tertiary institutions. Students performance before the implementation of single spine pay policy in all the selected senior high schools were aggregated for those who qualify to enter into universities or other tertiary institutions as well as for those who did not qualify. The same thing was done with students' performance after the implementation of the single spine pay policy. Doing this enabled the researchers to have overall picture with regard to the overall performance of students before and after the Government of Ghana initiative to motivate its teachers through the single spine pay policy. Looking at the area of financial motivation, there are lots of these which an organization can provide in order to entice its employees to put up their best but the study looks at financial motivation in the area of wages and salaries including allowances, fringe benefits and end of year awards.

Wages and salaries in the contest of this research refers to remuneration provided by the Government of Ghana to teachers in government senior high schools at the end of the month which has been dubbed as ‘single spine’; whilst fringe benefits in the contest of study is used as compensation provided by the government in addition to the single spine. Last, the researchers defined end of year award as compensation provided by the government which has been dubbed as ‘best teacher award’ at the end of year to show appreciation to teachers who exhibited good performance throughout the period.

From the description of variables, one can come out with a conceptual framework for the study as provided in figure 1 below:

**Figure 1: Conceptual framework for the study**



## DATA PRESENTATION, ANALYSIS AND DISCUSSION

The main objective underlying the study is to assess financial motivation and its influence on performance of teachers using Ghana as the study area. The data collection instrument used was questionnaires and there was the need to measure for internal consistency or reliability of scale as well as questions in the questionnaire. In doing this, Cronbach  $\alpha$  test was conducted with 12 items in the questionnaire and the results can be seen in table 1.

**Table 1: Reliability co-efficient**

Cronbach $\alpha$	No of items
.839	12

The above cronbach  $\alpha$  test conducted for 12 items is .839, suggesting that the items have relatively high internal consistency and such the validity and reliability of the data collection instrument cannot be ignored. It must also be noted that out of the 621 questionnaires sent to the respondents sampled for the study, 520 representing 83.74% were retrieved.

Demographic characteristics are very important in research and as pointed out by Leonid & Gavrilova (1991), there is a need for researchers to consider the demographic characteristics of

respondents as they can influence the findings and outcome of their research. Demographic factors such as age, educational background, sex, religion and marital status play a major role in determining how individuals reason and see things as a whole and this can influence the answers they provide to certain questions. Taking a clue from the literature provided by these writers, the researchers decided to look at the demographics of teachers sampled for the study as presented in table 1 below:

**Table 1: Demographic characteristics of teachers**

Variables	Category	Frequency (N)	Percentage (%)
Age	20-30	101	19.42
	31-40	165	31.73
	41-50	192	36.92
	50+	62	11.93
Sex	Male	389	74.81
	Female	131	25.19
Religion	Christian	306	58.85
	Non Christian	214	41.15
Educational Qualification	HND	89	17.11
	1st degree	304	58.46
	Master's degree	76	14.62
	Other	51	9.81
Marital Status	Married	327	62.88
	Other	193	37.12

The demographic characteristics of the respondents indicate majority of the respondents (36.92%) falling within the age range of 41-50; male dominating the study (74.81%); greater number of respondents (58.85%) been Christians; larger number of respondents (58.46%) holding first degree and married teachers dominating the study (62.88%). The above indicators as seen from the table show that majority of the respondents gave critical thought to the questions raised in the questionnaire before providing answers. This is in line with the literature provided by Groot and Brink (2002) who were of the view that older, educated and married people are much particular about the consequences of their actions whether oral or in written and think carefully before making them known to others.

Since the study looks at financial motivation and its influence on teachers performance, there was the need to look at the extent to which the sampled teachers from the selected senior high schools agree to current wage and salary policy (single spine) in the government sector, fringe benefits and end of year award dubbed as 'best teacher award' serving as fuel to ignite them put up their best.

The questionnaires distributed to 621 respondents on the above issue which 520 were retrieved representing 83.74% response rate, produced results that can be witnessed in tables 2 and 3.

**Table 2: Single Spine Pay Policy as Financial motivator**

Responses	Frequency	Percent	Mean
Strongly Disagree	39	7.5	
Disagree	82	15.8	
Neutral	54	10.4	
Agree	203	39.0	
Strongly Agree	142	27.3	
<b>Total</b>	<b>520</b>	<b>100</b>	<b>4.2</b>

Source: Fieldwork, 2015

The above mean score of 4.2 shows that majority of teachers in Ghana agree to the assertion that the new government pay policy (Single Spine) is a motivator to enhance their performance. Whilst this may be true based on their responses, there is the need for the government to manage other variables that go with this pay policy if workers are expected to see it as a motivator in the long run. For instance, as the manager of the economy if economic indicators such as inflation, interest and exchange rates are not managed well, it has the tendency of diluting the purchasing power of workers and wages and salaries that were previously seen as motivator will tend to be rejected by workers.

The other variables which were also looked at as financial motivators and its influence on performance of teachers were fringe benefits and end of year award. In finding the views of the respondents in relation to the association between these variables and performance of teachers, the questionnaires that were distributed produced results that can be seen in table 3:

**Table 3: Fringe Benefits and End of Year Award as Financial motivators**

Responses	Frequency	Percent	Mean
Strongly Disagree	43	8.3	
Disagree	78	15.0	
Neutral	29	5.5	
Agree	266	51.2	
Strongly Agree	104	20.0	
<b>Total</b>	<b>520</b>	<b>100</b>	<b>4.6</b>

Source: Fieldwork, 2015

The score of 4.6 shows a strong opinion of the respondents, that fringe benefits and end of year award provided by the government is a strong financial motivator for them to impart knowledge onto students. Though the views of the respondents show a positive association between the variables, it is important to note that if there is no clear policy instituted by the employer with regard to how employees should enjoy fringe benefits and end of year awards, it can create more harm than these financial motivators serving the purpose which they were meant. This argument is in line with the comment given by Waterreus (2001), who was of the view that compensation

issues are very dear to employees and there should not be any doubt in the minds of employees that it is discriminatory. In line with this argument, it was very sad to see 89% of the respondents disagreeing to the assertion that there is transparency and fairness in the way fringe benefits and end of year awards are administered in the government sector, despite been seen as strong financial motivators.

Though the response from the respondents shows association between financial motivation and teachers' performance, there was a need to use statistical tool (chi square) to test the independence between the variables. This was done by looking at the financial motivation in the form of Government of Ghana before and after the implementation of single spine pay policy and its influence on teachers' performance in the selected high schools based on the data obtained from West Africa Examination Council (Ghana). This can be seen in table 2 which a chi square test statistic was used to test the independence between the variables.

**Table 4: Students performance before and after single spine pay policy 2006 to 2014**

	Number of Students obtained aggregate 36 or less ('000)	Number of Students obtained more than aggregate 36 ('000)
Before Single Spine Pay Policy	69	472
After Single Spine Pay Policy	186	512

Source: West Africa Examination Council

The above table shows that about 69000 students (**2006**: 14,747; **2007**:14,188; **2008**:17,010 and **2009**:23,037) obtained aggregate 36 or better before the Government of Ghana introduction of single spine pay policy. During this same period (2006 to 2009), about 472000 students (**2006**:103,230; **2007**:119,843; **2008**:114,345; **2009**:134,964) obtained more than aggregate 36. The Government of Ghana after introduction of the single spine pay policy recorded about 186000 students (**2011**:38,297; **2012**:54,032; **2013**:25,640; **2014**:68,048) obtaining aggregate 36 or less whilst during the same period (2011 to 2014) about 512000 students (**2011**:108,999; **2012**:120,264; **2013**:108,251; **2014**:174,114) were seen obtaining more than aggregate 36.

Looking at these figures, it is clear that the number of students that obtained aggregate 36 or better after the government introduction of single spine pay policy were more than before the introduction of such policy. In order to really ascertain whether there is any association between the performance of teachers which is reflected in students performance at the West Africa Examination Council and financial motivation in the form of single spine, a chi square test statistic using the data in table 4 were used to assess the associations between the variables which is represented in table 3.

$$X^2 = \sum_{i=1}^r \sum_{j=1}^c \frac{(O_{i,j} - E_{i,j})^2}{E_{i,j}}$$



**Table 5: Chi square test statistic of financial motivation and teachers' performance**

	Students obtained aggregate 36 or less	Students obtained more than aggregate 36	<i>Marginal Row Totals</i>
Before Single Spine Pay Policy	69 (111.34) [16.1]	472 (429.66) [4.17]	541
After Single Spine Pay Policy	186 (143.66) [12.48]	512 (554.34) [3.23]	698
<i>Marginal Column Totals</i>	255	984	1239 (Grand Total)

The Chi-square statistic  $X^2 = 35.992$ , the P value is 0 and this result is significant at  $p < 0.05$ . From this chi square test statistic with 1 degree of freedom and a critical value of 3.841, we reject the null hypothesis with 95% confidence level that there is association between financial motivation provided by the Government of Ghana in the form of single spine pay policy and performance of teachers reflected in students obtaining aggregate 36 or better. This results is in line with the literature provided by Chiaburu and Tekleab (2005), Doulton and Van Der (1999) and Den and Verburg (2004) who were of the view that equity and fairness play important role in motivating employees to accept any remuneration that goes with the services they provide as part of their employment relationship with employers. It is therefore in the right direction for the government to continue ensuring equity and fairness in the public sector wage which was one of the reasons behind the introduction of the single spine pay policy.

## CONCLUSION

The study has shown that teachers see financial motivation as motivators and for governments who are seen as the largest employer of these teachers in most countries to get the best in the form of teachers exhibiting good performance, proper attention needs to be paid to financial motivators. Whilst they are strong motivators, it is imperative for the government to ensure that other variables that are associated with financial motivational factors are managed very well if they are to continue to serve as motivators in the long run. There is also the need to ensure fairness, equity, and transparency in the distribution of packages that are meant to serve as financial motivators since as proposed by the equity theory, a teacher will consider that he is treated fairly if he perceives the ratio of his inputs to his outcomes to be equivalent to those around him.

## LIMITATION AND SUGGESTION FOR FURTHER RESEARCH

The study looked at financial motivation and its influence on performance of teachers in the government sector without considering teachers in the private sector. This means generalizing the results to suit Ghana as whole will not be meaningful. It is imperative that other researchers looked at financial motivation and its influence on teachers in the private sector in order for us to make comparisons in future literature. Again, financial motivation is not the only determinant of performance since as proposed by Gill and Stone (2010), employers should look at employees

ability to perform which comes in the form of skills and knowledge acquired by the employee. In light of this, it is suggested that government effort to train teachers in the sector by way of further studies should be looked at by other researchers and its contribution to their performance in order for us to have access to future literature on non financial motivation and its contribution specifically to teachers' performance.

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