

## Compensation Management and Employee Wellbeing of Academic Staff in Ugandan Private Universities during COVID-19 Lockdown

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**Abstract:** This study examined the impact of compensation management on academic staff's employee well-being in private universities in Uganda during the COVID-19 lockdown. Two dimensions of compensation management considered were compensation determination and compensation administration. Employee well-being was studied in terms of psychological well-being, social well-being, workplace well-being and subjective well-being. This study used a cross-sectional design on a sample of academic staff from five private universities. Factor analysis was used to identify key items of compensation management and employee well-being, followed by descriptive, correlation and multiple regression analyses. Multiple regression analysis assessed the magnitude and strength of the impact of compensation management on employee well-being. The results supported the hypotheses on the influence of compensation determination and administration on employee well-being. Therefore, compensation determination and administration are important in enhancing the academic staff's well-being in private universities in contingent situations such as COVID-19 lockdown. In managing compensation issues in contingent situations, managers of private universities should determine and administer compensation considering employees' interests. This study adds to the scanty literature on compensation management and employee well-being. It identifies compensation management factors that organisations should consider to promote employee well-being in contingent situations.

**Keywords:** Compensation administration, Determination, Employee well-being management, Psychological, Social, Subjective, Workplace.

### 1. Introduction

At the end of December 2019, 27 cases of pneumonia of unknown aetiology were identified in Wuhan City, Hubei Province, in the central part of the People's Republic of China (Sohrabia et al., 2020). The novel coronavirus strain was identified as the pathogenic agent (Hu & Qiu, 2020). Due to the extremely convenient transport system of the Wuhan City connecting to other places in China and beyond, the spread of the disease through person-to-person contact to other areas of China was rapid (Sahu, 2020, Qian et al., 2020). On 8 January 2020, the World Health Organisation (WHO) labelled the novel coronavirus strain as the Coronavirus Disease - COVID-19 (Hu & Qiu, 2020). To lower the risk of transmission to the various parts of China, Wuhan's authorities declared a lockdown in the city on 23 January 2020. Lockdowns soon followed in other places in China (Sahu, 2020). Within a few weeks, cases of COVID-19 were detected in several other countries and shortly, the disease became a global threat, with cases reported in Thailand, Japan, South Korea, the United States, Vietnam, and Singapore (Hu & Qiu, 2020; Sahu, 2020). In Africa, the first cases were reported in Algeria, Egypt and Nigeria (Qian et al., 2020). On 30 January 2020, WHO declared the COVID-19 outbreak a Public Health Emergency of International Concern (Lai et al., 2019).

To prevent the spread of COVID-19 in the country, the Ugandan government, at the beginning of February 2020, started isolating all travellers from China in an institutional quarantine centre for 14 days. On 18 March 2020, Uganda's government declared a lockdown of the country as an emergency management plan to contain the spread in the country (Kabonesa & Kindi, 2020). The first case of COVID-19 was reported on 21 March 2020, soon after the lockdown declaration. In the following two weeks (21 March to 5 April), there was a rapid rise in the number of cases to 52. Most of them were imported cases identified from institutional quarantine (Olum & Bongomin, 2020). Unfortunately, following the declaration of the lockdown, private universities in Uganda started declaring their inability to pay salaries. For instance, the management of Ndejje and Nkumba Universities indicated that they would not be able to pay salaries from the month of April as students were not paying fees, yet it was the main source of revenue (Amaitum, 2020; The Independent, 2020). Management of Bishop Stuart University indicated that staff would certainly be paid salaries for April, but that was all. Management of Kampala International University indicated that the University planned to continue paying staff part of their salaries to keep them moving (The

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Independent, 2020). For Islamic University in Uganda, it suspended staff contracts indefinitely from the Month of May while Uganda Christian University suspended the contracts from the month of June (Ahabwe, 2020; Wambede, 2020).

While the impact of the pronouncements on non-salary payment besides the fear of contracting COVID-19 might be immense, Uganda's government did not communicate any plan on how it would support staff of private universities, most likely causing anxiety among staff of those private universities. This was because data from populations of other countries showed that COVID-19 had a significant psychological impact on people. Asmundson and Taylor (2020) indicate that data from public opinion polls showed that 2019-nCoV had a significant psychological impact on people in Canada. They reported that an Angus Reid poll of 1354 Canadian adults conducted in early February 2020 indicated that one-third of the respondents were worried about the virus, and 7% were "very concerned" about becoming infected. Joseph, Bhandari and Dutta (2020) indicate that in the past, infection outbreaks such as that of Acquired Immunodeficiency Syndrome (AIDS), Severe Acute Respiratory Syndrome (SARS) and Ebola provoked fear and fear-related behaviour. Accordingly, during the SARS outbreak in 2003, several psychiatric issues like depression, suicidal thoughts, anxiety, panic disorder, psychosis and delirium were verified. Base on the facts above, this study empirically studied the psychological impact of COVID-19 on academic staff in private universities in Uganda. Specifically, the study examined the impact of compensation management during the lockdown on the academic staff's employee well-being.

### **1.1 Employee Well-being**

Employee well-being is the state of an individual's mental, physical and general health as well as experiences of satisfaction both at work and outside of work (Nielsen et al., 2017). Employee well-being can be operationalised in terms of psychological well-being, social well-being, workplace well-being and subjective well-being (Pradhan & Hati, 2019). Psychological well-being refers to inter and intra-individual levels of positive functioning, including one's relatedness with others and self-referent attitudes such as the sense of mastery and personal growth (Burns, 2017). Social well-being refers to one's assessment social relationships, how others react to them, and how one interrelates with social institutions and community (Cicognani, 2014). Workplace well-being describes all aspects of an individual's work-life, including quality and safety of the working physical environment and the climate at work and work organisation (Burke & Richardsen, 2019). Subjective well-being defines the various evaluations, positive and negative, that people make of their lives and the affective reactions of people to their experiences (Bryson, Forth & Stokes, 2017).

Simply put, subjective well-being is the extent to which a person believes or feels that her life is going well (Nima, Cloninger, Persson, Sikström & Garcia, 2020). Employee well-being is associated with traits of optimism, confidence, sociability and other dispositions that encourage goal-orientation and active involvement in an organisation. Personal experiences of well-being can sometimes make a difference in employees' job performance as they observe how their positive or negative moods appear to be shaping their behaviour (Warr & Nielsen, 2018). Krekel, Ward and De Neve (2019) posit that employee well-being positively affects the employees leading to heightened motivation hence better job outcomes and organisational citizenship. Krishantha (2018) indicates employee well-being leads to high job performance, organisational citizenship behaviours, flexible effort, reduced employee turnover and absenteeism. Therefore, employees who experience employee well-being are productive employees affecting the performance of the organisation.

### **1.2 Compensation Management**

Compensation describes all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich & Newman, 2004). Financial returns refer to the base salary of an employee, as well as short- and long-term incentives. Tangible services and benefits are incentives such as insurance, paid vacation and sick days, pension plans and employee discounts (Gupta, 2014). According to Sisk (1969), management is the coordination of all resources through the process of planning, organising, directing and controlling to attain stated objectives (Sharma & Goyal, 2017). Therefore, compensation management can be defined as the coordination of resources of an organisation through planning, organising, directing and controlling all financial returns and tangible services and benefits employees receive as part of their employment

relationship. Relatedly, considering the reward management definition of Armstrong (2007), compensation management can be considered as referring to strategies, policies, and processes required to ensure that people's contribution to the organisation is recognised by both financial and non-financial means (Armstrong, 2007).

Therefore, compensation management is the design, implementation and maintenance of reward systems (interrelated reward processes, practices and procedures) aimed at meeting the needs of both the organisation, its stakeholders and to operate fairly, equitably and consistently (Armstrong, 2012). Compensation attracts, retains and motivates employees. Employees harness their skills, knowledge and release effort in lieu of compensation (Patnaik & Suar, 2019). When the compensation system is appropriately administered, employees will likely be satisfied and motivated to contribute to organisational objectives. However, when employees perceive their compensation as inadequate, performance, motivation, and satisfaction are likely to decline dramatically (Matino, 2018). Therefore, compensation relates to employee well-being. In this study, compensation management was operationalised basing on the measure of compensation satisfaction by Williams, Brower, Ford, Williams and Carragher (2008) as referring to benefit determination (compensation) and benefit administration (compensation administration). This was because the study analysed how compensation for staff in private universities was determined and administered during the COVID-19 lockdown and how it impacted their employee well-being.

### **1.3 Organisational Justice Theory**

The Organisational Justice Theory by Greenberg (1990) underpinned the development of this study. Greenberg referred to organisational justice as the just and fair manner in which organisations treat their employees (Anandarajan, Teo & Simmers, 2014). The idea of organisational justice derived from the Equity Theory by Adams (1963) which suggests that people compare the ratios of their own perceived work outcomes to their own perceived work inputs with the corresponding ratios of their colleagues. If returns are equal to those of other employees proportionate to effort expended, a state of distributive justice exists (Pan, Chen, Hao & Bi, 2018). Otherwise, the worker develops cognitive dissonance, inconsistency and out of balance. Consequently, the worker feels uncomfortable and discontented, and his or her effort and motivation may diminish (Mugizi, 2007). This might affect the employee's well-being. Organisational justice describes the individuals (or groups) perception of the fairness of treatment received from an organisation and their behavioural reaction to such perception (Srivastava, 2015). The perceptions of fairness in the workplace are distributive, procedural, informational, and interpersonal justice (Greenberg, 2011).

The underlying assumption is that employees not only care much about the distribution of outcomes (distributive justice) but also about the perceived fairness of the distribution process (procedural justice), the manner in which they are treated (interpersonal justice), and the explanation provided to them about why procedures are used in a certain way or why outcomes are distributed in a certain fashion (informational justice) (Marasi & Bennett, 2016). Organisational Justice Theory explains how payment openness and fairness influence employee attitudes and behaviours. Pay openness practices provokes a social exchange perspective among employees, thus resulting in predictable reactions (Ledimo, 2015; Marasi & Bennett, 2016) such as employee well-being. The Organisational Justice Theory suggests that lack of transparency produces feelings of procedural injustice or even betrayal, resulting in ill-being (Wenzel, Krause & Vogel, 2019). Therefore, if employees perceive justice during compensation determination and administration, they are likely to develop positive feelings towards their jobs hence employee well-being. This study investigated how justice in compensation determination and administration influenced attitudes of academic staff affecting their employee being.

### **1.4 Compensation Determination and Employee Wellbeing**

Compensation determination is the process of setting pay rates for employees by establishing payment structures (Mathis, Jackson & Valentine, 2013). The compensation determination process works well when there is transparency. Therefore, employees should have access to the right information concerning how their wages are adjusted (Chivasa & Hurasha, 2015). Compensation determination ordinarily should involve soliciting input of employees, compensation choices catering interests of employees, openly discussing the payment system after appraisal of all

prevailing conditions and individual contribution being an important factor in determining the rewards/ remuneration (Williams et al., 2008). Therefore, compensation determination is anchored in Organisational Justice Theory. Ajala and Bolarinwa (2015) found out that there was a significant relationship between distributive justice and procedural justice with psychological well-being. Similarly, Huong, Zheng and Fujimoto (2016) revealed that organisational justice is associated with employee well-being and specifically, procedural justice and distributive justice.

Consistent with the above scholars, Nery, Neiva and Mendonça (2016) found out that organisational justice impact in terms of procedural justice and distributive justice had a significant positive impact on employee well-being. Likewise, Rani, Garg and Rastogi (2012) established that the components of organisational justice, distributive justice and procedural justice were strong predictors of psychological well-being. Sahai and Singh (2016) also reported that there was a significant relationship between distributive justice and procedural justice with subjective well-being. This means that compensation determination that involves procedural justice and distributive justice influences employee well-being. However, the wages of academic staff decreased or were suspended due to an abrupt lockdown of working places due to the COVID-19 pandemic without following due processes of procedural or distributive justice. Still, the studies above suggested that compensation determination was obliquely reported as organisational justice. These gaps justified the need for this study to examine the influence of compensation determination on employee well-being.

### **1.5 Compensation administration and Employee Wellbeing**

Compensation administration is human resource management focuses on planning, organising, and controlling the direct and indirect payments employees receive for the work they perform (Kelechi et al., 2016). Salary and wage administration is the implementation of the organisation's compensation policies and procedures (Sule & Amuni, 2014). The task in compensation administration is to develop policies and procedures that will attain maximum return on money spent in terms of attracting, satisfying, retaining and perhaps motivating employees (Kelechi et al., 2016). Compensation administration is satisfying to employees if the organisation provides clear information on payment arrangements, payment is timely, considers basic benefits and pay policies are too consistent (Williams et al., 2008). Ahmad, Firman, Smith and Smith (2018) posit that motivational processes play a key role in adaptation to the workplace and are associated with changes in well-being at work. Baptiste (2008) reported that HRM practices, including contingent pay, significantly impacted employee well-being at work and tended to be more positive than negative.

Sule and Amuni (2014) indicate that if compensation is late, short, or missing even a single time, morale is severely affected, and the confidence in the employer's stability affects employee well-being. Diekmann (2015) revealed that employees valued transparency in compensation. Marasi and Bennett (2016) reported that pay openness influenced several employee attitudinal and behavioural outcomes. Relatedly, Shafiro, Hanson, Truxillo and Hammer (2007) indicated that it is important to provide additional information to employees about changes in benefits, providing employee voice, and increased employee perceptions of informational justice. However, the literature review showed scanty and oblique literature on the relationship between compensation administration and employee well-being. Still, no study has been reported from the context of employment lockdown situations such as the COVID-19 lockdown.

### **1.6 Research hypothesis**

Basing on the above literature, it became imperative for this study to test the following hypotheses;

H<sub>1</sub>: Compensation determination influences employee well-being.

H<sub>2</sub>: Compensation administration influences employee well-being.

## **2. Methodology**

The research context was private universities distributed across different parts of Uganda. Private universities were considered appropriate in analysing the relationship between employees' compensation management and well-being during COVID-19 Lockdown. This was because

immediately after Uganda's government announced the lockdown, the universities issued circulars stopping, suspending or reducing compensation offered to their staff.

### **2.1 Research Design and Ethical Considerations**

The study was a cross-sectional survey done in the first two weeks of May 2020. The questionnaire was submitted to the respondents to participate in the study via emails, respective academic staff WhatsApp platforms used in universities and personal WhatsApp messages to individual academic staff. The online cross-sectional research design was adopted because it enabled the researcher to collect useful data in a relatively short period of time when the movement of people was not allowed by the government due to the lockdown. Still, the academic staff were dispersed because they were away from their universities and could not be easily accessed. Research ethics were given extreme consideration by obtaining informed consents from all respondents. Anonymity and confidentiality were observed by making sure that the data collected did not show the links of senders.

### **2.2 Research Sample**

The study used data obtained from 132 academic staff from five private universities in Uganda. Academic staff were considered critical in this study because they experienced sudden changes in compensation due to them from their universities following the declaration of the lockdown by the government of Uganda due to the COVID-19 pandemic. The academic staff were largely not among the essential staff who remained in the universities working since they were not teaching as students had vacated the universities. The modal percentage of the participants were males (63.6%), of age group 40 years and above (45.5%), masters degrees holders (59.1%) and employed in the universities for more than ten years (50.0%).

### **2.3 Research Instrument**

Data were corrected using a self-administered questionnaire (SAQ). The SAQ comprised sections, namely A, B and C. Section A was on the respondents' background characteristics with questions on gender, age, marital status, the highest level of education attained a position in the University and working experience measured on the nominal scale. The question items in sections B and C were scaled using the five-point Likert scale from a minimum of 1 for the worst-case scenario (strongly disagree) to a maximum of 5 which was the best-case scenario (strongly agree). Section B was on the dependent variable (employee well-being) and section C on the independent variable (compensation management) using question items from measures previous scholars shown hereunder. Section B comprised question items on four elements of wellbeing that are psychological well-being (6 items  $\alpha = 0.95$ ), social well-being (5 items  $\alpha = 0.72$ ), workplace well-being (4 items  $\alpha = 0.95$ ) and subjective well-being (4 items  $\alpha = 0.90$ ) from Pradhan and Hati (2019). Section C on compensation management covered two aspects that are compensation determination (6 items  $\alpha = 0.81$ ) from Williams et al. (2008) and compensation administration (4 items  $\alpha = 0.83$  & 4 items  $\alpha = 0.80$ ) from Williams et al. (2008) and Mugizi and Bakkabulindi (2018) respectively. The use of question items from measures of previous scholars was based on the premise that their validities and reliabilities could be taken for granted initially. The guarantee of validities was based on the ground that an instrument cannot be valid unless it is reliable (Tavakol & Dennick, 2011). Since the reliability of the variables was already guaranteed from earlier measures, the variables were likely to be valid too.

### **2.4 Data Management and Analysis**

After collecting the data, they were processed by coding all the questionnaires, entered into the computer using the Statistical Package for Social Scientists (SPSS), summarised using frequency tables, and edited them to remove errors. After, data were tested for validity using Exploratory Factor Analysis (EFA), specifically, Varimax Rotation method provided by SPSS to establish correlation between factors (Goretzko, Pham & Bühner, 2019). Items loading highly above 0.50 were considered valid (Howard, 2016). The reliabilities of items in the various constructs were tested using Cronbach's Alpha ( $\alpha$ ). Reliabilities for the items in the various constructs were attained at  $\alpha = 0.70$  above (Taber, 2018), which is the benchmark. Factor Analysis and Cronbach's alpha results are presented in the section of results. Data were then analysed using correlation and regression.

### 3. Analysis and Results

The dependent variable measured four aspects of employee well-being (psychological well-being, social well-being, workplace well-being and subjective well-being) and two aspects of the independent variable of compensation management (compensation determination and compensation administration). Despite the items of the dimensions of the dependent and independent variables having been previously tested by earlier scholars, the contexts were quite different with the current study carried out under COVID-19 lockdown conditions, which presented a unique situation both on the psychology of the study participants and compensation management. Therefore, Exploratory Factor analysis (EFA) was used to find out whether the items were still valid measures of employee well-being and compensation management. The method was used to reveal the latent structure or dimensions of the variables (Morrison, 2017). The fit procedures were done to determine whether it was appropriate to use EFA in carrying out this study. Since EFA is based on the common factor model, fitting procedures were used to estimate the factor loadings and unique variances of the model. Factor Analysis fitting methods used were total variance with Orthogonal Varimax Rotation methods to show the factor matrix.

To determine the number of factors for extraction, Kaiser's (1960) eigenvalue of greater than one rule and percentage above 0.70 (70%) for the total variance explained (Yong & Pearce, 2013) were used. Further, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were used to assess the appropriateness of using the factor analysis. For the dependent variable, analysis obtained four eigenvalues greater than one with four factors extracted, explaining over 78% of the total variance. KMO = 0.750 (< 1) and Bartlett's test of sphericity = 2851.343 ( $p < 0.01$ ) satisfied the criterion for factor analysis. Thus, the four-factor solution for employee well-being (psychological well-being, social well-being, workplace well-being and subjective well-being, respectively) was chosen, although with reduced items as face validity was carried out to fit the items in the study context. EFA results were as presented in Table 1.

**Table 1: Rotated Component Matrix**

| Employee Well-being Items  | Component |       |       |       |
|--|-----------|-------|-------|-------|
|  | 1         | 2     | 3     | 4     |
| I have easily adapted to day-to-day changes in my life                 | 0.877     |       |       |       |
| I feel I remain a sensible person                                      | 0.920     |       |       |       |
| I understand the expectations from me by my University                 | 0.955     |       |       |       |
| I believe that I have a purpose and direction in life                  | 0.967     |       |       |       |
| I think life is a continuous process of learning                       | 0.929     |       |       |       |
| I remain a confident person  | 0.959     |       |       |       |
| I still feel I am an important part of my University                   |           | 0.905 |       |       |
| I remain close to my workmates   |           | 0.911 |       |       |
| My colleagues remain a great source of social support                  |           | 0.828 |       |       |
| I love keeping in touch with my colleagues during this lockdown period |           | 0.523 |       |       |
| My day-to-day activities contribute towards my University              |           | 0.715 |       |       |
| I am quite satisfied with my job                                       |           |       | 0.672 |       |
| I attach lots of value to my work                                      |           |       | 0.789 |       |
| Working for my University is a source of motivation                    |           |       | 0.841 |       |
| I believe that my employer cares a lot about my needs                  |           |       | 0.756 |       |
| I have mostly remained a happy person                                  |           |       |       | 0.584 |
| I remain an optimistic person  |           |       |       | 0.803 |
| I still feel good about myself   |           |       |       | 0.784 |
| My life is mostly joyous   |           |       |       | 0.769 |

Note: Extraction method: principal component analysis; Rotation method: varimax with Kaiser Normalisation. Rotation converged in five iterations; KMO measure of sampling adequacy = 0.750 (< 1) and Bartlett's test of sphericity = 2851.343 ( $p < 0.01$ )

EFA results for the independent variable resulted in eigenvalues greater than one with two factors extracted, explaining over 73% of the total variance. KMO = 0.770 (< 1) and Bartlett's test of sphericity = 2302.60 ( $p < 0.01$ ) satisfied the criterion for factor analysis. Thus, the two-factor solution adopted in this study for compensation management (compensation determination and compensation administration, respectively) was confirmed. EFA results were presented in Table 2.

**Table 2:** Rotated Component Matrix

| Compensation Management Items  | Component |       |
|--|-----------|-------|
|  | 1         | 2     |
| My input was solicited on payment measures before communication on how I will be paid was done               | 0.966     |       |
| The planning of how I would be paid was done with my input or that of my staff representatives               | 0.776     |       |
| The compensation choices cater for my interest   | 0.959     |       |
| The University openly discussed the payment system after appraisal of all prevailing conditions              | 0.969     |       |
| The compensation plan caters for my expectations   | 0.968     |       |
| My contribution to the University was an important factor in determining the rewards/ remuneration I receive | 0.912     |       |
| The information I receive about my compensation is satisfactory  |           | 0.737 |
| I am happy with the payment arrangements put in place during lockdown period                                 |           | 0.680 |
| The compensation administration system is effective  |           | 0.801 |
| The arrangements my University has made for the delivery of my compensation is satisfactory                  |           | 0.900 |
| The compensation is paid timely  |           | 0.869 |
| My University continues to offer me basic benefits (health care, accommodation, internet services, etc.)     |           | 0.715 |
| The payment programs or processes put up by my University help me to cope up                                 |           | 0.823 |
| I am certain the pay policies will be consistent   |           | 0.775 |

Note: Extraction method: principal component analysis; Rotation method: varimax with Kaiser Normalisation. Rotation converged in three iterations; KMO measure of sampling adequacy = 0.770 (< 1) and Bartlett's test of sphericity = 2302.60 (p < 0.01)

After confirming the validity of the items measuring the independent and dependent variables, a reliability test was carried out using Cronbach's alpha. The Cronbach's alphas for the dependent variables were as follows: psychological well-being ( $\alpha = 0.975$ ), social well-being ( $\alpha = 0.872$ ), workplace well-being ( $\alpha = 0.810$ ), subjective well-being ( $\alpha = 0.853$ ) and employee being ( $\alpha = 0.871$ ) for the combined elements of employee wellbeing. The Cronbach's alphas for the independent variables were as follows: compensation determination ( $\alpha = 0.909$ ) and compensation administration ( $\alpha = 0.967$ ). The Cronbach's alphas for all the aspects of the dependent and independent variables above the acceptable level = 0.70 (Korstjens & Moser, 2018). This meant that the items measuring employee well-being and compensation management were reliable. With the items measuring the various aspects of dependent and independent variables reliable, the data were analysed. Table 3 presents preliminary results involving correlation analysis.

**Table 3:** Correlations between Compensation Management and Employee Wellbeing

|                             | Means | Employee Well-being | Compensation determination | Compensation administration |
|-----------------------------|-------|---------------------|----------------------------|-----------------------------|
| Employee Well-being         | 3.99  | (0.871)             |                            |                             |
| Compensation determination  | 2.90  | 0.351**             | (0.967)                    |                             |
| Compensation administration | 2.44  | 0.357**             | 0.163                      | (0.909)                     |
|                             |       | 0.000               | 0.062                      |                             |

Correlation significant at 0.01 level (2-tailed). Coefficient alphas are on the diagonals

The means in Table 3 show that the respondents rated their employee well-being to be high or good (mean = 3.99 corresponding to agreed), compensation determination fair (mean = 2.90 corresponding to not sure or average) and compensation administration poor (mean = 2.44 corresponding to disagree). The correlation coefficients show that compensation administration ( $r = 0.357$ ,  $p = 0.000 < 0.01$ ) and compensation determination ( $r = 0.351$ ,  $p = 0.000 < 0.005$ ) had a moderate positive significant relationship with employee wellbeing. These preliminary results revealed that suggested

that the hypotheses to the effect that there is a relationship between compensation determination and employee well-being, and there is a relationship between compensation administration and employee well-being was supported. Regression was carried out at the confirmatory level to determine whether the compensation management determined employee well-being. The results were as in Table 4.

**Table 4:** *Regression of Employee Wellbeing on Compensation Management*

| Compensation Management         | Standardised Coefficients |  | Significance<br>p |
|---------------------------------|---------------------------|--|-------------------|
|                                 | Beta ( $\beta$ )          |  |                   |
| Compensation determination      | 0.300                     |  | 0.000             |
| Compensation administration     | 0.308                     |  | 0.000             |
| Adjusted R <sup>2</sup> = 0.203 |                           |  |                   |
| F = 17.721, p = 0.000           |                           |  |                   |

The results in Table 4 show that the compensation management aspects of compensation determination and compensation administration explained 20.3% of the variation in student engagement (adjusted R<sup>2</sup> = 0.203). This means that 79.7% was accounted for by other factors not considered in this model. The regression model was significant (F = 17.721, p = 0.000 < 0.05). Compensation determination ( $\beta$  = 0.300, p = 0.000 < 0.05) and compensation administration ( $\beta$  = 0.308, p = 0.000 < 0.05) had a moderate positive and significant impact on employee wellbeing. Therefore, the hypotheses to the effect that there is a relationship between compensation determination and employee well-being and there is a relationship between compensation administration and employee well-being were supported. However, the respective betas' magnitudes suggested that compensation administration had the most significant impact on employee well-being.

#### **4. Discussion**

Descriptive results revealed that employee well-being was high while compensation determination was moderate, just below average and compensation determination poor. These descriptive findings were inconsistent with the conjecture on which this study was premised that the impact of the pronouncements of non-salary payment besides the fear of contracting COVID-19 was likely to be immense. Therefore, it is not true that pandemic such as COVID-19 and associated outcomes highly impact academic staff in universities, as reported by previous scholars such as Asmundson and Taylor (2020) and Joseph et al. (2020) on the general population. Asmundson and Taylor (2020) reported that among Canadian adults, 2019-nCoV had a significant psychological impact. Relatedly, Joseph et al. (2020) indicated that in the past, infection outbreaks such as Acquired Immunodeficiency Syndrome (AIDS), Severe Acute Respiratory Syndrome (SARS) and Ebola provoked psychiatric issues like depression, suicidal thoughts, anxiety, panic disorder, psychosis and delirium.

Hypothesis test to the effect that there is a relationship between compensation determination and employee well-being was supported consistent with the findings of previous scholars. For instance, Ajala and Bolarinwa (2015), Huong et al. (2016), Nery, Neiva and Mendonça (2016), Rani et al. (2012), and Sahai and Singh (2016) all reported that the relationship between distributive justice and procedural justice with psychological well-being was positive and significant. Their findings meant that if the determination of compensation was characterised by distributive justice and procedural justice, it would positively impact employee well-being. However, the difference with the current study is that it revealed that the impact was moderate. Therefore, with academic staff, the impact of compensation determination on their employee well-being is moderate.

Hypothesis test to the effect that there is a relationship between compensation administration and employee well-being was also supported in agreement with previous scholars. Ahmad et al. (2018) revealed that motivational processes were associated with changes in well-being at work. Baptiste (2008) found out that contingent pay had a significant positive impact on employee well-being. Sule and Amuni (2014) indicate that if compensation is late, short, or missing even a single time, morale is severely affected, and the confidence in the employer's stability affects employee well-being. Marasi and Bennett (2016) reported that pay openness influenced several employee attitudinal and behavioural outcomes. However, the variation between the finding of the current study, findings



and views of previous scholars is that the current study revealed that the impact was moderate. Thus, with academic staff, the impact of compensation administration on their employee well-being is moderate.

## **5. Conclusion**

The discussion above leads to the conclusion that compensation determination and administration are fairly important in enhancing employee well-being in private universities in contingent situations such as COVID-19 lockdown. Therefore, compensation management should involve appropriate compensation determination and administration processes. Compensation determination during lockdown situations should involve the inclusion of employees or their representatives in planning payment measures before they are communicated. This is because compensation choices should cater for the interest of employees, the payment system should be discussed after appraisal of all prevailing conditions, the compensation plan should cater for expectations of employees, and the contribution of employees should be an important factor in determining the rewards/ remuneration of employees. In the administration of compensation during lockdown circumstances, employees should be availed satisfactory information on the compensation they are to receive, the payment arrangements should be pleased, the compensation administration system should be effective, and compensation should be paid timely. Employers should continue to offer basic benefits, payment programs or processes put up should help employees cope up, and payment policies should be consistent. This study's practical contribution is that it identifies compensation management factors that organisations should consider to promote employee well-being in contingent situations such as COVID-19 lockdowns.

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