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Relationship between Allowances and Performance of Civil Servants: A Case of President's Office – Constitution, Legal Affairs, Public Service and Good Governance in Zanzibar

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Abstract:

The purpose of this study was to examine the relationship between allowances and the performance of civil servants: a case of president's office – constitution, legal affairs, public service, and good governance in Zanzibar. The study used Case Study Design which involved a quantitative research approach. A sample size of 120 respondents was used, and a questionnaire collected the data that were used in compiling the results. The study revealed that there is a positive relationship between cash allowance, saving overtime allowance, house rent allowance, and performance of civil servants of the President's Office – Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar. The study concluded that there is a significant positive relationship between cash allowance, overtime allowance, and house allowance and the performance of civil servants of the President's Office – Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar. The study recommended that the government of Zanzibar should increase cash allowance, overtime allowance, and house allowance and even offer other allowances since allowances have a strong relationship with the performance of civil servants.

Keywords: Cash allowance, saving overtime allowance, house rent allowance, performance, civil servants

1. Introduction

Civil servants around the world seek a better environment in their everyday activities. However, the work environment has undergone considerable changes over the past years regarding the nature and scope of work (Johnson, 2010). The changing nature of the work environment has necessitated different ways of human resources approach. However, an essential and constant factor has been how managers motivate their workers to help achieve not only the organizational goals but also their personal ones. While it is true that money is not everything when it comes to employee satisfaction, fair and equitable remuneration practices are essential to employee relations and retention. To achieve this, Human resources in an organization play a huge, strategic, and decisive role. It also shows the necessary effective and efficient management of human resources so that goals can be achieved to the maximum.

It is true that several factors influence performance, and one such factor is remuneration. Remuneration significantly impacts workers' behaviors, attitudes, and performances in an organization because it is the most effective motivational tool and technique. Obviously, good remuneration improves employee job satisfaction, productivity, and employee relations, while poor remuneration goes beyond those. Remuneration accounts for one of the greatest investments an organization makes. Although a fair wage is the cornerstone of the contractual and implied agreement between employees and employers, the underlying assumption is that money can directly influence behavior.

Remuneration refers to the mode of compensating the workers exerting their energy or spending their energy or spending their time in accomplishing their organizations' objectives (Zanzibar pay policy for civil servants and Politicians, 2019). Remuneration can be in the form of monetary terms or services. A monetary term is, of course, in terms of wages and salaries and part of fringe benefits like housing and transportation allowances. Remuneration can come in the form of recreational services, canteen services, and medical services. This does not mean that factors, such as making an employee have a sense of belonging in an organization, do not enhance performance. Instead, an employee who gets the equivalent of what he put in, in an organization stands to perform higher. The need to attract, motivate, develop and retain employees today in terms of creating an environment in which employees feel truly engaged, connected to the organization's goals and objectives, and satisfied with their jobs has never been more crucial.

The essential element in payment strategy is to ensure that employees retain a good performance level in the work environment, as workers have to believe that the pay they earn is fair in relation to their work (Cohen et al., 1992). Furthermore, one of the strongest determinants of employee attitudes, motivation, and behaviors is Remuneration (Wayne, 1992). Lack of an effective remuneration system leads to a decline in employee productivity, an increase in staff

turnover rates, and a decline in employee morale which negatively affects the overall performance of many public sector organizations (Ologunda et al., 2011).

Good remuneration systems in terms of better employee salaries and wages, allowances, and reward systems have attracted the most skilled immigrants in the country. This has also played a key role in the performance of the country's public sector organizations.

In East Africa, employee remuneration systems have been a significant challenge affecting the performance of public sector organizations. Findings from a study by Johnson (2010) revealed that majority of the employees in public sector organizations in Uganda, Kenya, and Tanzania were not satisfied with salaries and allowances. Therefore, this study assessed the impact of remuneration on the performance of civil servants using the President's Office: Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar as the case study.

2. Statement of the Problem

The Revolutionary Government established different policies, laws, and orders in public sectors to improve the working environment for employees' performance in public sectors. Such policies, laws, institutions, and orders include:

- Civil Service Commission,
- Public Service Regulation, 2014,
- Public Service Act No 2, 2011,
- Public Service Management Policy, 2010,
- Workers Compensation Act NO, 2008, and
- Occupational Safety and Health Act 8.2005 (OSHA)

Although the Revolutionary Government of Zanzibar has made increments in salary every year to improve the welfare of Civil Servants, the performance of civil servants has been in question. Further, to increase the capacity of working conditions, Revolutionary Government of Zanzibar (RGoZ) made numerous changes in allowances, for instance, risk allowances, transport allowances, call allowances, Special allowances, non-practicing allowances, etc. All these actions aimed to increase civil servants' performance and attract and retain qualified personnel. However, in Zanzibar, despite all these increases in salary and allowances, there is scant information on the impact of remuneration on the performance of civil servants. Hence, the researcher has designed this study. Specifically, a researcher examines the relationship between allowances and the performance of civil servants of the President's Office – Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar.

2.1. Theoretical Literature Review

The study was based on the Expectancy Theory.

The Expectancy Theory was postulated by Vroom's Expectancy Theory of 1964 and extended by Porter and Lawler in 1968, separating effort from performance and outcomes. The Expectancy Theory states that behavior resulting from effort is made consciously in an attempt to minimize pain and maximize pleasure. This means that employees choose their behavior among a list of alternatives. The effort and the performance are not similar for every employee. Employees' efforts are based on their personality, skills, knowledge, experience, and ambition to perform. Thus, the Expectancy Theory states that different employees should have different goals and should be motivated by certain expectations. In this study, the Expectancy Theory discussed that the majority of the staff at the President's Office - Constitution, Legal Affairs, Public Service and Good Governance in Unguja agreed that different employees should have different goals and objectives. Therefore, all staff needed to be motivated to increase their efficiency and effectiveness.

2.2. Empirical Literature Review

Habibi et al. (2019) examine the professionalism of teachers with various factors that influence it so that the teacher's role can be identified significantly and they can develop the process of education in Vocational Schools. The research method used is quantitative. The study population of all teachers at School of SMK PGRI in Tegal City was 31. Therefore, the sample size of the study is 31 teachers. The results of the study indicate that:

- The effect of principals' managerial competencies on teacher certification is proven and accepted
- The effect of teachers' social competencies on teacher certification is proven and accepted
- The effect of principals' managerial competencies on teacher professionalism is proven and accepted
- The effect of teacher social competencies on teacher professionalism is proven and accepted
- The effect of teacher certification on the proven professionalism of teachers and acceptance of teacher certification is a mediating variable

The results show a positive and significant effect. There are positive and significant influences on principal managerial competence, teacher social competence, and teacher certification on teacher professionalism.

Faroque (2019) determine the effects of individual-level variables on job satisfaction among the employees of some commercial banks in Bangladesh. The questionnaires were used on the data obtained from 590 employees of mid-level, junior, and entry-level employees of the 29 private and 1 state-owned commercial banks in Bangladesh. This has been utilized to explore the individual level variables and job satisfaction-related characteristics of the respondents. Finally, the chi-square test and binary logistic regression analysis have been employed to estimate the existing relationships among the variables. In the chi-square test, it is found that age, tenure, ability, emotions, values, attitudes, and personality have strongly significant impacts on job satisfaction. In the logistic model, sex, age, tenure, emotions,

attitudes, and personality have significant effects on the job satisfaction of different commercial banks in Bangladesh. Evidently, individual-level variables have an 88% impact on the job satisfaction of the employees at these banks.

Coccia & Igor (2018) determine the effect of compensation on employee satisfaction, employee performance, and employee satisfaction to mediate the effect of compensation on employee performance. The research objects are employees of PT. In Telekomunikasi Indonesia, the data is collected by questionnaires and analyzed by Smart PLS, version: 2.0M3software. The results show that compensation effects employee satisfaction and employee performance at PT. According to Telekomunikasi Indonesia, employee satisfaction can mediate the effect of compensation on employee performance. It can be concluded that compensation at PT. Telekomunikasi Indonesia has been classified as good and can improve employee satisfaction and employee performance.

Hannah et al. (2018) conducted a study on the effects of the Remuneration System on the Organizational Performance of Teachers Service Commission, Kenya. The general objective of the study was to establish the effects of the remuneration system on organizational performance in public organizations with reference to Teachers Service Commission. The study specifically assessed the effects of employee turnover on organizational performance in Teachers Service Commission of Kenya. The study applied a descriptive research design, and the target population was 1,500 employees of Teachers Service Commission (TSC) headquarters in Nairobi, with a sample size of 316 respondents. The main data collection instruments were questionnaires, and a pilot study was carried out to test the reliability and validity of the questionnaires. The descriptive statistics data analysis method was applied to analyze data aided by Statistical Package for Social Sciences (SPSS) to compute responses frequencies, percentage mean, and standard deviation results. Finally, Multiple Linear Regression model was employed to establish the significance of the independent variables on the dependent variable. The findings were presented using tables. The study findings thus showed that employee turnover affected organizational performance. The study found out that the performance of the organization was affected by:

- Employees that are highly contented with their work,
- Employees that are highly motivated,
- Regular review of reward systems,
- Employees' commitment and
- Conducive working conditions

Simona et al. (2018) examined the impact of paying for performance on the remuneration of civil servants. There is a real unbalance between job demands and offers in civil service. This unbalance is caused by:

- Population ageing,
- The low compensation,
- An increase in the negative image that public institutions have (jobs in civil service seem not to be any more prestigious, and the term 'bureaucracy' has rather a pejorative connotation), and
- Bad management of human resources (rewarding seniority and not performances, a lack of real incentives system – not only financial, a lack of interest in personnel development)
- States worldwide tried to resolve the problem of recruiting qualified personnel, and one of the results was adopting a more flexible remuneration system.

3. Methodology

The study was conducted in Zanzibar at the President's Office – Constitution, Legal Affairs, Public Service and Good Governance in Unguja. In this place, all issues of remuneration of civil servants were supervised. A case study design was adopted for this research. According to Yin (2002), a case study is an empirical inquiry that conducts an in-depth investigation into a contemporary phenomenon in a real-life scenario. The population comprised 172 staff in the President's Office Constitution, Legal Affairs, Public Service, and Good Governance in Unguja. The study used a questionnaire. The sample size was 120 respondents. Data analysis involves preparing the data for analysis, conducting different analyses, moving deeper and deeper into understanding the data, representing the data, and making an interpretation of the larger meaning of the data. Data were analyzed with the help of Microsoft Excel and Statistical Package for Social Scientists (SPSSs). The result was presented in frequencies, percentages, and tables. Also, Pearson Correlation Analysis was used for data analysis.

4. Findings

4.1. Profile of the Respondents

Variables	Category	Frequency
Age	20-30	5.0
	31-40	35.0
	41-50	43.3
	51-60	15.0
	61 and above	1.7
Gender	Male	66.7
	Female	33.3

Variables	Category	Frequency
Level of education	PhD	0.9
	Master	16.7
	Bachelor	33.3
	Diploma	25.8
	Certificate	13.3
Marital status	O'level and below	10.0
	Married	75.0
	Single	25.0

Table 1: Demographic Characteristics of the Respondents
Source: Researcher, 2022

The results in table 1 show that different age groups were involved in the study. There were:

- 6 (5%) respondents aged between 20 and 30,
- 42 (35%) respondents aged between 31 and 40,
- 52 (43.3%) respondents aged between 41 and 50,
- 18 (15%) respondents aged between 51 and 60, and
- 2 (1.7%) respondents aged 61 and above

This implies that all age groups participated in the study. These results ensured there was no age bias, and the results could be generalized to all ages. Also, table 1 shows that about 80 (66.7%) respondents were males, and 40 (33.3%) were females. This indicates that there were more male participants than females. This implies that the male gender had more employees in that specific president's office under investigation. Also, it shows that both genders participated in the study. The result shows that there were:

- 12 (10%) respondents with education level Form IV and below,
- 16 respondents, equivalent to 13.3%, with certificate level of education,
- 31 (25.8%) respondents with a Diploma level of education,
- 40 (33.3%) respondents with a Degree level of education,
- 20 (16.7%) respondents with a Master Degree level of education and
- 1 (0.9%) respondent with a Ph.D. level of education

Finally, the finding from the table 1 shows that 90 (75%) respondents were married, and 30 (25%) respondents were single.

Therefore, these data indicate that most of the respondents were married and mature and were capable of giving the information.

4.2. The Relationship between Allowances and Performance of Civil Servants of President's Office – Constitution, Legal Affairs, Public Service and Good Governance in Zanzibar

This study used a correlation analysis to examine the relationship between allowances and the performance of civil servants of the President's Office – Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar. Correlation is the most common useful statistic and is used to explain the degree of relationship between variables. This statistical technique shows whether and how strongly pairs of variables are related. There is a slight difference compared to covariance because correlation tells how close or far two variables are independent of each other. In contrast, covariance tells how much two variables tend to change together. The correlation values can fall within the range of -1 to +1, while the covariance value can be outside that range.

Statistically, table 2 expresses the result of this study, which shows that all variables (overtime allowance, house rent allowance, and cash allowance) are positively correlated with employee performance. The positive relationship indicated that when overtime, cash, and house rent allowance increase, it improves the employee performance of the President's Office – Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar.

		Over Time	House Rent Allowance	Cash Allowance	Performance
Over time	Pearson Correlation	1	-.135	.546**	.682**
	Sig. (2-tailed)		.140	.000	.000
	N	120	120	120	120
House rent Allowance	Pearson Correlation	-.135	1	.227*	.509**
	Sig. (2-tailed)	.140		.013	.000
	N	120	120	120	120
Cash allowance	Pearson Correlation	.546**	.227*	1	.876**
	Sig. (2-tailed)	.000	.013		.000
	N	120	120	120	120

		Over Time	House Rent Allowance	Cash Allowance	Performance
Performance	Pearson Correlation	.682**	.509**	.876**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	120	120	120	120

Table 2: Pearson Correlation Analysis

** Correlation is Significant at the 0.01 Level (2-tailed)

* Correlation is Significant at the 0.05 Level (2-tailed)

Source: Researcher (2022)

By looking at the strength of the relationship, it is clearly seen that the independent variable cash allowance has a greater correlation with the performance of civil servants compared to house rent and overtime allowances. Table 2 indicates that the correlation between cash allowance and performance of civil servants of the President's Office – Constitution, Legal Affairs, Public Service and Good Governance in Zanzibar is 0.876, $p < 0.000$; two-tailed. While, the correlation between saving overtime allowance, house rent allowance, and performance of civil servants of President's Office – Constitution, Legal Affairs, Public Service and Good Governance in Zanzibar is 0.682, $p < 0.000$; two-tailed and 0.509, $p < 0.000$; two-tailed, respectively.

The results of this study are supported by the results of the study conducted by Onyancha et al. (2014), which examined the effect of remuneration on employee performance in the ministry of internal security: a case of Kisii County in Kenya. They found that the salary system is a mechanism by which an organization could plan how to attract, retain, reward, and motivate its salaried employees to enhance good performance in the Ministry. The human resource factor (particularly remuneration) lies at the very heart of the reform program.

5. Conclusion

The study concluded that salary is a persuasive factor in employee satisfaction, employee productivity, and labor management relation. Also, the study concluded that there is a significant positive relationship among cash allowance, overtime allowance, and house allowance and the performance of civil servants of the President's Office – Constitution, Legal Affairs, Public Service, and Good Governance in Zanzibar. The correlation coefficients of the relationship between cash allowance, overtime allowance, and house allowance were 0.876, $p < 0.000$; two-tailed, 0.682, $p < 0.000$; two-tailed and 0.509, $p < 0.000$; two-tailed, respectively.

6. Recommendations

The study recommended that the government of Zanzibar should increase the salary of its employees since salary is a motivational tool and a persuasion in improving the performance of Civil Servants of the President's Office – Constitution, Legal Affairs, Public Service and Good Governance in Unguja. In addition, the study recommended that equal pay for equal value of work across the public service motivated all the employees, and they felt the same way. The study also recommended that the government of Zanzibar should increase cash allowance, overtime allowance, and house allowance and even offer other allowances since allowances have a strong relationship with the performance of civil servants.

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