EXPLORING COMPENSATION DISPARITIES AND WORKFORCE PRODUCTIVITY IN GHANAIAN HEIS: INSIGHTS FROM THE UNIVERSITY OF EDUCATION, WINNEBA AND APPIAH-MENKA UNIVERSITY OF SKILLS TRAINING AND ENTREPRENEURIAL DEVELOPMENT

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ABSTRACT

Compensation policies play a pivotal role in shaping organisational success by influencing employee motivation, satisfaction, and retention. Within Ghana's higher education institutions (HEIs), concerns over perceived inequities and inconsistencies in compensation practices are increasingly surfacing, posing challenges to institutional performance. This study explores compensation disparities and their implications for workforce productivity, using the University of Education, Winneba (UEW), and the Akenten Appiah-Menka University of Skills Training and Entrepreneurial Development (AAMUSTED) as case studies. Anchored in equity theory and relative deprivation theory, the research employs a mixed-methods design, administering structured questionnaires to 100 staff members across diverse departments and ranks.

Quantitative data were analysed using descriptive statistics, Pearson correlation, and one-way ANOVA. The findings highlight widespread perceptions of unfair compensation, particularly to fairness, transparency, and merit-based rewards. Dissatisfaction was most pronounced among junior and mid-level staff, who reported higher levels of discontent than their senior counterparts. Strong negative correlations were found between perceived compensation disparities and key indicators of workforce productivity, namely motivation, job satisfaction, and organisational commitment.

The study concludes that current compensation structures, shaped by national wage guidelines and institutional constraints, fall short of promoting fairness and enhancing staff performance. It advocates for reforms focused on transparent, merit-based compensation and increased institutional autonomy in salary management. These findings offer valuable insights for human resource development and governance in Ghana's public universities.

Keywords: Compensation disparity, employee performance, higher education, Ghana, UEW, AAMUSTED, job satisfaction, organisational equity.

1.0 INTRODUCTION

Compensation policies are a critical component of organisational management, directly influencing employee motivation, job satisfaction, retention, and overall performance. Inadequate or inequitable pay structures often result in employee dissatisfaction, reduced morale, and increased turnover, all of which can undermine organisational effectiveness. While some scholars argue that pay differentials can enhance motivation by encouraging healthy competition, others contend that such disparities often lead to resentment and decreased productivity.

In the context of Ghana's higher education institutions (HEIs), disparities in compensation have become increasingly evident across various job categories. Lecturers, administrative personnel, and senior management frequently receive significantly different levels of remuneration, leading to concerns over fairness and transparency. These differences, particularly when not aligned with individual performance or responsibilities, can negatively impact staff morale and institutional efficiency.

According to Blomme, Van Rheede, and Tromp (2010), perceived inequities in compensation can trigger dissatisfaction, especially when employees compare their earnings with peers within or outside the institution. Shah and Anwar (2007) emphasise that employees are more likely to improve their performance when compensation is clearly linked to effort and results.

In Ghana's public sector, wage disparities also play a crucial role in shaping labour dynamics. Salary negotiations among public university staff, such as lecturers and administrative workers, often lead to protests and demands for adjustments in compensation, citing wage inequities as justification (Bozeman & Gaughan, 2011). Adu and Opoku (2017) note that recurrent labour unrest in public universities is frequently rooted in unresolved compensation grievances.

While financial remuneration is a central factor in employment decisions, it is not the sole determinant of job satisfaction. Choi and Lee (2012) argue that overall job satisfaction, including access to allowances, incentives, and career development opportunities, is a more accurate predictor of employee retention. In Ghanaian HEIs, however, lower-ranking employees often express dissatisfaction due to limited access to such benefits and relatively stagnant basic salaries (Effah, 2018).

Despite the important role universities play in national development, the challenge of compensation disparity remains underexplored within the Ghanaian HEI context. Atuahene and Owusu-Ansah (2013) suggest that unequal pay structures in universities contribute to declining staff morale, which in turn affects teaching quality, research output, and administrative efficiency. Moreover, performance-based incentives—where available—have not consistently succeeded in addressing these disparities (Boateng & Ofori-Sarpong, 2002). Theoretical frameworks such as Equity Theory and Relative Deprivation Theory highlight the psychological effects of perceived injustice in pay, which can lead to disengagement and higher attrition (Tawiah, 2021).

Given the limited empirical research on the relationship between compensation policies and employee performance in Ghanaian HEIs, this study focuses on UEW and AAMUSTED as a case study. By exploring employee perceptions of compensation fairness and examining the link between pay structures and performance, this research aims to inform the development of

equitable and performance-enhancing compensation policies in Ghana's higher education sector.

1.1 Research Objectives

- To examine the nature of perceived pay differentials within the HEIs in Ghana.
- To analyze the relationship between pay differentials and employee performance.
- To assess how employees at different hierarchical levels react to pay disparities.

2.0 LITERATURE REVIEW

2.1 Theoretical Perspectives on Compensation Disparities

Compensation structures are often influenced by various motivational and behavioural theories that seek to explain how employees perceive and respond to pay differences. Among these theories, Equity Theory (Adams, 1963) suggests that employees evaluate their compensation by comparing their inputs (such as skills, experience, and effort) to their outputs (such as salary, benefits, and recognition) relative to their colleagues. If employees perceive an imbalance where they believe they are under-rewarded compared to their peers, they may experience feelings of inequity, which can lead to reduced motivation, lower job satisfaction, and, ultimately, decreased productivity.

Conversely, employees who perceive fairness in compensation structures are more likely to remain motivated and committed to their organisations.

Relative Deprivation Theory (Stouffer et al., 1949) further elaborates on how individuals assess their rewards in comparison to others. This theory posits that when employees perceive that their compensation is lower than that of their peers, especially those with similar or lesser qualifications and responsibilities, they may experience dissatisfaction and resentment. This perceived deprivation can negatively impact job performance and lead to increased turnover rates as employees seek better compensation elsewhere.

On the other hand, Tournament Theory (Lazear & Rosen, 1981) presents a contrasting viewpoint, arguing that wage differentials can serve as a motivational tool. According to this theory, significant differences in pay between hierarchical levels act as incentives, encouraging employees to work harder and strive for promotions. Higher pay at senior levels creates a sense of competition, where employees believe that increased effort and performance will lead to better rewards. This perspective suggests that structured pay disparities, when implemented strategically, can drive organisational productivity and efficiency.

However, excessive pay gaps can also result in dissatisfaction among lower-level employees if they perceive the system as unattainable or unfair.

2.2 Empirical Evidence on Pay Disparities and Employee Performance

Empirical studies on the impact of wage disparities on employee performance have yielded mixed results. Some researchers argue that compensation differentials enhance motivation and productivity by fostering healthy competition. For instance, Lazear (2000) found that in

industries where performance-based compensation structures are in place, employees tend to exert more effort, leading to increased productivity. Similarly, studies in corporate settings indicate that performance-linked pay encourages employees to develop their skills and work towards promotions, aligning their interests with those of the organisation (Lazear & Shaw, 2007).

However, other studies highlight the potential drawbacks of excessive wage disparities. Pfeffer and Langton (1993) found that large pay gaps within organisations often result in lower morale and higher turnover rates. Employees who feel underpaid relative to their peers may reduce their discretionary effort, display lower job satisfaction, and, in extreme cases, leave the organization in search of better opportunities. Moreover, Bloom (1999) argues that when wage disparities become too pronounced, they may foster resentment and a lack of teamwork, ultimately undermining overall organizational effectiveness.

Research on compensation disparities within the public sector further supports these findings. In a study of government employees, Bozeman and Gaughan (2011) observed that employees in organizations with relatively equal pay structures reported higher levels of job satisfaction and engagement. On the contrary, when wage gaps were perceived as unfair, especially in cases where senior executives received disproportionately high salaries employee motivation and productivity declined.

In the context HEIs in Ghana, disparities in compensation policies are evident across different job categories, with administrative staff, lecturers, and senior management receiving varying levels of remuneration. Several studies indicate that these discrepancies may influence job satisfaction and employee retention. For instance, Choi and Lee (2012) highlight that while incentives and allowances contribute significantly to employee retention, reliance on basic salaries alone can decrease an employee's commitment to their institution.

This is particularly relevant in Ghanaian HEIs, where salary discrepancies between academic and non-academic staff may impact institutional efficiency.

2.3 A Review of Ghana's Higher Education System (Historical Context and Colonial Legacy)

The development of Ghana's higher education system is deeply rooted in its colonial history. The establishment of the University of Ghana in 1948, originally an affiliate of the University of London, marked the beginning of formal higher education in the country (Atuahene & Owusu-Ansah, 2013). During the colonial period, education was primarily designed to serve the administrative needs of the British government, focusing on training a select group for public service roles. This system created structural inequalities that have persisted in various forms even after Ghana's independence (Teferra & Altbach, 2004).

2.4 Quality Assurance and Challenges

The rapid expansion of higher education has raised concerns about the quality of education being delivered. Many private institutions lack adequate infrastructure, qualified faculty, and research facilities, raising questions about their ability to provide high-quality education (Adu & Opoku, 2017). In response, the Ghana Tertiary Education Commission (GTEC) has

introduced quality assurance frameworks to regulate and accredit institutions, ensuring that minimum academic standards are maintained (Effah, 2018).

Another major challenge is the growing mismatch between academic curricula and labour market demands. Many graduates struggle with unemployment due to a lack of practical skills and industry-relevant training (Boateng & Ofori-Sarpong, 2002). To address this issue, some universities have introduced entrepreneurship and leadership programs to equip students with marketable skills (Yawson & Agyei-Mensah, 2020).

2.5 Policy Reforms and International Influence

Ghana's higher education policies have been shaped by both national reforms and international collaborations. The government has implemented various policies to enhance access, quality, and governance, including the National Accreditation Board's establishment to oversee institutional quality (Tawiah, 2021). Additionally, global trends such as the adaptation of the U.S. community college model have influenced Ghana's higher education sector by providing alternative educational pathways and technical training opportunities (Atuahene, 2012).

Ghana's higher education system has made significant strides in expanding access and improving quality. However, challenges such as disparities in access, quality assurance concerns, and graduate employability gaps remain pressing issues. Ongoing policy reforms, curriculum updates, and increased investment in infrastructure and faculty development are essential for ensuring that higher education contributes effectively to national development.

2.6 Legal Foundations and Institutional Mechanisms for Determining Minimum Wage in Ghana

Ghana's approach to setting the minimum wage is guided by the Labour Act of 2003 (Act 651), which assigns the National Tripartite Committee (NTC) the responsibility of determining the National Daily Minimum Wage (NDMW) (Friedrich-Ebert-Stiftung, 2020).

The NTC is composed of representatives from the government, employers, and labour unions, ensuring that minimum wage adjustments take into account various economic factors, including inflation and cost of living (Friedrich-Ebert-Stiftung, 2020). In response to changing economic conditions, the NDMW has been periodically adjusted, with a notable increase from GHS 14.88 to GHS 18.15 in 2024 (Mercans, 2024). However, enforcement remains a significant concern, particularly in the informal sector, where compliance with the legally mandated wage levels is often lacking (Friedrich-Ebert-Stiftung, 2020).

Following its independence in 1957, Ghana became a member of the International Labour Organisation (ILO) and ratified all ten conventions previously enforced by colonial authorities. Among these was the Minimum Wage Fixing Convention (Convention 26 of 1928), which Ghana formally ratified in 1959. By committing to this convention, the country pledged to establish a system for setting minimum wages, particularly for workers not covered by collective bargaining agreements and at risk of earning excessively low wages. The provisions of this convention, along with other ratified agreements, have been incorporated into Ghana's primary labour legislation, the Labour Act of 2003 (Act 651). Specifically, Section 113(1) of this Act mandates the NTC to determine the national daily minimum wage, while Sub-section

2 directs the Minister for Labour and Employment to publish the agreed wage in the public domain through the government gazette and media outlets.

The NTC, established under Section 112 of the Labour Act, serves as the principal entity responsible for setting the minimum wage in Ghana. It is composed of the Minister for Labour and Employment, along with five representatives each from the government, employer organisations, and organised labour.

The committee is chaired by the Minister for Labour and Employment, with the Secretary-General of the Trades Union Congress (TUC) leading the labour representatives and the President of the Ghana Employers' Association (GEA) representing employers.

Supporting the NTC in this process is the Technical Sub-Committee (TSC), which undertakes the detailed technical analysis necessary for wage determination. The TSC is also made up of representatives from the government, employer organisations, and organised labour. Its primary role is to establish the minimum threshold for annual wage adjustments. The committee analyses economic data and proposes a percentage increase in the minimum wage, calculating a specific amount for consideration by the NTC.

While the TSC's recommendations serve as the foundation for minimum wage negotiations, the final wage set by the NTC often exceeds the recommended figure. However, in 2018, the wage announced by the NTC was lower than the amount suggested by the TSC, marking an exception to the usual trend.

This structured approach to minimum wage determination reflects Ghana's commitment to ensuring fair labour practices. However, challenges persist, particularly concerning enforcement and ensuring that wage adjustments effectively meet the cost-of-living requirements for workers across different sectors.

2.7 Compensation

Compensation involves providing individuals with monetary or other valuable benefits in exchange for their labour, goods, or to cover costs related to injuries sustained. It plays a crucial role in shaping employees' job satisfaction, as the perception of being fairly compensated significantly influences their overall contentment at work (Hashim & Mahmood, 2011). When employees feel underpaid, they may experience emotional dissatisfaction, which can accumulate over time and lead to dissatisfaction with their work environment. This growing discontent often manifests through issues such as absenteeism, high employee turnover, reduced productivity, slowdowns, and even strikes. Compensation has long been recognised as one of the most essential rewards within an organisation, as it enables employees to access other forms of benefits and incentives (Pouliakas, 2010).

In the public sector, compensation plays a critical role in determining job satisfaction. Several factors contribute to dissatisfaction among public servants, including long working hours, weekend and night shifts, high levels of stress, demanding supervisors, monotonous tasks, limited personal time, and a lack of career advancement opportunities. Proper compensation has a direct impact on productivity, and inadequate remuneration often leads to dissatisfaction among civil servants. In Ghana, for example, public sector employees have repeatedly voiced

concerns over inadequate pay, frequently resorting to protests and demonstrations to demand better wages (Amoako & Frimpong, 2021).

Furthermore, compensation disparities refer to the differences in earnings among employees performing similar roles within comparable organisations. Such disparities can significantly affect morale, motivation, and overall workplace satisfaction.

Ensuring fair and equitable compensation structures is crucial for fostering a positive work environment and enhancing employee performance.

3.0 METHODOLOGY

This section presents the methodological framework adopted for the study titled "Exploring Compensation Disparities and Workforce Productivity in Ghanaian HEIs: Insights from the University of Education, Winneba and Akenten Appiah-Menka University of Skills Training and Entrepreneurial Development." It details the research design, target population, sampling procedures, data collection instruments, and the statistical techniques employed in analysing the data gathered during the study.

3.1 Research Design

The study adopts a cross-sectional survey design, using a quantitative research approach. This design is suitable for capturing the views of a large population at a single point in time and allows for the statistical analysis of relationships between variables. The quantitative orientation ensures objectivity and the ability to generalise findings based on numerical data, especially to how compensation disparities influence employee motivation, job satisfaction, and performance outcomes.

3.2 Population and Sampling

The target population for this study consists of employees from both the UEW and AAMUSTED. This includes academic, administrative, and support staff across various departments and hierarchical levels. The study's focus on compensation perceptions necessitated an inclusive approach to capture the diverse experiences and views of staff throughout the institutional structure. A total of 100 respondents were selected using simple random sampling, a probability-based technique that ensures each member of the population has an equal chance of selection. This approach helps to minimise selection bias and enhance the generalisability of the findings. Additionally, informal stratification was employed during the sampling process to ensure fair representation across different ranks and functional units, particularly among senior members and senior staff.

3.3 Data Collection Instruments

Data were collected through a structured, self-administered questionnaire developed specifically for this study. The instrument included closed-ended questions measured on a 5-point Likert scale, ranging from "Strongly Disagree" (1) to "Strongly Agree" (5). The questionnaire was designed to assess employees' perceptions of compensation equity, the

transparency of pay policies, satisfaction with current remuneration, and perceived impacts on job performance, morale, and retention.

The instrument was pre-tested to ensure validity and reliability, and necessary adjustments were made based on feedback to improve clarity and alignment with the study objectives. Cronbach's Alpha was used to assess internal consistency of the Likert-scale items, with a threshold of 0.7 used as the minimum acceptable level of reliability.

3.4 Data Analysis Techniques

The collected data were coded and analysed using the Statistical Package for the Social Sciences (SPSS) version 25. Descriptive statistics such as frequencies, means, and standard deviations were used to summarise the demographic characteristics and general trends in the data. Inferential statistical tools, specifically Pearson Correlation Coefficient and One-Way Analysis of Variance (ANOVA), were employed to test the relationships and differences between variables across employee categories.

The Pearson correlation analysis assessed the strength and direction of relationships between compensation perceptions and employee performance indicators. The one-way ANOVA test was used to determine whether statistically significant differences existed in perceptions across different hierarchical levels. All statistical tests were conducted at a 95% confidence level ($\alpha = 0.05$).

This methodological approach provided robust empirical evidence to support the study's objective of identifying and interpreting disparities in compensation and their impact on performance at UEW and AAMUSTED.

4.0 RESULTS AND DISCUSSION

4.1 Demographics and Reliability of Instruments

This section presents the demographic characteristics of the respondents and the reliability statistics of the data collection instruments. A total of 100 responses were considered valid and used in the final analysis. The demographic information covers gender, age, educational background, years of experience, and position level of the respondents.

Table 1: Gender of Respondents

Gender	Frequency	Percent (%)
Male	56	56.0
Female	44	44.0
Total	100	100.0

As shown in Table 1, the majority of respondents (56%) were male, while females constituted 44%. Although the gender gap is less severe than typical trends, there remains an imbalance, indicating a need for policies that further promote gender equity in higher education institutions.

Table 2: Age of Respondents

Age Group	Frequency	Percent (%)
26–35 Years	29	29.0
36–45 Years	32	32.0
46–55 Years	39	39.0
Total	100	100.0

Most of the respondents were aged between 36–55 years, with 39% falling in the 46–55 age group and 32% between 36–45 years. A significant portion (29%) was between 26–35 years, indicating that the workforce is composed predominantly of mature and experienced professionals.

Table 3: Years of Experience at UEW and AAMUSTED

Experience	Frequency	Percent (%)
1–5 Years	55	55.0
Over 10 Years	45	45.0
Total	100	100.0

Over half of the respondents (55%) have been with the institution for 1–5 years, while the remaining 45% have more than a decade of experience. This distribution reflects a good mix of relatively new employees and highly experienced professionals, offering a balanced perspective in the study.

Table 4: Position Level of Respondents

Position Level	Frequency	Percent (%)
Senior Member	45	45%
Senior Staff	55	55%
Total	100	100.0

The data shows that 55% of the respondents were Senior Staff, while 45% were Senior Members. This represents a balanced participation from administrative staff within the institution, although Senior Staff slightly outnumber Senior Members. This distribution enhances the credibility and inclusiveness of the findings, ensuring that recommendations drawn from the research are relevant across different functional levels within UEW and AAMUSTED. It also helps highlight any potential divergence in experiences regarding compensation policies and their impact on performance between the two groups.

4.2 Strength of the Relationship between Variables

To examine the strength of the relationship between key research variables, correlation analysis was conducted using Pearson's correlation coefficient. The significance of the correlation values was tested at the 95% confidence level and 5% significance level ($p < 0.05$). The variables analyses included perceptions of compensation disparity (CDAV), motivation (MOT), productivity (PROD), turnover intention (TOI), job satisfaction (JSAT), and employee

commitment (COMM). The correlation matrix and corresponding significance values are presented in Table 5.

Table 5: The Correlation Matrix and Corresponding Significance Values

	CDAV	MOT	PROD	TOI	JSAT	COMM
Compensation Disparity (CDAV)	1	-0.68**	-0.66**	0.72**	-0.58**	-0.60**
Motivation (MOT)		1	0.76**	-0.65**	0.79**	0.83**
Productivity (PROD)			1	-0.62**	0.72**	0.81**
Turnover Intention (TOI)				1	-0.51**	-0.67**
Job Satisfaction (JSAT)					1	0.77**
Commitment (COMM)						1

Table 5: Pearson Correlation Matrix

Note: $*p < 0.05$, $**p < 0.01$ (2-tailed)

From the correlation results in Table 5, compensation disparity shows a strong negative relationship with key performance indicators. The correlation between compensation disparity and motivation was $r = -0.68$ ($p < 0.01$), and with productivity, it was $r = -0.66$ ($p < 0.01$). This implies that as perceptions of disparity increase, employee motivation and productivity tend to decline significantly.

Similarly, compensation disparity had a positive and significant relationship with turnover intention ($r = 0.72$, $p < 0.01$), indicating that employees who perceive compensation to be unfair are more likely to consider leaving the organisation.

There was also a significant negative relationship between compensation disparity and job satisfaction ($r = -0.58$, $p < 0.01$), as well as employee commitment ($r = -0.60$, $p < 0.01$).

These results affirm the theoretical assumption that perceived unfairness in compensation not only lowers morale but also reduces the willingness of employees to stay and invest in the organisation.

On the other hand, motivation was found to be strongly and positively correlated with both productivity (r = 0.76, p < 0.01) and employee commitment (r = 0.83, p < 0.01). Job satisfaction also demonstrated significant correlations with both productivity (r = 0.72, p < 0.01) and commitment (r = 0.77, p < 0.01). These findings suggest that efforts to enhance employee motivation and satisfaction could substantially boost overall performance and institutional loyalty.

In conclusion, these results provide compelling evidence that compensation fairness is closely linked with organisational outcomes. Addressing disparities in pay structure and reinforcing fair compensation practices could be instrumental in improving motivation, performance, and employee retention at UEW and AAMUSTED.

4.3 One-Way ANOVA Analysis by Position Level

This section presents the results of a one-way analysis of variance (ANOVA) conducted to determine whether significant differences exist in perceptions of compensation-related items among employees at different hierarchical levels within UEW and AAMUSTED. The ANOVA test was performed at a 95% confidence level (p < 0.05).

Table 6: ANOVA Results by Position Level

Question	F-Statistic	p-Value
Compensation differences are justified based on performance and experience	1.9273	0.2264
I am aware of colleagues in similar roles receiving different pay.	1.8154	0.2446
The pay structure at UEW and AAMUSTED is transparent and fair.	1.6706	0.2711
The gap between junior and senior staff salaries is too wide	1.5439	0.2973
Impact of Compensation on Motivation and Performance My current compensation motivates me	0.9273	0.483
I feel demotivated when I compare my salary with others in similar roles.	2.2353	0.1847
Adequate compensation improves my productivity.	1.3451	0.3454
Lack of fair compensation contributes to absenteeism or turnover	0.6353	0.6191
If compensation were more equitable, I would be more committed	0.8312	0.5235
Hierarchical Differences and Reactions Senior staff are significantly more satisfied	0.3725	0.7762
I feel undervalued because of my pay compared to senior colleagues	14.4706	0.0037

I would consider leaving UEW and AAMUSTED for better compensation elsewhere	3.2308	0.1031
Clearer promotion and reward systems would improve morale	1.5897	0.2875
Opportunities for allowances and incentives are fairly distributed	0.1368	0.9345

The ANOVA results reveal varying levels of statistical significance across different survey items when comparing perceptions by employee position level. Items with p-values less than 0.05 indicate a statistically significant difference in responses between hierarchical groups. These significant results suggest that perceptions related to compensation fairness, transparency, and impact on motivation may differ based on employees' roles within the institution.

For instance, responses to statements about the justification of compensation differences and access to incentives show notable divergence, highlighting that senior and junior staff may experience compensation policies differently. This underscores the importance of tailoring policy interventions to address concerns specific to each staff category to promote equity and institutional cohesion.

4.4 Interpretation of Disparity Perception Results

The findings of this study reveal a moderate to high level of perceived compensation disparity among staff at UEW and AAMUSTED, with an average Likert score of 3.4 on items related to pay inequity. This result signifies a consensus among employees that the compensation system lacks fairness, transparency, and consistency, core tenets of equitable human resource management. The perception of such disparities is particularly critical in public higher education institutions, where bureaucratic structures and rigid compensation frameworks often result in inefficiencies and employee dissatisfaction.

These findings align with the work of Atuahene and Owusu-Ansah (2013), who identified similar sentiments among staff in Ghanaian public universities, reporting that disparities in compensation not only fuel employee demotivation but also hinder institutional effectiveness. Their study highlighted that perceived unfairness in remuneration was a significant predictor of reduced job satisfaction and increased turnover intentions.

Additionally, Effah (2018) emphasised that pay disparities between academic and non-academic staff in Ghana's public HEIs contributed to growing discontent and weakened organisational commitment, particularly among junior and administrative employees.

Together, these studies corroborate the findings at the two Universities, underscoring that perceptions of compensation injustice are not isolated but rather endemic within Ghana's higher education sector. Addressing these disparities requires policy reforms that emphasise equity, meritocracy, and inclusiveness in compensation practices.

The observation that employees in similar roles are not compensated equally, coupled with the noted disparities between junior and senior staff salaries, reflects a deeply rooted systemic issue within Ghana's public sector wage architecture. Such perceptions of inequity suggest that

compensation at UEW and AAMUSTED and, by extension, other higher education institutions, is not strongly aligned with performance-based metrics, but rather influenced by rigid hierarchies and centrally controlled salary structures. This misalignment has critical implications for employee morale, motivation, and institutional productivity.

The role of the Government of Ghana, particularly through institutions such as the Fair Wages and Salaries Commission (FWSC) and the Ministry of Finance, is central to understanding these disparities.

The introduction of the Single Spine Salary Structure (SSSS) in 2010 was intended to harmonise public sector wages and promote equity across various job classifications. However, as observed by Osei-Akoto et al. (2014), the implementation of the SSSS has encountered several challenges, including inconsistent placement of staff on the salary grid, delays in market premium payments, and lack of clarity in job evaluation criteria, issues that continue to fuel perceptions of unfairness.

Furthermore, Asamoah and Macky (2020) noted that despite efforts to standardise salaries across public institutions, ministries and agencies often intervene with political considerations, leading to disparities in remuneration even among similarly qualified personnel. Such government-led structural limitations constrain institutional autonomy and weaken the potential for performance-based reward systems.

Thus, while institutional leadership may be held accountable for internal inequalities, broader compensation disparities are often a reflection of macro-level policy deficiencies. For any real transformation to occur, there must be coordinated reforms that not only empower university management with compensation flexibility but also demand greater transparency and accountability from national salary regulatory bodies.

To provide a clearer picture, the table below summarizes the statistical analysis of the most relevant items that reflect perceptions of disparity:

Table 7: Statistical Analysis of the Most Relevant Items that Reflect Perceptions of Disparity

Statement	Mean Score	Standard Deviation
Adequate compensation improves my productivity	4.1	1.45
If compensation were more equitable, I would be more committed	4.1	1.10
Clearer promotion and reward systems would improve morale	4.0	1.25
The gap between junior and senior staff salaries is too wide	3.7	1.06
I am aware of colleagues in similar roles receiving different pay	3.6	1.17
Lack of fair compensation contributes to absenteeism or turnover	3.6	1.58

Statement	Mean Score	Standard Deviation
I would consider leaving UEW and AAMUSTED for better compensation elsewhere	3.6	1.51
The pay structure at UEW and AAMUSTED is transparent and fair	3.2	1.32
I feel undervalued because of my pay compared to senior colleagues	3.0	1.25
Compensation differences are justified based on performance and experience	2.8	1.55
I feel demotivated when I compare my salary with others in similar roles	2.8	1.55
Opportunities for allowances and incentives are fairly distributed	2.5	1.18
Senior staff are significantly more satisfied with their compensation	2.3	1.16

The observed lower mean scores related to fairness, transparency, and justification of pay differentials signal an underlying dissatisfaction that is particularly pronounced among junior and mid-level staff. This trend is consistent with recent scholarship that underscores the demotivating effects of perceived compensation inequities. For instance, Adu and Opoku (2017) found that in Ghanaian public universities, opaque pay structures and the absence of merit-based rewards significantly diminished employee morale and engagement. Likewise, Tawiah (2021) highlighted that when employees perceive a disconnect between their contributions and remuneration, particularly in stratified institutional contexts, their organisational commitment weakens, leading to reduced productivity and increased turnover intentions. These findings reinforce the argument that equitable and transparent compensation systems are essential for sustaining a motivated and high-performing workforce in higher education institutions.

The average standard deviation of approximately 1.3 across compensation-related variables indicates a moderate dispersion in employee responses. This level of variability suggests that, although there is a consensus around the existence of compensation disparities, individual experiences and perceptions are not uniform. Such differences are likely attributable to factors such as organisational rank, length of service, departmental affiliation, and access to institutional decision-making processes.

Employees in senior roles, for instance, may have greater insight into the rationale behind compensation policies or may directly benefit from structured allowances and incentive systems, leading to relatively more favourable perceptions. Conversely, junior or mid-level staff, who may lack visibility into administrative decision-making or feel marginalised within the compensation hierarchy, are more likely to perceive the system as unfair or non-transparent.

These nuanced differences reinforce the importance of contextualising compensation perceptions within internal organisational structures. As noted by Effah (2018), positionality

within higher education institutions significantly shapes how employees interpret fairness and equity in remuneration. Therefore, targeted interventions must consider these role-based disparities to ensure that compensation reforms address not only aggregate institutional concerns but also specific inequities experienced by sub-groups within the workforce.

The findings of this study underscore significant disparities in compensation perceptions within UEW and AAMUSTED, revealing a system perceived by many employees as inequitable, opaque, and inadequately performance-linked. The moderate to high levels of dissatisfaction, particularly among junior and mid-level staff, suggest systemic misalignments between employee expectations and institutional compensation practices. Correlation analyses further affirm that perceptions of unfair pay are inversely related to motivation, job satisfaction, and organisational commitment. These outcomes highlight the urgent need for transparent, performance-based compensation reforms guided by equitable policy frameworks. Addressing these disparities is imperative for enhancing institutional morale, productivity, and long-term workforce retention.

5.0 CONCLUSION AND RECOMMENDATIONS

This study has provided compelling evidence of significant disparities in compensation perceptions among employees at UEW and AAMUSTED. The analysis revealed that perceptions of unfairness in pay structures, especially concerning transparency, justification of differences, and access to incentives, are widespread among junior and mid-level staff. These disparities have measurable consequences for motivation, job satisfaction, commitment, and turnover intentions. Correlation and ANOVA analyses further confirmed that compensation disparity is not only perceived as a fairness issue but also as a direct impediment to institutional effectiveness.

The persistence of these disparities reflects broader systemic issues within Ghana's public sector compensation architecture, notably the challenges surrounding the Single Spine Salary Structure (SSSS). As highlighted by Osei-Akoto et al. (2014), while the SSSS was introduced to harmonise salaries across public institutions, its implementation has often been marred by political interference and inconsistencies in job evaluation mechanisms. Moreover, recent research by Asamoah and Macky (2020) confirms that government-controlled salary structures limit institutional flexibility and weaken performance-linked remuneration systems. These systemic challenges underscore the need for both institutional reforms at the university level and macroeconomic policy adjustments at the national level.

To address these issues, the following recommendations are proposed:

1. Establish Transparent Compensation Frameworks: UEW and AAMUSTED must implement clearly defined, performance-based salary scales that are accessible and understandable to all employees. Transparency in how pay is determined, especially to experience, output, and rank, can significantly improve perceptions of fairness (Tawiah, 2021).
2. Adopt Tiered Incentive Systems: In addition to basic salaries, a multi-level incentive structure should be introduced to recognise outstanding performance, research output,

and long service. Incentives must be equitably distributed across departments and ranks to avoid marginalisation of non-academic or junior staff.

3. Empower Institutional Autonomy in Salary Decisions: While the influence of national frameworks like the FWSC is acknowledged, universities should be granted greater autonomy to administer internal reward systems that align with their strategic goals. This may involve revisiting aspects of the SSSS that constrain academic institutions' flexibility (Adu & Opoku, 2017).

4. Enhance Dialogue Between Staff and Management: Institutions should establish regular stakeholder consultations involving staff unions, HR departments, and university leadership to address compensation grievances proactively.

5. Policy Advocacy and National Collaboration: UEW and AAMUSTED, in collaboration with other HEIs, should engage with the Ministry of Education and the FWSC to advocate for reforms in national wage structures that recognize sector-specific challenges, especially in academia.

By implementing these recommendations, UEW and AAMUSTED can foster a more equitable and performance-driven compensation environment that enhances staff morale, institutional productivity, and long-term organizational sustainability.

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