

Impact of Integrated Personnel Payroll Information System on Employees Satisfaction in Kogi State

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Abstract

Performance of firms either public or private sector largely depends on employees' satisfaction hence their satisfaction need to be taken with utmost seriousness if firms' immediate and strategic objectives must be attained. This study titled integrated personnel payroll and information system and employees' satisfaction is carried out to examine the impact of integrated personnel payroll and information system on employees' satisfaction. The research adopts research survey design and respondents were reached using a structured questionnaire. The population of the study is 1100 who are employees of the Federal Polytechnic Idah, Kogi state. The study adopts Godden sample size statistical formula which generated a sample size of 285. However, out of the total of 285 questionnaires distributed only 242 were duly completed and returned giving a retrieval rate of 85%. The data were analyzed using a five point's likert scale and the analytical tool is linear regression analysis. The finding revealed that adoption of integrated personnel payroll and information system has serve as a veritable tool in enshrining accountability but has threatened employees' satisfaction owing to its non-domestication to carter for the peculiarity of the Polytechnic sector. Thus, the study recommends that adoption of the payroll system be reviewed and all critical stakeholders be consulted so as to enhanced and sustained employees satisfaction.

Keywords: Personnel, payroll, employee, satisfaction.

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Introduction

For the last six decades after the Nigeria political independence in 1960, the nation has been faced with huge expenditure targeted at stimulating the nations' socio-economic fortunes. This move has not been restricted to the civilian administration alone but extends to the military era. However, this expenditure is principally segmented into two major categories that is, capital and recurrent expenditure. Ibanichuka and Sawyer (2019) see capital expenditure as not only the kind of expenditure that covers huge assets and mostly not too frequent but these kinds of expenditure are mostly targeted at infrastructural development. Meanwhile the Central Bank of Nigeria CBN (2019) and Anyaduba (2013) noted that recurrent expenditure is the kind of expenditure or payments carried out by government either federal, state or local governments on health care services, provision of social services, interests and subsidies, provision of education services as well as personnel costs.

There has been a steady increase in recurrent expenditure in Nigeria annuals budget since the return of democracy in the Nigeria fourth republic. This has resulted into the Nigeria government sometimes even had to borrow funds to execute the budget especially payment of workers monthly emolument and overheads. This scenario had led to about less than 5% percent of the population spending about 70% of the national budget in Nigeria (Banichuka & Sawyer, 2019). However, this had not been only to the nature of over bloated workforce especially in the civil service in Nigeria

but Idris et al (2015) argued that it is also as a result of lack of transparency by those involved in recruiting and administration of the workforce especially the federal establishment across Nigeria. Therefore, as part of measures to drastically address the economic and social burden occasioned by this expenditure especially on personnel cost the federal government of Nigeria introduced integrated personnel payroll and information system (IPPIS) through issuing of warrants for the monthly emoluments of government Ministries, Departments and agencies by the budget office to the accountant general of the federation. This Aji (2013) noted that disbursement of monies from the consolidated funds must be approved by the minister of finance. Abdulsalam et al., (2020) revealed that prior to this time payments were made using the manual system but the introduction of integrated personnel payroll and information system (IPPIS) mandated the federal government to migrate from the manual to computerized payroll system. This drastic government reform as noted by office of the accountant general of the federation (2013), Aganga (2011) and Obaro (2006) was to mitigate payroll fraud and reduce wastages in management of public funds.

In Kogi State specifically, the federal polytechnic Idah which is a federal government tertiary institution was migrated in February 2020 from the manual accounting payroll system to the computerized accounting system. Though, the federal government had reported to have saved cost through this regime as it has enshrined transparency in the payroll system but the extent of employees satisfaction seems not to be up to expectations as there has been wide complain in terms of payment of income tax as well as other charges. To this end, this paper is set to examine the extent to which application of IPPIS enhances employees' satisfaction in the Federal Polytechnic Idah Kogi State.

Objective of the Study

Generally, this study examines the impact of integrated personnel payroll and information system on employees' satisfaction in Kogi state.

Research Question

The study is guided by this research question:

What is the relationship between adoption of integrated personnel payroll and information system on employees satisfaction?

Statement of Hypothesis

Consequent upon the research objective and research question the study formulates this research hypothesis in its null form to guide the research:

H₁: There is no significant relationship between adoption of integrated personnel payroll and information system on employees satisfaction.

Literature Review

The integrated payroll and personal information system (IPPIS) is seen as an information communications technology (ICT) computerized human resource accounting system initiated and adopted by the federal republic of Nigeria aim at improving payroll efficiency and administration at minimizing fraud and improving payroll accountability (Micah & Moses, 2018, Agbatogun, 2019). This implies that IPPIS creates a viable platform for computerized application in government payroll management considering the fact that it put into consideration employees monthly basic pay, arrears, national housing fund, pension contributions as well as payment of other employees barriers.

Idris et al (2015) argued that IPPIS has a direct link with personnel costs and personnel cost is seen as the cumulative remuneration both in cash, kind payable by an employer to employee for a specified period. To this end, personnel costs are seen to be linked with employees' compensation and fringe benefits. Though, the main philosophy of introducing IPPIS according to Ibanichuka and Sawyer (2019) is targeted at reducing fraud in personnel costs address challenges of the over bloated personnel costs but sustaining employees motivation towards improved service delivery is tied to their adequate compensation. Thus, employees' compensation could be executed through full time or part time but in the case of federal government payroll it is full time which is in form of salaries and wages, bonuses fringe benefits, insurance scheme, pension funds, stock purchase plans, savings scheme, personnel income tax, cooperative contributions and loan deduction as well as union dues. However, most of these are not covered by the integrated personnel payroll and information system (IPPIS) and this have caused series of industrial disputes between the federal government of Nigeria (FGN) and employees in the education sector specifically the polytechnic sector. For example, the continuous agitations to boycott the personnel capturing in 2019 as well as the recent industrial strike embarked upon by the Academic Staff Union of Polytechnics (ASUP) in April, 2021 were clear evidences. All these had posed serious challenges on the level of employees' productivity in the polytechnic sector in Nigeria.

Employee Satisfaction

Adenike et al (2017) sees satisfaction as the state of fulfillment. Employee satisfaction is seen as a pleasant state of employees' experiences in the place which propel them to carry out their tasks satisfactorily. Thus, employee satisfaction is the cumulative state of employees' general, moral, social and psychological state of mind which drives them towards improving their tasks in the work place. However, Adeniji (2011) and De-Lourdes et al (2011) linked employees' satisfaction with the labour market behavioural pattern. It is worthy to note that employees' satisfaction apart from improving the organizational productivity also significantly enhances employees general wellbeing thus helps to integrate the overall interests of both the employer and employees. Again, Oladipo et al noted that employee satisfaction as an essential facets of employees work life could be enhanced through adequate pay, frequent promotion as well as good policies and programmes that guarantees not only employees income but do not also create any avenue to reduce such pay. Regrettably though, Adenike et al (2017) and Oladipo (2017) revealed that the implementation of IPPIS seems to have threatened employees satisfaction considering the issues surrounding its implementation.

Table 1: Overview of implementation of IPPIS in MDAS

S/N	MDAs	Nominal roll pre IPPIS	Nominal roll post IPPIS	Difference	Percentage of Ghost workers
1	Budget office of the federation	1500	340	1160	77.33%
2	National planning commission	1000	251	749	74.90%
3	Office of secretary to the Govt, of the federation	1773	449	1324	74.68%
4	Public service institute	69	23	46	66.67%
5	Fed. Ministry of Niger Delta	501	176	325	64.87%
6	Fed. Ministry of information	6500	2785	3715	57.15%
7	Fed. Ministry of work	10,000	4833	5167	51.67%
Total	7	21343	8857	12486	472.75%

Source: Okoye, Okoye Ndubuisi (2017), Chima, Ahmadu & Folo runsho (2019).

Table 1 above revealed the pre and post implementation of IPPIS in seven MDAs, the table is aimed at exploring the general overview of how such implementation has strived in these MDAs,. Though, this research covers the Nigerian polytechnics which fall under the ministry of education but it is not

covered here considering the fact that such implementation just took off about a year ago. Again, the capturing of some employees is still ongoing thus this research does not necessarily need to cover the extent of implementation yet. However, reviewing the MDAs, which has been captured before this time will provide an empirical and theoretical backing. The table revealed that a total of 21343 were in the nominal roll before the capturing in IPPIS across the seven MDAs but after the capturing in IPPIS only 8857 were captured giving difference of 12486. Specifically, about 77.3% were the percentage of ghost workers in budget office of the federation 74.90% in national planning commission, 74.68% in office of the secretary to the government of the federation, 66.67% in public service institute, 64.87% in Federal ministry of Niger Delta, 57.15% in federal ministry of information and 57.15% in federal ministry of works and housing giving a total of about 472.75% ghost workers in the seven MDAs. Hence, the implementation of IPPIS is not a wrong move as it had proven to improve efficiency in personnel pay-rolling as well as reduces fraud but its implementation in the polytechnic sector seems not to be properly domesticated considering its peculiarity. Hence, the contending issues by stake holders in the polytechnics in Nigeria which among others border on employee sabbatical leave, tax administration, union levies, national housing funds when properly addressed and domesticated in the IPPIS across Nigerian polytechnics would guarantee employees satisfaction towards improve service delivery.

Theoretical Review

This research on integrated and personal payroll information system and its impact on employees' satisfaction examine public finances management theory. The public finance management theory assumes that the cumulative aspects of financial resources mobilization as well as expenses should be well managed in such a way that government utilizes such for the overall benefits of the citizenries. Abdulsalam et al (2020) noted that the theory posits that financial resources should be mobilized through an institutionized budgetary processes, programmes prioritization as well as exercising full control of such resources against public threats. This theory is relevant to the research because it considers public finance management and the fundamental aim of initiating IPPIS is towards efficient management of public funds targeted at waste minimization, transparency, accountability hence, the theory of public finance management theory is adopted for this research because apart from its relevance and applicability, its overall interest would also propel employees satisfaction.

Research Methodology

The study adopts the research design which is a technique involving surveying respondents by collecting responses for the purpose of analysis. Hence, the primary data obtained were through a structured questionnaire and the collected data were subjected to descriptive and parametric statistical analysis. Again, population of this research comprised the entire employees of who receives their monthly salaries through IPPIS in Nigeria but specifically covered employees in The federal polytechnic Idah, Kogi state. To this end, the total population is 1100. The research adopts Godden' statistical formula which is statistical technique for determination of sample size therefore, in using the Godden statistical formula we have:

The Godden (2004) formula denoted as.:

$$SS = \frac{Z^2 (P) (1 - P)}{C^2} \quad \text{-- equ (1)}$$

$$\text{New SS} = \frac{\text{SS}}{1 + (\text{SS} - 1)} \quad \text{Population} \quad \text{equ (2)}$$

Where SS = Sample size
 Z = Confidence level 95 %
 P = Percentage of population (50%)
 C= Confidence interval = 5 % (0.05)

$$\text{SS} = \frac{1.96^2 (0.5) (1 - 0.5)}{0.05^2} \quad \text{equ (1)}$$

$$\text{SS} = \frac{3.8416 (0.5) (1 - 0.5)}{0.0025}$$

$$\text{SS} = \frac{0.9604}{0.0025}$$

$$\text{SS} = 384$$

$$\text{Population} = 1100$$

$$\text{New SS} = \frac{384}{1 + (384 - 1)} \quad \text{Population} \quad \text{equ (2)}$$

$$\begin{array}{r} 384 \\ \hline 1 + 0.349 \\ \\ SS = \quad 384 \\ \hline 1.349 \end{array}$$

$$\text{New SS} = 285$$

Therefore, the sample size = 285

However, out of the total questionnaire distributed only 242 were duly completed and returned giving a retrieval rate of 85%.

The research collected data using the primary sources. The questionnaire was the source of primary data therefore; the study designed a structured questionnaire which was close ended questionnaire while a five- point Likert-scale responses of strongly agree, Agree, Undecided, Disagree and strongly disagree was used.

The study adopted both descriptive and parametric statistics in analyzing the data. Therefore, the inferential statistics was used in testing the earlier formulated hypothesis and the simple regression analysis which is an inferential technique of examining the relationship of the independent on dependent variables was used. The study tests one hypothesis using the linear regression statistical analysis using Statistical Packages for Social Sciences (SPSS). The independent variable is adoption of integrated personnel payroll and information system and the dependent variable is employees satisfaction. The analytical approaches adopted are the model summary and coefficients. The decision rule is to accept P. value if the alpha value is ≥ 0.05 otherwise the null hypothesis be rejected.

Table 2: Descriptive statistics of IPPIS Adoption

S/N	Adoption of IPPIS	SA 5	A 4	V 3	D 2	SD 1	N	Mean	Decision
1	Adoption of IPPIS promote accountability	85(35.1%)	20(20.7%)	41(16.9%)	36(14.8%)	30(12.3%)	242	3.51	Accepted
2	Adoption of IPPIS has facilitated mitigation of payroll frauds	92(38%)	61(25.2%)	46(19%)	20(8.3%)	23(9.5)	242	3.7	Accepted
3	IPPIS promotes job security in the polytechnic system	80(33%)	79(32.6%)	66(27.3%)	10(4.1%)	7(2.9%)	242	3.89	Accepted
4	IPPIS covers interest of all critical stakeholders	20(8.26%)	20(8.26%)	11(4.54%)	106(43.8%)	89(36.78%)	242	2.06	Rejected
5	Adoption of IPPIS has been able to broaden employment opportunities	98(40.49%)	98(40.41%)	40(16.53%)	10(4.1%)	21(8.68%)	242	3.90	Accepted

Source: Research Survey, 2021

Table 2 shows the responses to likert-scale questions, the mean . For the question on whether adoption of IPPIS promotes accountability the responses show that 85 respondents representing 35.6% strongly agreed, 20(20.7%) agreed, 41 (16.9%) were undecided, 36 (14.8%) disagreed and 30 (12.39%) strongly disagreed. The mean value is 3.51 which means that most respondents strongly agreed since the mean value >3.00.

For the question on whether adoption of IPPIS facilitates mitigation of payroll fraud 92 (38%) strongly agreed, 61 (25.2%) agreed, 46 of the respondents (19%) were undecided, 20 of the respondents (8.3%) disagreed while 23 (9.5%) strongly disagreed. This implies that most of the respondents agreed since the mean value 3.74 justify mean > 3.00.

The question on whether adoption of IPPIS promotes job security in the polytechnic system 80 respondents representing (33%) strongly agreed, 79 (32.6%) agreed, 66 of the respondents (27.3%) were undecided, 10 respondents (4.1%) disagreed while 7 respondents (2.9%) strongly disagreed. Thus it means that most of the respondents agreed since the mean shows 3.89 justifying > 3.00.

More so, for the question on whether IPPIS covers the interest of all critical stakeholders, 20 respondents representing 8.26% strongly agreed, 16 respondents (6.61%) agreed, 11 respondents (4.5%) were undecided, 106 respondents (43.8%) disagreed while 89 respondents (36.78%) strongly disagreed. Thus it means that most of the respondents disagreed since the mean shows 2.06 which is less than 3.00.

Finally, for the question on whether adoption of IPPIS has been able to broadened employment opportunity, 98 respondents representing 40.49% strongly agreed, 73 respondents (30.16%) agreed, 40 respondents (16.53%) were undecided, 10 respondents representing 4.1%

disagreed while 21 respondents representing 8.68% strongly disagreed. This implies that most of the respondents agreed since the mean value 3.90 justify mean > 3.00.

Table 3: Descriptive statistic on employee satisfaction

S/N	Employees satisfaction	SA 5	A 4	V 3	D 2	SD 1	N	Mean	Decision
1	If all salient issues pertaining IPPIS are address, I will be satisfied	92(38%)	59(24.4%)	55(22.73%)	16(6.6%)	20(8.26%)	242	3.77	Accepted
2	My remuneration is commensurate with other similar institutions in Nigeria	86(35.54%)	67(27.69%)	49(20.25%)	15(6.19%)	25(10.33%)	242	3.72	Accepted
3	I perceived that if peculiarity of the polytechnic system is considered my take home pay will improve	74(30.29%)	83(34.29%)	40(16.53%)	24(9.92%)	21(8.68%)	242	3.68	Accepted
4	I am wiling to remain in his institution as long as possible	88(36.36%)	69(28.51%)	53(21.9%)	12(4.96%)	20(8.26%)	242	3.80	Rejected
5	The way and manner charged are made in my salaries discourage me.	87(35.9%)	60(24.8%)	41(16.9%)	31(12.8%)	23(9.5%)	242	3.65	Accepted

Source: Research Survey, 2021.

Table 3 shows the responses to likert-scale questions, the mean. For the question on whether if all salient issues pertaining IPPIS are addressed the employees will be satisfied the responses show that 92 respondents representing 38% strongly agreed, 59(24.4%) agreed, 55 (22.37%) were undecided, 16 (6.61%) disagreed and 20 (8.26%) strongly disagreed. The mean value is 3.77 which means that most respondents agreed since the mean value >3.00.

For the question on whether the respondents remuneration is commensurate with other similar institutions in Nigeria 86 (35.54%) strongly agreed, 67 (27.69%) agreed, 49 of the respondents (20.25%) were undecided, 15 of the respondents (6.19%) disagreed while 25 (10.33%) strongly disagreed. This implies that most of the respondents agreed since the mean value 3.72 justify mean > 3.00.

The question on whether the respondents income would improve if the peculiarity of the polytechnic system is considered in IPPIS implementation 74 respondents representing (30.58%) strongly agreed, 83 (34.29%) agreed, 40 of the respondents (16.53%) were undecided, 24 respondents (9.92%) disagreed while 21 respondents (8.68%) strongly disagreed. Thus it means that most of the respondents agreed since the mean shows 3.68 justifying > 3.00.

More so, for the question on whether respondents are willing to remain in the institution as long as possible, 88 respondents representing 36.16% strongly agreed, 69 respondents (28.5%) agreed, 53 respondents (21.9%) were undecided, 12 respondents (4.96%) disagreed while 20 respondents (8.26%) strongly disagreed. Thus it means that most of the respondents agreed since the mean shows 3.80 justifying > 3.00 .

Finally, for the question on whether the way and manner charges are made on employees salaries through IPPIS discourages them, 87 respondents representing 35.9% strongly agreed, 60 respondents (24.8%) agreed, 41 respondents (16.9%) were undecided, 31 respondents representing 12.8% disagreed while 23 respondents representing 9.5% strongly disagreed. This implies that most of the respondents agreed since the mean value 3.65 justify mean > 3.00 .

Data Analysis and Results

Test of Hypothesis

Hypothesis 1

There is no significant relationship between adoption of integrated personnel payroll and information system on employees satisfaction

Table 4. Model Summary
 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.825 ^a	.795	.784	.32213	.014

a. Predictors: (Constant), IPPIS

b. Dependent Variable: Employees satisfaction

Table 4 shows that the dependent variable (employees' satisfaction) affect independent variable (IPPIS) as indicated by R of 0.825. The coefficient of determination R² (R square) which measures the percentage of the total change in dependent variable that can be explained by independent variable indicating that IPPIS increase 0.795 which means that IPPIS is affected about 80% of employees satisfaction. This also implies that a 1% increase in adoption of IPPIS will lead to about 80% effect on employees' satisfaction. However, this could be overstated so the adjusted estimate for the whole result was explored and it also gives 0.784.

Table 5.
 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.128	.019		2.282	.000
	IPPIS	.326	.017	.324	25.71	.000

a. Dependent Variable: Employees satisfaction

To test the significance of the regression for the two variables IPPIS (independent variable) and employees satisfaction (Dependent variable) the P-value was considered. The result shows that the average employees' satisfaction is 0.128 when IPPIS is zero. Again, the t-test value is 2.282 and its sig-value is 0.000 which is less than alpha value of 0.05 hence, it means that it is statistically

significant. This implies that without the influence of IPPIS the average employees' satisfaction is 0.17. The average rate of employees' satisfaction resulting from IPPIS is 0.324. The IPPIS value of 25.71 and its sig-value is 0.000 which is less than alpha value of 0.05. It means that it is statistically significant. Hence, single unit change in IPPIS is influenced by employees' satisfaction which means that the null hypothesis that there is no significant relationship between adoption of integrated personnel payroll and information system on employees satisfaction is rejected.

Conclusion

From the empirical evidences in this research the study concludes that adoption of IPPIS serve as veritable tools in preventing fraud and enshrines efficiency and accountability in the payroll system of the Nigeria polytechnics. However, the study noted that employees' satisfaction in this sector has been threatened considering the non-domestication of the system which does not capture the peculiarities in the polytechnic system.

Recommendations

Based on the findings and conclusion from this research the study recommends that adoption of IPPIS in the polytechnic system be reviewed and all critical stakeholder be consisted to that salient issues that are peculiar to the polytechnic system be tackled. Through this avenue, the implementation of IPPIS in the polytechnic system will be smooth thereby strengthening efficiency and service delivery in the polytechnic system through employees' satisfaction.

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