

## PRELIMINARY ASSESSMENT OF THE IMPLEMENTATION OF THE SINGLE SPINE PAY POLICY IN GHANA

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### ABSTRACT

This study sought to examine the implementation of single spine pay policy in the Ghanaian public sector organizations. Using case study approach, the study highlighted the perception of workers about the single spine salary structure. The findings indicated that majority of the respondents understood the rationale of the new salary structure and there were indications that the job performance of beneficiaries have improved.

**Key Words:** *Employees, compensation, single spine pay policy, single spine salary structure.*

### Introduction

Armstrong (2010) posited that compensation management is one of the most valuable element of a company's human resource strategy which helps an organisation to compete effectively and achieve success in a nation's economy. An effective compensation management strategy helps to keep human resources budget under control and to manage jobs effectively. Single spine salary structure (SSSS) refers to having a distinct pay plan whereby employees on the same pay scale are paid equally (Ankomah, 2009). Every job is valued and put on a point, for instance from one (1) to three hundred (300) and given equal weight and placing at the same point. The ultimate goal for the SSSS is to ensure equity, fairness, and transparency in remuneration as well as enhance performance and productivity of workers.

Article 24(1), chapter five (5) of the 1992 constitution of Ghana states that, "Every person has the right to work under satisfactory, safe, and healthy conditions, and shall receive equal pay for equal work without distinction of any kind." Likewise, section 68 of the Labour Act, 2003 (Act 651) also states that, "Every worker shall receive equal pay for equal work without distinction of any kind".

In view of the above and other merits, the government of Ghana deemed the Single Spine Salary Structure very important in improving the conditions of service in the Ghanaian public service through ensuring equity, fairness, and transparency in the public service pay administration. The Ghana public service as defined by Article 190(1), chapter fourteen (14) of the 1992 constitution includes:

- (a) the Civil Service, the Judicial Service, the Audit Service, the Education Service, the Prisons Service, the Parliamentary Service, the Health Service, the Statistical Service, the National Fire Service, the Customs, Excise and Preventive Service, the Internal Revenue Service, the Police Service, the Immigration Service; and the Legal Service;
- (b) Public corporations other than those set up as commercial ventures;
- (c) Public services established by this Constitution; and
- (d) Such other public services as Parliament may by law prescribe.

This major service sector of the country has over the years been plagued by agitations and strikes by some workers as a result of salary distortions in the then Ghana Universal Salary Structure (GUSS) which was posing immense threat to the country's industrial harmony. In 2006, the Government of Ghana, in its determination to improve public service pay and performance, began this comprehensive grading and pay reform initiative to address perceived and real inequities across the various institutions in the public service. However, there have been several challenges in the implementation of the single spine salary structure.

### **Objectives of the Study**

1. To ascertain the perception of public sector nurses about the SSSS.
2. To ascertain whether the implementation of the SSSS has improved industrial harmony.
3. To assess the impact of the SSSS on the job performance of the Nurses.

### **Literature Review**

#### **Employee Compensation**

Employee compensation is a broad term that defines payments and rewards given to workers in order to persuade them to keep working for a company. Compensation is not just about regular rewards for work done but also attempts made by employers to retain employees. It goes beyond salary and transcends this boundary to include benefits and other incentives. Examples of such are salaries, wages and bonus payments (Scott, et al, 2007).

Organizations put in place schemes that ensure their employees are not lured by the competition. These schemes include insurance schemes, retirement benefits and ownership of company stocks. Employees do not come cheap and employers must be prepared to dig deeper into their pockets to finance their work force. Managers are tasked with determining the value of each employee against the price tag placed by the company (Armstrong, 2010). Organizations employ professionals to assist with compensation matters. Human resource managers or consultants form part of the management and they are charged with drafting and implementing compensation plans by determining salaries and other employee benefits. It is important that employees are kept motivated during their working life in a company as this

ensures they perform well to match the compensation they receive from the organization (Loomis, 2008).

The success of every organization, public or private, depends largely on the availability and quality of well-motivated human resource. Financial motivation and other forms of motivation in the form of rewards and recognitions are used by organizations such as Ghana Health Service to achieve higher productivity. It is believed that, money is a crucial factor in motivating people in organizations, of which Nurses are not exception (Shields, et al 2009). Most Organizations are able to meet set targets or even exceed because they have attractive reward and recognition systems for employees (Baumruk, 2004).

Compensation is a way of determining adequate and equitable remuneration to an employee for his/her contribution to the organization (Bloom & Michael, 2002). Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes; assisting in recruitment, job performance, and job satisfaction (Redling, 2008).

### **Single Spine Salary Structure in Ghana**

According to Ankomah (2009), having employees with the required qualification, skills and abilities to perform their job well is only part of the equation and will not automatically result in improved job performance. A fair and transparent employee reward system and other innovative strategies that include supportive working environments or positive work climate, job enrichment, educational opportunities, etc. are seen as some of the ways to transform the overall context in which employees deliver their work, enhance their motivation and consequently improve the overall performance of the organization.

Employee reward is defined as ‘all of the monetary, non-monetary and psychological payments that an organization provides to its employee in exchange for the work they perform (Armstrong, 2010). The overall aim of employee reward, according to Armstrong, is to support the attainment of the organization’s strategic and short-term objectives by helping to ensure that it has the skilled, competent, committed and well - motivated workforce, (Armstrong, 2010).

Pay is one aspect of an employee reward. It can be a fixed salary or wage that constitutes the rate for a job. It may be varied according to the grade of the job or, for manual workers, the level of skill required. Pay is influenced by internal and external relativities. The internal relativities may be measured by some form of job evaluation. External relativities are assessed by tracking market rates. Alternatively, levels of pay may be agreed through collective bargaining with trade unions or by reaching individual agreements, (Armstrong, 2010).

Pay is important to both employees and employers. From employees’ view point, pay should satisfy basic material needs, provide an incentive to work, develop skills and satisfy basic status needs, along with the concepts of work equity. Although the intensity of pay as

incentive may vary from one person to another, in our society, pay in addition to satisfying the basic wants, symbolizes status, prestige and achievements (Rashid & Archer, 1993).

From employers' perspective, as noted by Baah (2007), pay should attract suitable employees and encourage them to stay and to develop their skills and abilities, but at the same time, it should be linked satisfactorily to the employer's financial position and to the employee's productivity and efficiency. Government, just like the employers, is also concerned about pay because of the need to ensure value for money and also the impact it has on national budget and other vital economic variables such as inflation and employment levels (Rashid & Archer, 1993). The SSSS is a unified salary structure that places all public sector employees on one vertical structure, making sure that jobs within the same job value range are paid within the same pay range. It replaced all existing salary schemes within the public service of Ghana. In the months prior to the policy's implementation, various labour groups took diverse positions on certain aspects of the policy.

### Research Methodology

The study utilized a descriptive research design. Survey in the form of cross sectional study in which data was collected once across a population through sampling was undertaken. One hundred nurses were selected using convenience sampling technique. The questionnaires were administered by research assistants to nurses of four public hospitals and polyclinics in the Greater Accra region of Ghana. The sample size was 100, made up of 30 midwives, 30 senior nurses, and 40 junior nurses. The sample size of 100 was chosen because of time and financial resource constraints. Data was analyzed using descriptive statistics.

### Results and Discussion

An analysis of the profiles of respondents indicates that a great number of Nurses (56.6%) are quite youthful and energetic and fall between the ages of 20 and 30. A minority of 14.5% of the sample age from 51 - 60 years partook in the study. The data gathered showed that, the nature of the industry attracts more females than males as most of the respondents (77.1%) were females and (29.9%), males. Majority of the respondents (65%) were diploma holders.

#### Objective one: to ascertain the perception of public sector nurses about the SSSS

Respondents were asked to state their views on various statements regarding the implementation of the single spine salary structure. A total number of (86.7%) of the respondents either strongly agreed or agreed to the statement that the new salary structure would introduce fairness in the salaries of public servants. This means that majority of workers understood the rationale for the introduction of the new pay policy. 37.3% of the respondents strongly agreed that the policy has been politicized, (21.7%) agreed, (18.1%) disagreed been it politicized, (13.3%) were neutral while (9.6%) of the respondents are of the view that the policy has not been politicized. This means that the respondents are of the view that the policy is been politicized which therefore bringing so many issues arising the public sector especially industrial unrest, in which due care must be taken by distinguishing the policy from the politics.

### Objective two: To ascertain whether the implementation of the SSSS has improved industrial harmony

The respondents were asked whether the implementation of the SSSS has led to more industrial strikes by workers. 79 percent agreed that the implementation of the new pay policy has indeed contributed to more agitations and industrial unrest on the labour front. This suggests that one of the main objectives for the introduction of the new pay policy is yet to be realized.

### Objective Three: To assess the impact of the SSSS on job performance of the Nurses

The respondents were asked whether the implementation of the SSSS has improved work performance of beneficiaries. Majority of the respondents representing (89.2.5%) agreed that performance has improved due to a boost in employee morale after their migration on the single spine salary structure.

### Conclusions and Recommendations

The outcome of the study suggests that compensation is crucial to the well-being of every organisation. The study reveals that appropriate employee compensation is related to employee's motivation and job satisfaction, and as such the SSSS policy is a foot in the right direction to get public sector service attractive and productive. This preliminary study should inform the implementing agency of the SSSS to continue to work assiduously to achieve all the set goals for the new pay policy and serve as an impetus for the growth of the Ghanaian economy.

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