The Influence of Overtime Allowance on Employee Regularity in Cement Manufacturing Companies in South-South, Nigeria

Sunday Isaac Eneh, Ph.D.  
(Corresponding Author)  
Department of Business Management  
Faculty of Management Sciences  
University of Calabar, Calabar.  
E-mail: sunnyisaaceneh@gmail.com

Joseph A. Anyadighibe, Ph.D.  
Department of Marketing  
Faculty of Management Sciences  
University of Calabar, Calabar.  
E-mail: janyadighibe@yahoo.com

Pepple, Grace Jamie  
Department of Business Management  
Faculty of Management Sciences  
University of Calabar, Calabar  
Email: gracepepple123@gmail.com

Abstract

The study examined the relationship between overtime allowance and employee regularity in cement manufacturing companies in South-South, Nigeria. Data for the study was collected using structured questionnaire administered to 310 staff of cement manufacturing companies in South-South, Nigeria. The sample size was scientifically determined using Taro Yamane sampling determination formula. Statistical tool used for analysis was Pearson product Moment Correlation Coefficient. Findings revealed that overtime allowance has significant relationship with employee regularity in cement manufacturing firms in South-South, Nigeria. The study recommended that Cement manufacturing companies in South-South, Nigeria should intensify effort to ensure that employees are given what is due to them especially overtime allowance, without, any delay. They should seriously consider overtime allowance as an important extrinsic reward factor that influences employee regularity.

Keywords: Overtime, employee regularity, organizational remuneration, and employee motivation

1. Introduction

The application of overtime allowance in most manufacturing companies has been considered as an incentive to motivate and increase workers performance. In order to compete favourable in the market, many organizations to incentive programme in place to compensate and reward performance of employees who perform more than expectation (Olubusayo et al., 2014). Good incentive has been found over the years to be one of the policies the organization can adopt to increase their performance and thereby increase organization productivity. With the present global economic trend, most employer of labour has realized the fact that for their organizations to compete favourably, the performance of their employee goes a long way in determining the success of the organization (Muogobo, 2013). The need for overtime has been subjected to some confusion in many organizations. Some perceived overtime as expensive approach to undertake, while others sees it as often cheaper than for organization to add more employees considering the cost of hiring, training and benefits accrued (Capshaw et al., 2011). Therefore, overtime is a good choice for employers in many situations as it promotes employee regularity and it allow employer to response quickly to any form of variation in an organization in order to remain competitive.

Management of individual performance within manufacturing companies has traditionally centered on assessing performance and payment of overtime allowance. Though effective performance is seen as the result of the interaction between individual ability and motivation, it is increasingly being recognized that planning and an enabling environment have a critical effect on the individual performance based on payment of allowance.

Policies and practice of human resource have therefore affected the individual performance and job satisfaction to be regular in workplace for efficient realization of the strategic goal of the organization in a dynamic environment for business to thrive.
1.1 Statement of the problem
The success of any organization in an evolving business environment depends on how sustained it is in delivering high quality products and services and despite sustainable performance which is learnable it is a significant concern that many organizations are still not able to achieve high performance due to inadequate application of overtime payment for employee regularity in organization. The organization approach to motivation in Lafarge Africa Plc has inhibits the drive for workers to achieve organizational goals through monetary incentive to workers extrinsically for realization of organization’s mission and vision. Though employees are increasingly aware that motivation increases productivity, its application may determine to large extent the success or failure of achieving the set objectives of the organization

1.2 Study objectives
The objective of the study is to assess the influence of overtime payment on employee regularity in Cement Manufacturing Companies in South-South, Nigeria

1.3 Research hypotheses
H₀ Overtime payment does not relate to employee regularity in Cement Manufacturing Companies in South-South, Nigeria
H₁ Overtime payment relates to employee regularity in Cement Manufacturing Companies in South-South, Nigeria

2. Literature review
2.1 Overtime allowance in relation to employee regularity
Employee reaction to work overtime requires financial promises from the employer and this serve as motivation. A manager has to assess his employees to know what they required to complete overtime hour with a positive attitude (Measom, 2011). Employee need to be made known that working overtime helps to meet the organization goals. For instance, in cement industries employees who worked for forty hours in one month may earn the equivalent of half his monthly salary on top of his regular monthly salary. A manager has to recognize each employee’s overtime services with words of appreciation or shake their hands with each employee. This act would help employees to be motivated and have behaviour for continuous overtime work. The need for overtime is to allow a manager to effectively manage higher workload without improving the staffing level of an organization. It provides employee with source of supplemental information without having to spread their loyalty to other employers. The application of overtime is seen as a tool for meeting workload demands while minimizing cost and maximize employee. In contemporary business organization, overtime allows employers to quickly respond to short-term variation in workload while having to pay for the time it is needed. Overtime can improve the organization’s competitive position in the local labor market because so many employees like the extra income. Overtime pay is a cash payment for work performs beyond the regular working hours in a day and those performed on rest days, holidays and nonworking days. Thus, it is a work that is perform over forty hours by an hourly worker in an organization

The success and survival of any organization are determined by the way the workers are remunerated and rewarded. The reward system and motivating incentive such as overtime allowance determine the level of employees’ commitment and their attitude to work. It must be noted that poor incentive packages have been a major factor affecting employees’ commitment and productivity. However, for any organization to achieve its objective, employers of labour must have a thorough understanding of what drives the employees to perform efficiently and reward them accordingly (Mueller, 2011). Besides, employers must be motivated through adequate overtime allowance and this will invariably encourage them to be proactive and right attitude to work, thereby promote organizational productivity (Armstrong, 2007).

Belcher (2016) noted that mandatory overtime is necessity for company to meet its financial and production goals. The apparent advantage of overtime for employees is the extra cash they receive from the hourly work. Mandatory overtime periods arise from the busy sales season which makes them entitled to the cash as they work. Increased productivity is another reason for overtime payment and this make employee to get the benefit of increased levels of productivity. Hence, as more task is performed over long hours for products to be delivered, employees are gain more profit from the increased output of the company. In a dynamic business environment, effective management of overtime in organization is important to know what the company currently incurs. An audit on overtime will help the manager to know the seasonal pattern of overtime.

One of the causes of overtime in an organization may be lack of staff to cover the expected period of production. However, the option of employing temporary staff or subcontractor may be the right solution, but there is a need to weigh the cost of training and paying additional workers versus the availability of the existing employees and cost of paying them overtime premium. A manager that does not want to hire staff is expected to train the employees to perform the tasks for multiple positions to reduce overtime. This will give the organization the flexibility to easily reallocate employees when faced with unexpected increase in demand or shortage of labour.
This will minimize the dependency on certain groups of employees who are required to work overtime due to their expertise in their position. In addition, the managing overtime involves knowing the current overtime situation (LOKI, 2015). This will involve applying workforce management tool to gain data for the business operation. These strategies will help to ensure that overtime is not an antagonizing liability to the organization.

In practice, overtime pay in an organization entails additional pay for work performs in excess of eight (8) hour a day or time worked in excess of 40 hours per week. Overtime may be seen to be expensive but it is often cheaper than adding more employees when considering the cost of hiring, training, and benefits. In order word, work carried out beyond normal fixed working hours is known as overtime. The importance of overtime in an organization is that it allows employers to respond quickly to short-term variation in workload or staffing, while only having to pay for the time it is needed (Capshaw, Dillingham, & Oliver, 2011). Overtime can improve the organization competitive position in the local labour market because so many employees like extra income. Capshaw et al. (2011) further stressed that to minimize problem with overtime, managers need to keep eye on both the overall and individual hours. Managers should monitor absences to better understand why they are occurring and whether they follow a pattern from year to year. They should have a good understanding of the facility’s workload. Managers should review the organization’s overtime distribution policies to ensure they are fair, effective and provide adequate protection for the employees. It must be noted that overtime can be beneficial for both employee and companies. It provides the company with the flexibility to cover unexpected absences and changes in demand without hiring more staff and it gives employee extra income at a premium rate. The practice of overtime is associated with issues in organizations. However, varieties of ways of mitigating the negative effects of overtime varies among organizations based on the company, size, work environment and other related factors. Hence, the approach for effective overtime involve reducing unscheduled absences by addressing the cause; ensuring that staff levels are appropriate and the meet varying demand throughout the period; reviewing policies and procedures to ensure that they do not encourage excessive overtime; and taking steps to increase productivity during the regular work period (Circadian, n.d.). Based on these, it is apparent the overtime enables manager to manage effectively higher workload without increasing staffing levels. It further provides employees with a source of supplemental income without having to spread their loyalty to other employers. Overtime in many organizations have become powerful tools for meeting workload demands while minimizing costs and maximizing employee compensation and satisfaction.

Where an employee is entitled for working overtime and they work more than their normal hours then they need to be paid for the overtime that they work. There are no legal requirements to pay overtime above the normal rate of pay after working a certain number of hours in a day or week (FAQ Knowledgebase, 2011). In an addition, whether overtime rate will be paid is matter for negotiation between an employer and an employee. It is apparent that best practice would be to include any agreed overtime rates in the employment agreement so both parties are clear about the terms and conditions when the employee works more than their normal hours. Also, in a situation where an employee worked exceedingly above their normal hour and believe they have not been compensated for their efforts, they are expected to discuss it with the employer in order for the employer to be clear on the issue and respond positively to the employees.

Carter and Neiji (2014) in their study on Japanese employment law revealed that the minimum overtime allowance is 125 percent of the employee’s salary and there is an allowance of 25 percent of salary for late-night work between 10pm and 5am. The researcher stated that there are numerous types of overtime allowances such as overtime on a rest day, late-night overtime on a rest day, and overtime in excess of 60 hours per month that can increase the allowance to up to 175 percent of the employee salary. According to Carter and Neiji (2014), managers’ do not receive overtime allowance but are entitled to late-night work allowance. Hence, employers are required annually renew a labour-management agreement with the representative of a majority of the employees before requiring any employee to work overtime.

2.2 Employee remuneration

Good remuneration has been found to be one of the policies that organizations adopt to increase their workers performance and thereby increase the organizational productivity. With the present global economic trend, it is realized that most employers of labour have seen the need for their organization to compete favourably to ensure that the performance of their business goes a long way in determining the success of the organization (Francis, 2011).

The effect of remuneration on employee performance is that performance is vital not only for the growth of an organization but also for the growth of individual employees. An organization has to know its outstanding workers, and those who need additional training and those not contributing to the efficiency and welfare of the organization.

Remuneration is a strategic and decisive role played by human resource manager which has determined the success of organization in achieving its set objectives. Remuneration entails benefits that can be salary, honoraria, fixed allowances, incentives, and bonuses for achievement, termination or retirement (Baba & Si, 2015). Remuneration is defined as the external agent administered when a desired act or task is performed (Munyua et al., 2015).
Though, it is a method of promoting morale, increasing motivation and foster team cohesion, it is very vital in all organization to achieve maximum efficiency. Employee remuneration also known as compensation occupies an important place in the life of employee. Remuneration to employee can affect their morale and performance in the realms of productivity and promotion of ethical practices within the concerned organization (Qureshi & Sajjad, 2015). Organizations use attractive compensation schemes to attract and retain potential employees. This is because in cement manufacturing the use of remuneration that is attractive is pertinent in all facet of the organization. In the words of Mayhew (2013), remuneration in relation to performance is important to employer, prospect employees and current employees. There is need for current employee to know precisely how their performance is rewarded in an organization. This indicates that employee with high performance will attracts corresponding reward in form of salary increase etc. Also, prospective employees need to understand the rewarding system of the organization in order to make decision. Hence, employer has to develop a compensation structure for performance for the benefit of the entire organization. According to Munyua et al. (2015) remuneration is the compensation an employee receives in return for contribution to the organization and it occupies an important place in the life of an employee. This portrays that the standard of living of employee, his status, motivation, loyalty in the organization and productivity depends upon the remuneration he gets. These constitute the reasons why employees work harder if they are properly remunerated. On the other hand, employee remuneration is significant to employer as it contributes to the cost of production. A well-paid employee will deliver services effectively because his attention is only on the job and that they feel part of the job.

Richason (2017) opines that remuneration can motivate employee to be more productive but does not necessarily be compensation based. Remuneration can also be praise or recognition having a long-term motivation and productivity. Remuneration increases the overall employee morale provided the benefits are regarded as equitable. It increases productivity levels of team member as the team look out for collective good of the team. Remuneration or reward has been a central to employment relationship (Mutuma et al., 2013; Torrington, 2008). Workers are willing to stay in a job where the remuneration has been set at the right level otherwise, they will be persuaded to leave to a better paying job. An effective remuneration system is one that enables an organization to attract, retain and motivate its employees (Okumbe, 2001). The base compensation which is the cash payment or salary paid to employees in return for their standard (optimum) performance enables organizations to attract and retain employees. Mutuma et al. (2013) state that the objectives of remuneration is to enable organization to attract and retain competent career personnel; motivate personnel so as to attain optimum performance; enables organizations to gain maximum service from the employees; helps minimize staff turnover; and enable the personnel to develop confidence in organizations with respect to equity and

2.3 Motivation

Motivation is the driving force that causes a person willing to move the power capability and time to carry out all the activities that have the duty and responsibility so that obligation are met as well as the goals and objectives of the company realized (Baba & Si, 2015). Stoner (2003) is of the opinion that motivation is one of the earliest concepts in management used by managers and researchers. Managers in an organization determine the most efficient way to perform repetitive work and motivate employee with wage incentive system based on the number of products produced, the more that is produced by the employee wages. The underlying is that manager knows about the job better than employees, who are basically lazy and can only be motivated by money. Hence, motivation is an impulse, the desire and level of a person’s willingness to expend effort in order to achieve the best performance. The level of achievement through motivation shows the sense of responsibility, consideration of risk, feedback, innovative creative, task completion time and the desire to be the best.

Motivation is the most pertinent matter for every organization be it public or private sector. For the success of any organization motivation plays an important role. Therefore, all organization encounters the matter of motivation whether they are in public or private sector (Chintallo & Mahadeo, 2013). Motivation is crucial for organization to operate and without it employee will not put up their best and the company performance would be inefficient. Abonam (2011) define motivation is a complex of forces starting and keeping a person at work in an organization. It is the way a person is enthused at work to intensify his desire and willingness to use his energy for the achievement of organization’s objectives. Ajang (2007) supports that it is a behaviour purpose and direction, a predisposition to behave in a purposive manner to achieve specific unmet needs, and unsatisfied need and the will to achieve.Among the financial, economic and human resources, motivation is essential and has the capability to endow a company with competitive edge as compared to others. Employee performance fundamentally depends on motivation to influence performance of employee.

A study by Onollo (2015) expressed motivation as key to successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive. Motivating employees in organization help to broaden their skills to meet the organizational demands. Therefore, all managers in organization must be saddled with the responsibility of working with employee to find out their individual needs and put them side by side to the organization needs. Motivating employee effectively is one of the most important functions of a manager.
Mullins (2005) revealed that though organizations are facing challenges in retaining employees due to limited opportunities for advancement and the current competitive labour market, it does not appear that things will get any better in the future. The loss of employees represents a loss of skills, knowledge and experiences which can create a significant economic impact and cost to corporation as well as impacting the needs of customers. Through motivation employees can assist the organization by improving employee retention. Motivation is therefore a strategic tool for giving employee the right mixture of guidance, direction, resources and rewards to make inspired and keen to work in a that the organization want them to work Motivated employees are more likely to stay and help build and organization to success.

According to Muogbo (2013) motivation formulates an organization more successful because provoked employees are constantly looking for improved practice to do a work. Therefore, getting employees to do their best work even in strenuous circumstances is one of the employees most stable and greasy challenges and this can be made possible through motivating them. In contemporary organizations, employees want to earn reasonable salary and payment, and employers desire their workers to feel that is what they are getting. Money is therefore the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. It is the supremacy to magnetize, maintain and motivate individual towards higher performance (Muogbo, 2013). It is suggested that reward now cause satisfaction of employee which directly influences performance of the employee (Muogbo, 2013). This makes it clear that all business use pays, promotion, bonuses or other types of rewards to motivate and encourage high level performance of employee

Good remuneration in an organization is identified as one of the policies that organization needs to apply to increase the workers performance and thereby increase the organization productivity. Is it visible that employer of labour has to have to realized the fact that for their organizations to compete favourably, the performance of their employee goes a long way in determining the success of the organization. Performance of employee in organization is needful not only for the organization but also for the growth of individual employee. An organization need to understand workers that are outstanding and those that need additional training and those not significantly contributing to the welfare and efficiency of the organization (Akanbi n.d.). Muogbo (2013) stressed that effective reward to influence workers performance to motivate them. The performance of workers has been important due to the increase concern of human resources and personnel experts about the level of output obtained from workers due to poor remuneration. This attitude is also a social concern and very helpful to identify problems that are obtained in industrial setting due to non-challan of managers to manage their workers by rewarding them well to maximize their productivity. Hence, all efforts must be geared toward developing workers interest in their job so as to make them happy in giving their best to their work, this will ensure industrial harmony.

Uzonna (2013) observed that with Herzberg’s two-factor theory of motivation, money is not a motivator. This is based on the fact that today’s workforce is becoming more and more skillful and technologically inclined. Managers have to think of new ways to manage this knowledge. With knowledge and kills come higher salary demands. These knowledge workers will no longer work for nothing. According to Maslow’s hierarchy of needs, people have physical, security, social, ego and self-actualization needs. People are motivated to fulfill high lower level needs before they move on to fulfill higher-level needs, such as ego and self actualization. Knowing what people need help managers to understand how to motivate today’s knowledge workers. Given the fact that these workers command high-paying jobs, it can be admitted that money alone does not provide enough of an incentive as a motivator for performance (Herberg, 1987). Again, managers need to provide challenging jobs order to better motivate today’s knowledge workers. Because the physical or material, and social needs that come with the jobs already fulfilled, these knowledge workers tend to move on to higher-level of needs such as ego (esteem) and self-actualization. Non-cash rewards play an important role in any organization as rewards for exceptional performance are vital for employee motivation. Employees want and needs recognition on the job, and an effective way of satisfying this need is through non-cash reward. Non-cash reward appeal to employees on a personal level.

Employees’ motivation and their ability contribute to employee performance even in difficult task given by manager to get maximum productivity. As a term of psychology most managers who want to maximize output and productivity adopts motivation in a good way and motivates their employee in a better way and this has help to improve the corporation between the manager and the employee (Iqbal et al., 2012). Hence, employee performance needs to be monitor through appraisal using performance management system such as reward and incentive, organization objective, professional development, and day-by day performance to realized the set goals of an organization.

Motivating employee is more fruitful in a workplace so there is a requirement to study what motivate employees for survival of an organization (Smith, 1994). Petcharak (2002) stresses that one of the main functions of human resource manager is to keep employees satisfied with their job and ensure continued motivation of employees. However, where work environment is not satisfactory to employee, his performance become poor and this ultimately results to poor performance of the organization. Ballentine (2003) adds that the reason of rewarding employee is to achieve excellent job performance; provide feedback; make it easier to get work done; encourage employee to be more productive and help management achieve their goals.
To ensure that an organization achieve its goals in an efficient and effective way is to ensure that the reward policy is designed in a way that motivate the workers (Sandilyyan et al., 2012). This will propel optimal performance with better quality outcome.

Remuneration or reward is central to the employment relationship (Mutuma et al., 2013; Torrington, et al. 2008). This has made workers to be willing to stay in a job where the remuneration has been set at the right level otherwise, they will be persuaded to leave to a better paying job. According to Mutuma et al. (2013) an effective remuneration system is one that enables an organization to attract and retain competent career personnel; motivate personnel so as to attain optimum performance; enables organizational to gain maximum return in service from the employee; help minimize staff turnover; and enable the personnel to develop confidence in organization with respect to equity and objectivity.

3. Methodology

The target population of the study was the staff from the Lafarge Africa Plc; Atlas Cement Company Ltd; and the Ibeto Cement Company Ltd with a total of 1,381 staff. The sample size of 310 was scientifically determined using Taro Yamane sampling determination formula. Statistical tool for the analysis was Pearson product Moment Correlation Coefficient. The total of 310 questionnaires was distributed to the respondents in different firms and 308 were returned representing 99%. Survey research design was adopted for this study and questionnaire was used to elicit responses from the respondents. The questionnaire consisted of three parts: The first section relates to personal demographic data, Section two consists of structured questions, section three was made up of open-ended questions.

4. Result

Table 1. Correlation coefficient on the relationship existing between employee regularity and overtime allowance

<table>
<thead>
<tr>
<th>Employee Regularity (Y)</th>
<th>Overtime Allowances (X)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>-0.558**</td>
</tr>
<tr>
<td>Sig. (-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>308</td>
</tr>
</tbody>
</table>

Source: Researcher's Computation, 2021

The table shows correlation coefficient on the relationship existing between employee regularity (dependent variable) and overtime allowance (Independent variable). Using Pearson Product Moment Correlation, the correlation coefficient is -0.558. Thus, there is a negative relationship between employee regularity (Y) and overtime allowance (X). By interpretation, overtime allowances and employee regularity are not directly related suggesting that an increase (decrease) in overtime allowance will result in a decrease (increase) in employee regularity. However, coefficient of correlation cannot be interpreted, only its sign is useful. The correlation coefficient (r) was transformed to r (coefficient of determination) which shows the proportion of total variation in the dependent variable that is explained by the independent variable. Therefore, r = -0.558, r² = 0.311364 or 0.31. This means that 31 percent of total variation in employee regularity is explained by overtime allowance.

Table 2. Testing Employee Regularity (Y) and Overtime Allowance (X)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>5.566</td>
<td>.112</td>
<td>49.782</td>
<td>.000</td>
</tr>
<tr>
<td>1</td>
<td>Overtime Allowance (X)</td>
<td>-0.326</td>
<td>-0.558</td>
<td>-11.756</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Regularity

T-test was employed in testing hypothesis three. This test captures the individual significance of the parameter estimate. The t-calculated value is -11.756 while its P-value is 0.000. At 5% level of significance using two-tailed test, the t-tabulated value is 1.960. If the t-calculated value > t-tabulated value, reject the null hypothesis, otherwise accept the null hypothesis. Using 5% level of significance, t-calculated absolute value (1.756) > t-tabulated value (1.960), therefore, the null hypothesis was rejected and it was concluded that there is significant relationship between overtime allowance and employee regularity in cement manufacturing firms in South-South, Nigeria.
5. Discussion of findings

The objective of this study was to examine the relationship between overtime allowance and employee regularity in the studied firms. Two questions (number 7 and 10) in the questionnaire were used to generate two data sets for employee regularity (Y) and overtime allowance (X). Response on question number 7 in the questionnaire revealed that, 152 and 85 respondents representing 49.4% and 27.6% agreed and strongly agreed that overtime allowance influences employee regularity. 49 respondents representing 15.9% disagreed. While, 22 respondents representing 7.1% were undecided. Response on question number 10 in the questionnaire revealed that, 169 and 115 respondents representing 54.9% and 37.3% agreed and strongly agreed that employee regularity is influenced by overtime allowance. While, 24 respondents representing 7.8% disagreed.

The response rate explained that overtime allowance is related with employee regularity in the studied firms. Pearson product moment correlation coefficient showed a negative significant relationship of -0.558 existing between employee regularity and overtime allowance. The correlation coefficient (r) was transformed to \( r^2 \) (coefficient of determination) which shows the proportion of total variation in the dependent variable that is explained by the independent variable. Therefore, \( r^2 = 0.31 \) 1364 or 0.31. This means that 31 percent of total variation in employee regularity is explained by overtime allowance. Moreso, in testing the hypothesis, the covariates (employee regularity and overtime allowance) were subjected to t-test in order to determine the significance of the correlation. Using 5% level of significance, the absolute t-calculated value (1 756) > t-tabulated value (1.980). Therefore, the null hypothesis was rejected and it was concluded that overtime allowance has significant relationship with employee regularity in cement manufacturing firms in South-South, Nigeria. Overtime allowance in the organization is determined when employees work more hours in a month to earn overtime pay. The act overtime payment helps the employees to be motivated and have behaviour for continuous overtime work. The need for overtime allowance in the studied cement manufacturing firms allows the respective managers to effectively manage higher workload without increasing the staffing level of their organizations. The practice of overtime in the organization is a tool for meeting workload demands and aid to minimize cost and maximize employee performance in the company. The essence of overtime work is to improve the company’s competitive position in the market and help the employee to have extra income. Mandatory overtime is a necessity for company to meet its financial and production goals in short term.

Overtime allowance is pertinent in increasing performance as more tasks are perform over a long hour. Effective management of overtime helps the organization to know what is needful to be achieved through auditing the seasonal pattern of the overtime. Inadequate staffing constitutes the need for overtime work for an expected period of time. The payment of overtime allowance is done with a careful consideration of the cost of training the employee, additional pay and availability of existing employee to undertake hourly pay. The application of workforce management tool to the business operation of the company help to ensure that overtime does not create liability to the organization.

6. Conclusion

Overtime allowance has significant relationship with employee regularity in cement manufacturing companies in South-South, Nigeria. However, the nature of the relationship revealed a negative correlation between the variables.

Therefore, overtime allowance will hamper on the employee’s regularity. Consequently, cement manufacturing companies in South-South, Nigeria should intensify effort to ensure that employees are given what is due to them especially overtime allowance, without, any delay. They should also seriously consider overtime allowance as an important extrinsic reward factor that influences employee regularity.

Reference


