

EMPLOYEE COMPENSATION PRACTICES, EMPLOYEE ENGAGEMENT AND INDIVIDUAL WORK PERFORMANCE AMONG EMPLOYEES OF SELECTED PRIVATE UNIVERSITIES IN SOUTH-WEST NIGERIA

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Abstract

This study examined the relationships among employee compensation practices, employee engagement and individual work performance among employees of selected private universities in South-West Nigeria. The study was motivated by the importance of appropriate compensation arrangements and employee engagement in supporting effective employee performance within the competitive private higher education environment. The study was anchored on equity theory and Kahn's theory of personal engagement. A cross-sectional survey research design was adopted. The population comprised 3,222 teaching and non-teaching staff of three selected private universities. A total of 250 questionnaires were distributed, of which 212 valid responses were obtained, representing an 84.8% response rate. Data were analysed using descriptive statistics, Pearson correlation and regression analysis. The findings revealed a positive and statistically significant relationship between employee compensation practices and employee engagement ($\beta = .61, p < .001; R^2 = .37$). Employee compensation practices also had a positive and statistically significant predictive association with individual work performance ($\beta = .54, p < .001; R^2 = .29$). Similarly, employee engagement was positively and significantly associated with individual work performance ($\beta = .65, p < .001; R^2 = .42$). The findings suggest that compensation practices and employee engagement are important variables associated with individual work performance within the sampled universities. Employee engagement also occupies an important intervening position in the conceptual relationship between compensation practices and performance. The study recommends that the sampled universities strengthen the fairness, competitiveness and transparency of compensation arrangements while simultaneously developing practices that support employee engagement.

Keywords: Employee compensation practices, employee engagement, individual work performance, private universities.

1. Introduction

Human resources are central to the delivery of organisational objectives because employees translate institutional resources and strategies into actual services and outcomes. This is particularly

important in universities, where the quality of teaching, research, student support, administration and community engagement depend substantially on the motivation and sustained contribution of academic and non-academic staff. In this setting, compensation is not merely an

administrative cost; it is part of the employment relationship through which institutions communicate the value attached to employees' contributions and established expectations about rewards for work.

Compensation encompasses direct financial rewards and other benefits associated with employment. Research on pay and work motivation indicates that the effects of compensation are not mechanically determined by the amount paid alone. Employees interpret pay in relation to fairness, performance, comparison standards and the wider employment relationship. Gerhart and Fang (2015), for example, show that extrinsic rewards and pay-for-performance arrangements must be understood alongside intrinsic motivation and the characteristics of the work context. Similarly, a meta-analysis by Judge et al. (2010) found positive but modest associations between pay level and pay/job satisfaction, demonstrating why compensation should be analysed as a multidimensional organisational practice rather than assumed to have a uniform effect.

Employee engagement provides a second important dimension of the employment relationship. Contemporary work-engagement research generally treats engagement as a positive work-related state involving energy, dedication and absorption. Schaufeli et al. (2006) demonstrated the psychometric structure of these three dimensions in the Utrecht Work Engagement Scale, while Bakker and Albrecht (2018) describe work engagement as an affective-motivational state associated with high energy, dedication and focused involvement in work. Engagement is therefore conceptually distinct from job satisfaction: an employee may be satisfied with aspects of employment without necessarily investing high levels of physical, cognitive and emotional energy in the work role.

The theoretical link between compensation and engagement can be understood through equity theory. Adams (1963) argues that employees evaluate the fairness of exchanges by comparing their inputs and outcomes, including the relationship between work contributions and rewards. Where employees perceive compensation as unfair, the resulting sense of inequity can affect attitudes and behaviour. Conversely, perceptions of equitable treatment can support positive responses to the employment relationship. Kahn's (1990) theory adds a complementary explanation by arguing that personal engagement depends on psychological meaningfulness, safety and availability. Compensation does not constitute engagement by itself, but fair and supportive employment conditions may contribute to an environment in which employees are more willing and able to invest themselves in their roles.

The Nigerian university environment provides a relevant context for examining these relationships. The National Universities Commission's current database lists a large and expanding university system, including private universities across the South-West geopolitical zone. The growth of the private university subsector increases the importance of human-resource practices that enable institutions to attract and retain qualified personnel. Recent Nigerian studies also indicate that compensation and other human-resource practices are associated with employee outcomes in private universities. For example, Ogbonnaya et al. (2024) reported positive relationships between compensation components and employee performance in private universities in North-Central Nigeria, while a 2025 study of selected private universities in South-West Nigeria examined compensation management and employee job performance directly. These studies establish the relevance of compensation but also make it necessary

for a new study to specify what additional explanatory value it contributes.

Against this background, the present study focuses on the joint relationship among compensation practices, employee engagement and individual work performance. Its distinctive analytical proposition is that engagement may serve as a mechanism through which compensation practices are associated with performance. This focus is important because a direct compensation-performance relationship does not by itself explain the psychological or behavioural process through which compensation may translate into better work outcomes. The study therefore seeks to integrate compensation, engagement and performance within one model in the context of selected private universities in South-West

1.2 Statement of the Problem

Employee compensation and engagement have attracted considerable attention in human resource management because organisations depend on employees' willingness and ability to perform their roles effectively. Despite this attention, the relationship among compensation practices, employee engagement and individual work performance may not be assumed to operate identically across organisational contexts.

The issue is particularly relevant in higher education, where employees perform diverse responsibilities. Academic employees may be involved in teaching, research, supervision and community service, while non-academic employees may perform administrative, technical, financial, student-support and operational functions. Consequently, institutions require compensation and engagement practices that are sufficiently appropriate to support different categories of employees.

Existing literature generally indicates that compensation practices are associated with employee attitudes and performance, while employee engagement is associated with individual work performance (Gerhart & Fang, 2015; Rich et al., 2010). However, the findings of previous studies are not necessarily uniform across contexts, sectors and employee groups. For example, compensation may be strongly associated with engagement in one context but show a weaker relationship with performance in another. This indicates the importance of examining the relationships within specific organisational contexts rather than assuming universal effects.

The problem addressed by this study is therefore not simply whether compensation is important, but whether employees within selected private universities perceive compensation practices in ways that are associated with their engagement and individual work performance. In addition, it is important to establish whether employee engagement is related to individual work performance within the same setting.

A further problem concerns the conceptual relationship among the variables. Existing discussions sometimes treat compensation, engagement and performance as independent issues without clearly explaining how they may be interconnected. The present study addresses this issue by examining compensation practices in relation to employee engagement and individual work performance and by considering engagement as an intervening relational component within the conceptual framework.

The study focuses on three selected private universities: Achievers University, Afe Babalola University, Ado-Ekiti (ABUAD), and Covenant University. The institutions were selected as the empirical setting for the study, and the population comprises their combined teaching and non-teaching staff. The study therefore does not claim to represent every private university in South-West Nigeria.

1.3 Research Questions

The study seeks to answer the following research questions:

- i. What is the relationship between employee compensation practices and employee engagement among employees of selected private universities in South-West Nigeria?
- ii. What is the relationship between employee compensation practices and individual work performance among employees of selected private universities in South-West Nigeria?
- iii. What is the relationship between employee engagement and individual work performance among employees of selected private universities in South-West Nigeria?
- iv. How does employee engagement occupy an intervening position in the conceptual relationship between employee compensation practices and individual work performance?

1.4 Objectives of the Study

The main objective of this study was to examine the relationships among employee compensation practices, employee engagement and individual work performance among employees of selected private universities in South-West Nigeria.

The specific objectives are to:

- i. Examines the relationship between employee compensation practices and employee engagement among employees

of selected private universities in South-West Nigeria;

- ii. Determine the relationship between employee compensation practices and individual work performance among employees of selected private universities in South-West Nigeria;

- iii. Examine the relationship between employee engagement and individual work performance among employees of selected private universities in South-West Nigeria; and

- iv. Examine the intervening relational position of employee engagement within the relationship among employee compensation practices and individual work performance.

1.5 Research Hypotheses

The following null hypotheses were formulated:

H01: Employee compensation practices have no significant positive relationship with employee engagement among employees of selected private universities in South-West Nigeria.

H02: Employee compensation practices have no significant positive relationship with individual work performance among employees of selected private universities in South-West Nigeria.

H03: Employee engagement has no significant positive relationship with individual work performance among employees of selected private universities in South-West Nigeria.

2. Literature Review

2.1 Conceptual Review

2.1.1 Employee Compensation Practices
Employee compensation practices refer to the policies and arrangements through which an organisation provides employees with financial and non-financial returns for

their contribution (Onuorah et al. 2019). For this study, compensation is operationalised through employees' perceptions of salary competitiveness, allowances and bonuses, fairness of promotion-related rewards, and the extent to which compensation reflects performance. This operational definition is deliberately narrower than the entire compensation-management function so that the construct corresponds directly with the questionnaire items reported in the results.

Compensation can influence employee attitudes through several mechanisms. Competitive pay may strengthen the attractiveness of employment and reduce perceived financial disadvantage; performance-related rewards may communicate that contributions are recognised; and transparent reward arrangements may strengthen perceptions of organisational justice. Nevertheless, the relationship is not necessarily linear or universal. Judge et al. (2010), for example, found that pay level has a positive but modest relationship with satisfaction. Gerhart and Fang (2015) similarly caution against treating extrinsic rewards as operating independently of intrinsic motivation and the wider work environment.

2.1.2 Employee Engagement

Employee engagement is conceptualised in this study as a positive work-related state characterised by vigor, dedication and absorption. Vigor refers to high levels of energy and mental resilience while working; dedication concerns a sense of significance, enthusiasm and pride in work; and absorption concerns being fully concentrated and happily engrossed in work. These dimensions are consistent with the established Utrecht Work Engagement Scale framework developed by Schaufeli et al. (2006). Importantly, these measurement dimensions should not be presented as Kahn's original three conditions. Kahn (1990) theorised personal

engagement through psychological meaningfulness, safety and availability, while vigor, dedication and absorption belong to the later work-engagement measurement tradition.

2.1.3 Individual Work Performance

According to Platania et al. (2023) Individual work performance refers to behaviours and outcomes through which employees contribute to organisational objectives. Campbell and Wiernik (2015) emphasise that work performance is a multidimensional construct rather than a single behaviour. The work performance of individual employees plays an important role in increasing the labour productivity of a nation in the long term (Ismail et al. 2022). In an increasingly competitive environment, organizations should quickly recognize how critical it is to have the competent and high performing workforce (Sittie et al. 2026). Despite the outstanding relevance of individual work performance, various research has demonstrated how individual work performance (IWP) can be enhanced by several essential factors (Sittie et al. 2026).

2.2 Theoretical Framework

2.2.1 Equity Theory

Equity theory was developed by Adams (1963) to explain how individuals evaluate fairness in social exchanges. Employees compare their inputs such as effort, skill, experience and contribution with outcomes such as pay, recognition and benefits, often in relation to comparison others. Perceived under-reward may generate inequity, while perceived fairness may support more positive responses to the exchange relationship. The theory is relevant to the present study because compensation practices are evaluated not only by their absolute monetary value but also by employees' perceptions of fairness and consistency. In a university, employees may compare compensation with their responsibilities, qualifications,

performance and the treatment received by colleagues. Such perceptions may influence willingness to invest energy in work and may therefore be associated with engagement and performance.

A limitation is that equity theory does not by itself provide a complete explanation of the psychological experience of engagement. It is therefore used in combination with Kahn's theory rather than treated as a sufficient explanation of all study relationships.

2.2.2 Kahn's Theory of Personal Engagement

Kahn (1990) conceptualised personal engagement as the extent to which people bring their physical, cognitive and emotional selves into work-role performance. The theory identifies psychological meaningfulness, safety and availability as important conditions for engagement. Meaningfulness concerns the sense that work is worthwhile; safety concerns the ability to express oneself without fear of negative consequences; and availability concerns the psychological and physical resources available for role performance. The theory is relevant because compensation is part of the broader organisational context within which employees judge whether their contribution is valued. Fair compensation may strengthen the perception that work contributions are recognised, although compensation alone does not guarantee engagement.

The two theories perform complementary functions in the model. Equity Theory explains why compensation may influence employee attitudes by focusing on fairness in the exchange between employee inputs and organisational outcomes. Kahn's theory explains why favourable employment conditions may be associated with greater psychological investment in work.

2.3 Empirical Review

International evidence provides support for examining compensation and engagement without assuming a deterministic relationship. Judge et al. (2010), using a meta-analysis of 92 independent samples, reported a modest positive relationship between pay level and satisfaction. Gerhart and Fang (2015) reviewed evidence on pay, intrinsic motivation, performance and creativity and concluded that claims about universally harmful effects of extrinsic rewards are not supported by the workplace evidence. These studies suggest that compensation should be assessed in relation to the broader motivational and organisational context.

Engagement-performance evidence is also well established conceptually and empirically. Rich et al. (2010) found that job engagement was related to job performance and organisational citizenship behaviour, supporting the proposition that employees who invest more of themselves in their work may demonstrate stronger performance. Bakker and Albrecht (2018) similarly identify engagement as a positive motivational state associated with desirable work outcomes.

Nigerian evidence provides a more context-specific basis. Idowu and Abolade (2018) found a significant relationship between compensation management and employee engagement in selected financial institutions in Lagos State, although that study was outside the university sector. In private universities, Osibanjo et al. (2014) examined compensation packages and employee performance/retention in a selected private university in Ogun State using 111 valid responses and structural equation modelling. Ogbonnaya et al. (2024) examined compensation administration and employee performance in private universities in North-Central Nigeria using a large multi-university sample and reported positive effects for several compensation components. A 2025 South-West Nigerian study by Onikoyi et

al. (2025) examined compensation management practices and employee job performance across six private universities, demonstrating that compensation and performance have already been investigated directly in the study region.

Study on engagement in South-West private universities has also examined related human-resource practices. Egwuonwu et al. (2023) reported a positive relationship between recruitment and employee engagement in private universities in South-West Nigeria using a multi-stage sampling approach and a sample of 611. Igbadumhe et al. (2022) examined management support and academic staff engagement in selected private universities in the same geopolitical context. Fatunmbi's 2024 doctoral research also examined human-resource-management practices and academics' engagement in selected private universities in South-West Nigeria.

The empirical pattern therefore supports the relevance of compensation and engagement, but it also exposes the need for a more precise contribution. The current study therefore integrated model that connects compensation practices with engagement and individual work performance and tests engagement as a potential intervening mechanism.

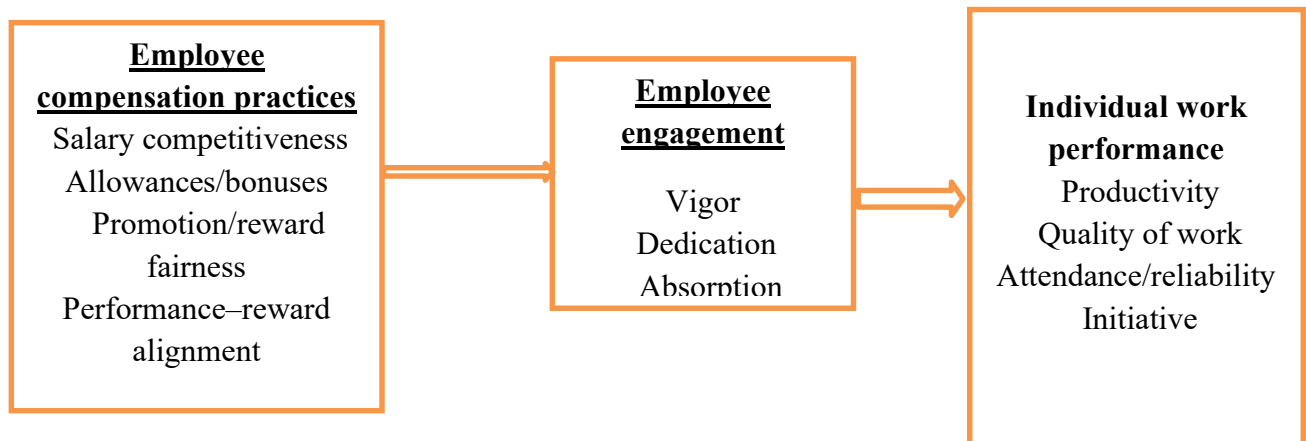
2.4 Research Gap

The international evidence as revealed in the current study shows that pay/compensation, motivation, satisfaction,

engagement and performance have been extensively studied (Judge et al. 2010; Gerhart and Fang 2015). Meanwhile, the issue relevant to this study such as the mechanism linking compensation to performance which varies by context and organisational conditions was yet uncovered. Furthermore, the research on Nigeria, non-university settings has examined Compensation management and engagement in financial institutions and other sectors (Idowu et al., 2018). However, findings cannot automatically be generalised to university employees. Studies were done in the Nigerian private universities; the studies have examined compensation and employee performance, including recent North-Central and South-West studies (Ogbonnaya et al. 2024). This direct compensation-performance evidence does not by itself explain the role of employee engagement. Also in the South-West private universities, research has examined recruitment, management support, HRM practices, engagement, compensation and performance separately or in paired relationships. An integrated compensation, engagement and individual performance model remains a useful explanatory focus.

2.5 Conceptual Model

The conceptual model proposes employee compensation practices as the independent variable, employee engagement as the intervening relational pathway, and individual work performance as the dependent variable. The model also allows a direct path from compensation practices to individual work performance.



Source: Researcher's conceptualization, (2026)

3. Methodology

3.1 Research Design

The study adopted a cross-sectional survey research design. The design was considered appropriate because the study sought to examine the relationships among employee compensation practices, employee engagement and individual work performance among staff of selected private universities in South-West Nigeria. The design is particularly suitable for studies involving organisational employees because information relating to perceptions of compensation practices, levels of employee engagement and individual work performance can be obtained directly from employees through a structured questionnaire. However, given the cross-sectional nature of the study, the relationships identified among the variables are interpreted as statistical associations and predictive relationships rather than definitive causal effects.

3.2 Study Area

The study was conducted in selected private universities in South-West Nigeria. The universities selected for the study were Achievers University, Ondo State; Afe Babalola University, Ado-Ekiti (ABUAD), Ekiti State; and Covenant University, Ogun State. The selection of

the universities provides coverage of different locations within the South-West geopolitical zone and enables the study to examine employee compensation practices, employee engagement and individual work performance within the private university sector. The three universities constitute established private higher education institutions with substantial employee populations. The study therefore considered them appropriate settings for investigating the relationship between organisational compensation practices, employee engagement and individual work performance.

3.3 Population of the Study

The population of the study comprised the total staff strength of the three selected private universities. The available institutional population information provided the combined number of teaching and non-teaching staff but did not disaggregate the staff population into separate teaching and non-teaching categories. Consequently, the study treated the available total staff strength as the population from which respondents were selected. The selected universities staff strength consist of the following; Achievers University 491, Afe Babalola University, Ado-Ekiti 1,255, Covenant University, Ogun State 1,476. Thus, the

total population of the study was 3,222 staff members across the three selected private universities.

3.4 Sample Size Determination

The sample size for the study was determined using the Yamane (1967) sample-size determination formula:

$$n = \frac{3,222}{1 + 3222(0.06)^2} \quad n = 3,222$$

$$\frac{3223}{1 + 3222 (0.0036)} \quad n = 3222$$

$$\frac{(1+11.5992)}{12.5992} \quad n = 3222$$

$$n = 256$$

Accordingly, approximately 256 respondents would be required using the formula strictly at a 6% precision level. However, considering the fieldwork design and the number of questionnaires successfully administered and retrieved for the study, 250 questionnaires were targeted and distributed. The difference between the calculated minimum and the administered number was small, therefore 250 questionnaires were considered across the three selected universities.

3.5 Sampling Technique

A multi-stage sampling procedure was employed for the study. The first stage involved the selection of three private universities in the South-West geopolitical zone. The second stage involved determining the number of respondents to be selected from each university using proportionate allocation based on the staff population of each institution. At the respondent-selection stage, eligible staff members were approached for participation in the study. Because the

$$n = \frac{N}{1 + N(e)^2}$$

Where:

(n) = required sample size

(N) = population size

(e) = level of precision

Given a total population of 3,222 staff and a 6% level of precision:

available institutional records did not distinguish between teaching and non-teaching employees, the sampling frame was based on the total staff population of each university. Therefore, respondents were selected from the overall staff population. This procedure ensured that each selected university contributed respondents in proportion to its staff strength and reduced the possibility of over-representing smaller institutions.

3.6 Instrument for Data Collection

Data were collected using a structured questionnaire. The questionnaire was divided into sections corresponding to the demographic characteristics of respondents and the major constructs investigated in the study. The substantive sections measured: Employee Compensation Practices, Employee Engagement and Individual Work Performance. The items were measured using a Likert-type response scale, enabling respondents to indicate the extent to which they agreed or disagreed with the statements relating to

the study variables. The questionnaire items were adapted from established measures reported in relevant previous studies and were modified where necessary to reflect the context of private universities in South-West Nigeria.

3.7 Validity and Reliability of the Instrument

The validity of the research instrument was established through content and face validity. The questionnaire was subjected to expert assessment to determine whether the items adequately represented the constructs under investigation. Experts in Business Administration, Human Resource Management and related management disciplines reviewed the questionnaire in terms of clarity, relevance, adequacy of coverage and appropriateness of the items to the objectives and research questions of the study. The observations and recommendations arising from the review were incorporated into the final version of the questionnaire before it was administered.

The reliability of the research instrument was assessed to determine the internal consistency of the measurement items. Cronbach's alpha coefficient was used to establish the reliability of the scales measuring employee compensation practices, employee engagement and individual work performance. A Cronbach's alpha coefficient of 0.7 was considered acceptable for the study, consistent with the commonly adopted threshold for demonstrating satisfactory

internal consistency in social science research. The reliability analysis was conducted before the final analysis of the study data. Where any item found to substantially reduce the reliability of a construct, its appropriateness was reviewed before the final instrument was retained.

3.8 Method of Data Analysis

The data collected were coded and analysed using appropriate statistical techniques. Descriptive statistics, including frequencies, percentages, means and standard deviations, were used to summarise respondents' demographic characteristics and describe the major study variables.

Inferential statistical techniques were employed to test the relationships specified in the research hypotheses. Pearson Product-Moment Correlation was used to establish the direction and strength of relationships among employee compensation practices, employee engagement and individual work performance. Regression analysis was used to examine the predictive relationships among the variables. In particular, employee compensation practices were examined as the explanatory variable, employee engagement as an intervening variable, and individual work performance as the outcome variable. The statistical significance of the relationships was evaluated at the 5% significance level ($p < .05$)

4. Data Presentation, Analysis and Interpretation

4.1 Response Rate

Table 4.1: Questionnaire Response Rate

Response Category	Frequency	Percentage
Questionnaires distributed	250	100.0
Returned and usable	212	84.8
Not returned	38	15.2
Total	250	100.0

Source: Field Survey, 2026

The table indicates that 212 of the 250 distributed questionnaires were successfully completed and returned. The resulting response rate was 84.8%.

4.2 Demographic Characteristics of Respondents

Table 4.2: Gender Distribution

Gender	Frequency	Percentage
Male	118	55.7
Female	94	44.3
Total	212	100.0

Source: Field Survey, 2026.

The respondents comprised 118 males (55.7%) and 94 females (44.3%).

Table 4.3: Age Distribution

Age	Frequency	Percentage
20–30 years	38	17.9
31–40 years	82	38.7
41–50 years	63	29.7
Above 50 years	29	13.7
Total	212	100.0

Source: Field Survey, 2026

Respondents aged 31–40 years constituted the largest category, representing 38.7% of the sample.

Table 4.4: Educational Qualification

Qualification	Frequency	Percentage
Bachelor's degree	52	24.5
Master's degree	108	50.9
PhD	44	20.8
Others	8	3.8

Source: Field Survey, 2026.

Respondents with Master's degrees constituted the largest group, accounting for 50.9%.

4.3 Descriptive Analysis

Table 4.5: Employee Compensation Practices

Item	Mean	SD
Salary is competitive	3.87	0.78
Allowances and bonuses are satisfactory	3.65	0.84
Promotion opportunities are fair	3.54	0.92
Compensation reflects performance	3.71	0.80

Source: Field Survey, 2026.

The results indicate generally favourable perceptions of the compensation practices examined. Salary competitiveness recorded the highest mean score of 3.87.

Table 4.6: Employee Engagement

Dimension	Mean	SD
Vigour	3.76	0.82
Dedication	3.81	0.75
Absorption	3.69	0.79

Source: Field Survey, 2026.

Dedication recorded the highest mean score of 3.81, followed by vigour and absorption.

Table 4.7: Individual Work Performance

Indicator	Mean	SD
Productivity	3.84	0.73
Quality of work	3.79	0.77
Attendance	3.88	0.70
Initiative	3.66	0.83

Source: Field Survey, 2026.

Attendance recorded the highest mean score of 3.88, while initiative recorded the lowest mean score of 3.66.

4.4 Correlation Analysis

Table 4.8: Correlation Matrix

Variables	Compensation	Engagement	Performance
Compensation	1.00	.61**	.58**
Engagement	.61**	1.00	.65**
Performance	.58**	.65**	1.00

Source: Field Survey, 2026.

Note: $p < .01$; $N = 212$.

The correlation results show positive relationships among all three variables. Compensation practices were positively related to employee engagement ($r = .61$), compensation practices were positively related to individual work performance ($r = .58$), and employee engagement was positively related to individual work performance ($r = .65$).

H01: Employee compensation practices have no significant positive relationship with employee engagement.

Variable	B	T	Sig.
Compensation practices	.61	9.42	.000

$R^2 = .37$

The result shows a positive and statistically significant predictive association between compensation practices and employee engagement ($\beta = .61$, $t = 9.42$, $p < .001$). Compensation practices account for approximately 37% of the variance in employee engagement in the reported model.

Therefore, **H01 is rejected**.

4.6.2 Hypothesis Two

H02: Employee compensation practices have no significant positive relationship with individual work performance.

Table 4.10: Regression Result

Variable	β	T	Sig.
Compensation practices	.54	8.17	.000

$$R^2 = .29$$

The result indicates a positive and statistically significant predictive association between compensation practices and individual work performance ($\beta = .54$, $t = 8.17$, $p < .001$).

Therefore, **H02 is rejected.**

Hypothesis Three

H03: Employee engagement has no significant positive relationship with individual work performance.

Table 4.11: Regression Result

Variable	B	T	Sig.
Employee engagement	.65	10.21	.000

$$R^2 = .42$$

The result indicates a positive and statistically significant predictive association between employee engagement and individual work performance ($\beta = .65$, $t = 10.21$, $p < .001$).

Therefore, **H03 is rejected**

The three statistical results collectively show that, compensation practices are positively related to employee engagement; compensation practices are positively related to individual work performance; and employee engagement is positively related to individual work performance. These results are consistent with the conceptual framework in which employee engagement occupies an intervening position between compensation practices and individual work performance.

5 Discussions of Findings

The study found a positive and statistically significant relationship between compensation practices and employee engagement ($\beta = .61$, $p < .001$). This finding is consistent with Equity Theory (Adams, 1963), which suggests that employees consider whether the outcomes they receive are fair relative to their inputs. Salary, allowances, bonuses and promotion opportunities form part of the outcomes that employees may consider when evaluating the employment relationship. The finding is also consistent with previous literature linking organisational practices and fairness perceptions to employee engagement (Agarwal, 2014; Albrecht et al., 2015).

In the context of the selected private universities, compensation practices may

communicate the extent to which employee contributions are recognised by the institution. Where employees perceive the compensation system as fair and appropriate, such perceptions may be associated with greater willingness to invest in their work.

The study found a positive and statistically significant relationship between compensation practices and individual work performance ($\beta = .54$, $p < .001$). The finding is compatible with the argument that compensation forms an important part of the employment exchange. Gerhart and Fang (2015) identify pay as an important organisational mechanism that can interact with employee motivation and performance. From an Equity Theory perspective, employees who perceive a reasonable relationship between their contributions and organisational rewards may develop more favourable work attitudes. These attitudes may be associated with performance-related behaviours such as productivity, quality and initiative.

Nevertheless, the finding should not be interpreted as proof that compensation alone determines performance. Individual performance is multidimensional and may also depend on employee ability, leadership, job design, resources, organisational culture and other factors.

Furthermore, the study also found a positive and statistically significant relationship between employee engagement and individual work performance ($\beta = .65$, $p < .001$). The finding is consistent with Kahn's (1990) theory of personal engagement, which proposes that employees invest physical, cognitive and emotional resources in their work roles when they are psychologically engaged. It is also consistent with empirical evidence linking engagement with individual work performance (Rich et al., 2010; Othman & Mahmood, 2019).

Within the selected private universities, employees who demonstrate vigour, dedication and absorption may be more likely to report higher productivity, quality of work, attendance and initiative. The finding therefore provides empirical support for examining engagement as an important employee-related variable associated with performance.

Furthermore, the combined results provide an integrated picture of the relationships examined by the study. Compensation practices showed a positive relationship with engagement, engagement showed a positive relationship with individual performance, and compensation practices also showed a positive relationship with performance.

The pattern is theoretically consistent with the two theories underpinning the study. Equity Theory helps explain how employees' perceptions of compensation may be related to their work attitudes, while Kahn's theory provides a framework for understanding how employee engagement relates to work-role involvement and performance. The results therefore support the study's conceptual framework.

6 Conclusion and Recommendations

Based on the findings, the study concludes that employee compensation practices, employee engagement and individual work performance are significantly related within the selected private universities examined.

First, compensation practices are significantly associated with employee engagement. This suggests that employees' perceptions of salary competitiveness, allowances and bonuses, promotion opportunities and performance-related compensation are relevant to their reported engagement. Second, compensation practices are significantly associated with individual work performance. This

suggests that compensation practices constitute an important human resource management variable associated with employees' reported productivity, quality of work, attendance and initiative. Third, employee engagement is significantly associated with individual work performance. This indicates that employees who report higher levels of vigour, dedication and absorption also tend to report higher levels of individual work performance.

The study therefore concludes that compensation and employee engagement deserve attention as interconnected human resource management considerations in the selected universities. The findings do not justify the conclusion that compensation practices cause engagement or performance, nor do they establish that engagement mediates the compensation-performance relationship. Rather, the evidence supports significant positive relationships among the variables and indicates that employee engagement occupies an important intervening position within the conceptual framework. Based on the findings, the study recommends that management of the selected universities should periodically review salary structures and other compensation arrangements to ensure that they remain reasonably competitive and internally consistent. Compensation policies should be communicated clearly to employees where employees understand the basis for salaries, allowances, bonuses and promotion-related rewards, uncertainty concerning compensation decisions. Because promotion opportunities recorded the lowest mean among the compensation indicators, management should pay particular attention to the transparency and fairness of promotion procedures. Promotion criteria should be communicated clearly and applied consistently across employees. Management should implement practices that support vigour, dedication and

absorption. These may include employee recognition, opportunities for professional development, participatory decision-making, supportive supervision and opportunities for employees to use their skills.

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