Effect of Job Satisfaction on Relationship between Compensation Practices and Academic Staff Performance in Nigerian Universities

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Abstract

Academic staff performance has been plagued with several challenges which has remained a critical concern in many developing countries, especially within private universities where limited resources has created pressures in academic activities. The study explores the effect of job satisfaction on relationship between compensation practices (salary and healthcare benefits) and academic staff performance in selected private universities in Abuja. The study adopted quantitative research, data were collected from 351 academic staff via structured questionnaire. Partial Least Square Structural Equation Modeling (PLS-SEM) was used to analyze the data, by accessing the measurement reliability, convergent validity, discriminant validity and the structural connections between the variables. The results shows that job satisfaction has a strong significant positive effect on academic staff performance (β= 0.776, p < 0.000), revealing it as a core driver of performance. Salary also has significant effect on job satisfaction (β= 0.255, p < 0.000), but however has a negative effect on academic staff performance (β= -0.089, p = 0.008), suggesting that salary may bring about performance pressures. On the other hand, healthcare benefits has significant and positive effect on academic staff performance (β= 0.221, p < 0.000) but show no significant effect on job satisfaction (β= 0.021, p = 0.357).the findings show that while good salary structures may help improve the job satisfaction of academic staff, adequate healthcare provisions will have a more direct influence on their performance outcomes. The study therefore concludes that management of universities should adopt balanced compensation strategies that enhance the job satisfaction and performance of academic staff. The study contributes to the human resource management literature in higher education and offers actionable recommendations to improve institutional performance.

Keywords: Compensation Practices, Salary, HealthcareBenefits,AcademicStaffPerformance and Job Satisfaction

1. Introduction

The backbone of every higher education institutions are the academic staff who are saddled with the responsibilities of teaching, research and community service, all of which are essential to national development and institutional excellence in Nigeria and across the world. However, academic staff performance are plagued with several challenges which affect their productivity, these ranges from poor working conditions, systemicunderfunding,inadequatecompensation, limited resources, pressure to publish,

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large class sizes among others. The rising inflation and inconsistent government policies have also affected the welfare and motivation of academic staff especially in private universities (Ogunode, 2020). Heavy work loads, low salaries, limited healthcare benefits among others are key contributors to job dissatisfaction and declining performance among academic staff (Ampong, 2024).

Globally, studies have shown that academic staff face similar challenges, this includes pressure to publish, high work loads, limited professional development opportunities (Smith, 2019; Li & Wang, 2020; Jones, 2018). In Africa, particularly in Nigeria, these challenges are exacerbated by inadequate infrastructure, delayed salary payment, lack of research funding and brain drain (Ogunleye, 2017). These and many others have led to low morale, increased turnover, and diminished institutional productivity.

Private universities who play a growing role in higher education system in Nigeria are not exempted from these challenges. Staff in some of these institutions report limited healthcare coverage, low salaries and insufficient recognition, all of which jointly reduce lecturers commitment to teaching, research and community service (Akinfolarin & Ehinola, 2014). Several measures have been employed to motivate academic staff to performance but compensation stands out as the widely acknowledged key determinant of performance and there is limited research focusing specifically on the effect of salary and healthcare benefits on job satisfaction and academic staff performance in private universities in Nigeria.

This paper fill this gap by examining the effect of salary on job satisfaction and academic staff performance, effect of healthcare benefits on job satisfaction and academic staff performance and assessing the mediating role of job satisfaction in the relationship between salary, healthcare benefits, and academic staff performance. The study was grounded in expectancy theory which suggest that employees will exert their effort to perform when they know that this will lead to desirable rewards. By exploring these relationships, this paper seeks to give actionable insights to university management on how they can enhance compensation practices to improve institutional productivity in private universities in Nigeria. The paper is divided into; introduction, literature reviews, methodology, results, discussion, conclusion, and recommendations for further research.

2.Literature Review

2.1Compensation Practices and Academic Staff Performance

Academic staff performance has several dimensions which reflects the effectiveness and efficiency with which lecturers and educators carry out their duties and responsibilities in teaching, research, administrative, and community service. Academic staff performance encompasses both tangible outcomes and intangible contributions, such as student learning achievement, research output, mentorship, collaboration, and knowledge dissemination (Al Arisset al., 2023; Albrecht & Rehman, 2020). Academic staff are key implementers of the goals of higher education and lecturers play a critical role in sustaining institutional competitiveness and reputation (Ogunode et al., 2020).

Compensation practices is a major driving force for academic staff performance. Compensation represents the combination of monetary and non monetary rewards offered to employees in exchange for their contributions to an organization. These includes salary, bonuses, recognition, promotion, benefits and others which are all designed to motivate, retain and align staff

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efforts to the institutional goals and objectives (Adjabeng, 2025; Akter & Moazzam, 2016). In the context of higher education in Nigeria, offering competitive compensation strategies is vital for recruitment and retention, these creates enabling environment for increased job satisfaction, professional growth and strengthens motivation of lecturers (Olaleye & Williams, 2019). When universities link rewards to measurable performance outcomes, these can enhance their productivity, encourage continuous improvement and ultimately boost institutional efficiency and effectiveness.

2.1.1Salary and Academic Staff Performance

Salary is the fixed amount of money paid to employees in exchange for the services they render to their organization and this forms the core of their total compensation. Salary is a critical extrinsic reward that not only reflects the value an institution places on their staff but also acts as a motivator for higher performance, commitment and productivity. Bullock et al. (2015) observed that salary is a key determinant of employee motivation, loyalty, and diligence. Staff in every institution view salary as a direct indicator of their worth. Competitive salary structures have consistently been linked to improved job performance, as higher pay not only meets employees financial needs but also foster a sense of fairness and organizational support which enhances overall performance levels.

Some empirical studies supports this view. Phuong et al. (2024) observed that all components of salary which includes basic pay, allowances, financial incentives and other welfare packages all positively influence employees engagement among SMEs in Hanoi Vietnam, this shows the motivational value of financial rewards. Shimfe and John (2025) also observe that there is a strong positive correlation between salary and job performance at Taraba State Polytechnic, where early payment of salaries was shown to enhance competence, diligence and adherence to deadlines. These findings provides a justifiable reason to empirically test the relationship between salary and academic staff performance in selected private university in Abuja, Nigeria. Since salary is a primary driver of employee behavior and central tool for aligning individual effort with institutional goals and objectives, it is reasonable to hypothesize that competitive and well- structured salary policies should lead to improved job satisfaction and higher performance outcomes.

Hypothesis 1:

Salary has no significant effect on the performance of academic staff in selected private universities in Abuja, Nigeria.

2.1.2 Healthcare Benefits and Academic Staff Performance

A critical element of indirect or non monetary compensation is healthcare benefits, designed to safeguard employees physical and mental well being, thereby enabling them to perform optimally. These healthcare benefits includes health insurance, medical allowances, and wellness programs, all of which enhances the employees quality of life and reduce absenteeism by ensuring timely access to healthcare services. Soon et al. (2008) argued that employee benefits are non wage compensation given to employees in addition to their regular pay in order to support their overall well being and foster organizational commitment. According to Nyangi (2011), benefits are described as a form of indirect compensation provided through structured plans such as retirement schemes and health insurance. In academic institutions, the provision of healthcare insurance shows the institutions care for

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their staff well being, and this leads to improved loyalty, commitment, reduced turnover and enhanced performance outcomes.

Several empirical evidence reinforces the relationship between healthcare benefits and academic staff performance. Sanchi et al. (2025) revealed that inadequate remuneration and poor access to quality healthcare negatively affect academic staff financial stability, job satisfaction and their well being with many respondents reporting stress related illness that affect their effectiveness. The study recommended the implementation of healthcare insurance schemes and provide welfare programs to address the issue and improve staff well being. Similarly, Chang (2024) noted that organizations that prioritize employee health and well being experience improved performance and higher job satisfaction, thereby advocating for a work life balance approach to sustain a long term productivity. These findings provide a justifiable reason for empirically testing the effect of healthcare benefits on the performance of academic staff in selected private universities in Abuja, Nigeria. Inadequate provision of healthcare can lead to stress, absenteeism, and reduced productivity, while an improved healthcare provision have the potential to enhance staff commitment and institutional productivity.

Hypothesis 2:

Healthcare benefits has no significant effect on the performance of academic staff in selected private universities in Abuja, Nigeria.

2.2 Compensation Practices and Job Satisfaction

Compensation play a vital role in shaping employee attitudes and performance, with job satisfaction serving a key outcome variable. The adoption of compensation practices such as fair and competitive salary structures and adequate healthcare provisions are consistently identified as major motivators of staff morale and productivity. In Nigeria, salary dissatisfaction has been connected to declining motivation and the cause of frequent industrial actions, while improved pay packages have been seen to enhance satisfaction and commitment among academic staff.

Some empirical evidences show the relationship between salary, healthcare benefits and job satisfaction. Abubakar and Umoh (2023) reported that salary increase improved the job satisfaction among academic staff at the University of Nigeria, Nsukka. Though the study noted that compensation alone could not address other structural and institutional needs affecting performance. Akinyemi and Atilola (2023) further indicated the significance of healthcare benefits in driving job satisfaction, showing that insufficient health care provisions stands as major contributor to strike actions among resident doctors in Nigeria, thereby, highlighting the relationship between healthcare benefits, employee morale and service delivery outcomes. These findings provide justifiable reasons for the need to test the relationship between compensation practices (salary and healthcare benefits) and job satisfaction, this forms the basis for the hypotheses.

Hypothesis 3:

Salary has no significant effect on the job satisfaction of academic staff in selected private universities in Abuja, Nigeria.

Hypothesis 4:

Healthcare benefits has no significant effect on the job satisfaction of academic staff in selected private universities in Abuja, Nigeria.

2.2.1 Job Satisfaction as a Mediating Variable

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Job satisfaction is the degree to which employees feel fulfilled, motivate, and content with their job roles and responsibilities. Job satisfaction is a multidimensional construct that is shaped by psychological, economic, physiological, and environmental factors that work together to influence employees attitude towards work (Onukwube, 2012). In institutional context, job satisfaction is determined by elements such as compensation adequacy, workload, work environment, opportunities for professional growth, autonomy, and institutional support. High level of job satisfaction enhances individual well being and also drives greater commitment to teaching, research and community service which are the core pillars of academic staff performance.

Job satisfaction play a mediating role between compensation practices (salary and healthcare benefits) and academic staff performance in the study. When academic staff perceive that their salaries and healthcare benefits are fair and commensurate to the efforts they put into their job, their sense of value within the institution improves. This leads to increased motivation, higher engagement in scholarly activities, better alignment with institutional goals, ultimately improve their teaching quality, research output, and administrative contributions. However, dissatisfaction with compensation may reduce lectures motivation, increase turnover and affect performance outcomes.

Fachiroh and Suratman (2023), in their study at Pertamina Hospital Cirebon, revealed that job satisfaction significantly mediates the relationship between compensation, motivation, and employee performance, showing its importance in enhancing productivity. Similarly, Nosiru and Olaolu (2024) examined compensation systems at Adeyemi College of Education, Ondo, and reported that compensation, though not directly predictive of performance but influence job satisfaction which improved performance outcome. These two studies both validate the conceptual model where job satisfaction acts as the mechanism through which compensation practices translate into improved performance. These empirical evidences provides a justifiable reason to test whether job satisfaction influences academic staff performance and if job satisfaction mediates the relationship between salary, healthcare benefits and academic staff performance in selected private universities in Abuja, Nigeria.

Hypothesis 5:

Job satisfaction has no significant effect on the performance of academic staff in selected private universities in Abuja, Nigeria.

Hypothesis 6:

Salary has no significant effect on the performance of academic staff through the mediating effect of job satisfaction in selected private universities in Abuja, Nigeria.

Hypothesis 7:

Healthcare benefits has no significant effect on the performance of academic staff through the mediating effect of job satisfaction in selected private universities in Abuja, Nigeria.

3. Theoretical Review

This study is grounded on Expectancy Theory (1964) by Victor Vroom, which posits that employees are motivated when they perceive a clear relationship between their efforts, performance and rewards. Expectancy theory is anchored on three key components; Expectancy; the belief that effort will lead to performance, Instrumentality; the belief that performance will lead to rewards, and Valence; the value placed on the reward. Therefore the theory posits that people are more willing to exert

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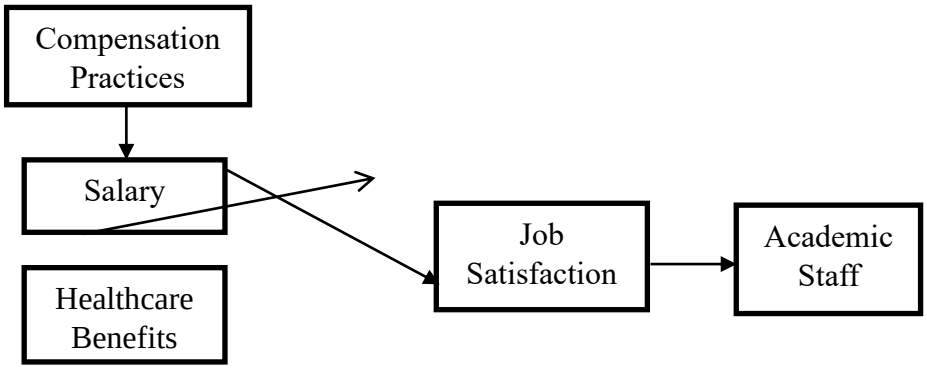
effort when they believe that this will produce desirable outcomes that benefits them directly (Lunenburg, 2011).

In relation to this study, expectancy theory explains how salary and healthcare benefits influence academic staff performance directly and indirectly through the mediating effect of job satisfaction. When lecturers perceive that their efforts in teaching, research and community service will receive fair compensation through adequate salaries and other benefits, they are more motivated, satisfied and committed to achieving institutional goals and objectives. This aligns with the findings of Ogundare and Omotosho (2022), who emphasized the value of balancing employee rewards with expectations to boost productivity.

In addition, the mediating role of job satisfaction reflects the theory's emphasis on valence, staff who value compensation and perceive it as equitable are more engaged and perform better. This relationship provides a solid theoretical justification for testing the hypotheses of the study which examines both the direct and indirect effects of compensation on performance outcomes in selected private universities in Abuja, Nigeria.

Figure 1: Framework



4. Methodology

This study adopted a quantitative research approach using a survey design. Structured questionnaires were administered to examine the formulated and test hypotheses, using the total population of 351 academic staff of five selected private universities in Abuja (Baze University, Nile University, Veritas University, Philomath University, and Cosmopolitan University) as respondents for this paper. Sample size was determined by Taro Yamane (1967) which resulted in 305 sample for the study. Prasanth et al (2025) suggested to adjust sample size for anticipated dropouts or non responses by dividing the calculated sample size by 1 expected non response rate or by adding a buffer of 10% - 20 % to the original sample size. Therefore, 15% added to the sample size of 305 is 45.75 approximately 46. Hence, 351 questionnaires were distributed to target population (respondents). Thus, out of 351 questionnaires administered, 309 were duly completed and returned which represents a satisfactory response rate, demonstrating a high level of engagement and interest among the targeted participants. The questionnaires were based on 5-point Likert scale of 1-5, where, 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, 1 = strongly disagree. Furthermore, statistical software for social science (SPSS) were first employed for data screening and preliminary analysis while Smart PLS software was used to carry out

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the partial least squares (PLS) analysis. This statistical method was used to test the relationshipsamong variables. The reliability of the instruments was validated using Cronbach's Alpha, and ethical guidelines was strictly observed.

5. Result

The study analyzed 309 questionnaire which is a valid response rate sufficient for the study. The demographic results revealed that 81.2% of the respondents were male and 18.8% were female. Most of the respondents were within the age range of 31-40 years (42.4%) followed by 41-50 years (28.8%), and above 51 years (20.7%). Academic rank were represented in these order; Lecture II (46.9%), Senior Lecturer (14.9%), Lecturer I (14.6%), Assistant Lecturer (12.6%), Reader (6.5%) an Professor (4.5%). Work experience were represented in these order; 6-10 years had 45.6%, 11- 15 years had 24.9%, 1-5 years had 15.9% and over 16 years had 13.6%.

The assessment of the study measurement model confirms a strong reliability and validity across all the constructs. The Cronbach's Alpha values were all above 0.89, composite reliability (CR) exceeded 0.92, and average variance extracted (AVE) values were greater than 0.75 which indicates a robust convergent validity. Fornell-Larcker criterion was used to establish the discriminant validity with each constructs AVE square root greater than its correlations with other constructs. The structural model results show that the model explanation power is 64.8% of the variance inacademicstaff performance, demonstrating a strong predictive power. Job satisfaction had a very large effect size on performance (f^2 = 1.593), revealing its role as a key predictor. Also healthcare benefits revealed moderate effect (f^2 = 0.118) while salary revealed a small but positive effect on both job satisfaction and performance. These results indicate that salary and healthcare benefits are both significant to academic staff performance and job satisfaction remains the most influential driver of academic staff performance selected private universities in Abuja, Nigeria.

6. Measurement Model

The measurement model of the study was assessed to evaluate the validity and relaibility of the constructs. The validity was assessed using Average Variance Extracted (AVE) and Fornell-Larcker criterion while the reliability was examined through Cronbach's Alpha and Composite Reliability (CR). all the constructs demonstrated high internal consistency (Cronbach's Alpha and CR> 0.70) and strong convergent validity (AVE> 05.0), confirming that the items measure their respective construct. Discriminant validity was also established, as the square roots of the AVEs were greater than the inter-construct correlations, indicating that each construct is empirically distinct.

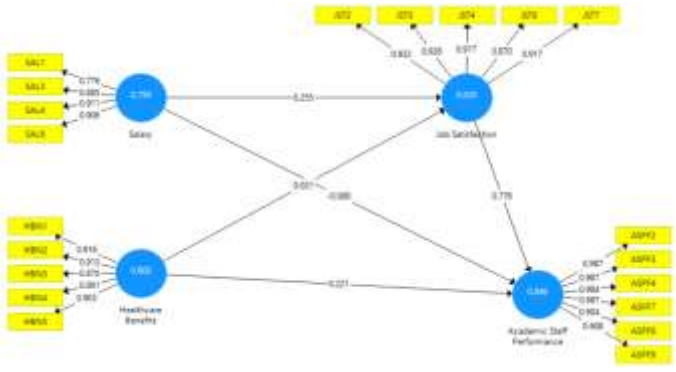

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Figure 2: Measurement Model

The measurement model is represented above in Figure 2 which explains the relationship between salary, healthcare benefits, job satisfaction and academic staff performance. Salary reveals a significant positive relationship with job satisfaction (β = 0.255), indicating that increase in pay contributes to high satisfaction among academic staff. However, salary has a negative effect on performance (β = -0.089), indicating that the current salary structures may be counterproductive due to heavy workload tied to pay. Healthcare benefits on the other hand reveal strong positive significant effect on performance (β = 0.221), emphasizing their role as key performance driver, however, their influence on job satisfaction is statistically insignificant (β = 0.021). Job satisfaction has a very strong positive effect on performance (β = 0.776), this confirms its mediating role in the relationship between compensation practices (salary and healthcare benefits) and academic staff performance. The model shows that while compensation remains important, its design and implementation shape how it affects satisfaction and performance.

Table 1

R Square

	R Square	R Square Adjusted
Academic Staff Performance	0.648	0.645
Job Satisfaction	0.069	0.064

The table above shows the model explanation power which is 64.8% of the variance in academic staff performance, revealing a strong predictive power, however, job satisfaction has a lower explanation power of 6.9% which means other factors beyond healthcare benefits and salary may influence satisfaction.

Table 2

f Square

	Academic Staff Performance	Job Satisfaction
Healthcare Benefits	0.118	**0.000**
Job Satisfaction	**1.593**	
Salary	**0.018**	0.059

The table above show that job satisfaction has a very large effect size on academic staff performance (f^2 = 1.593), revealing it as an important predictor. Healthcare benefits show a moderate effect of 0.118, while salary shows a small effect on both outcomes

Table 3

Construct Reliability and Validity

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	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Academic Staff Performance	**0.959**	**0.970**	**0.846**
Healthcare Benefits	**0.941**	**0.955**	**0.808**
Job Satisfaction	**0.949**	**0.961**	**0.830**
Salary	**0.896**	**0.926**	**0.759**

Table 3 above reveal that all the constructs have high reliability (Cronbach's Alpha > 0.89) and strong convergent validity (AVE> 0.75). this shows that the questionnaire was a robust tool for data collection.

Table 4
Fornell-Larcker Criterion

	Academic Staff Performance	Healthcare Benefits	Job Satisfaction	Salary
Academic Staff Performance	0.920			
Healthcare Benefits	0.279	0.899		
Job Satisfaction	0.779	0.119	0.911	
Salary	0.199	0.383	0.263	0.871

The table above shows that each construct AVE square is greater than inter construct correlations, confirming discriminant validity of the constructs are distinct from one another.

Table 5
Cross Loadings

	Academic Staff Performance	Healthcare Benefits	Job Satisfaction	Salary
ASPF2	0.987	0.281	0.758	0.181
ASPF3	0.987	0.279	0.756	0.179
ASPF4	0.984	0.280	0.756	0.180
ASPF7	0.987	0.289	0.764	0.191
ASPF8	0.904	0.270	0.759	0.188
ASPF9	0.608	0.080	0.442	0.206
HBN1	0.273	0.916	0.115	0.362
HBN2	0.285	0.913	0.095	0.335
HBN3	0.233	0.870	0.104	0.343
HBN4	0.213	0.891	0.118	0.349

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HBN5	0.239	0.903	0.103	0.332
JST2	0.693	0.125	0.922	0.266
JST3	0.764	0.115	0.928	0.207
JST4	0.731	0.108	0.917	0.246
JST6	0.608	0.092	0.870	0.270
JST7	0.738	0.099	0.917	0.215
SAL1	0.142	0.254	0.168	0.776
SAL3	0.110	0.280	0.172	0.885
SAL4	0.169	0.327	0.229	0.911
SAL6	0.232	0.419	0.300	0.906

The table above represents the cross loading and this reveals that all the items load highest on their respective constructs (> 0.87) supporting the measurement model validity.

7. Structural Model

The structural equation model represented in Figure 3 below reveals the key relationship among salary, healthcare benefits, job satisfaction and academic staff performance.

Salary show a significant positive effect on job satisfaction (t= 4.787), indicating that a fair and competitive pay improves staff satisfaction. However, salary a negative but significant effect on performance (t= 2.406), suggesting that this may be caused by misalignment between pay structures and workload expectations which affect staff motivation negatively.

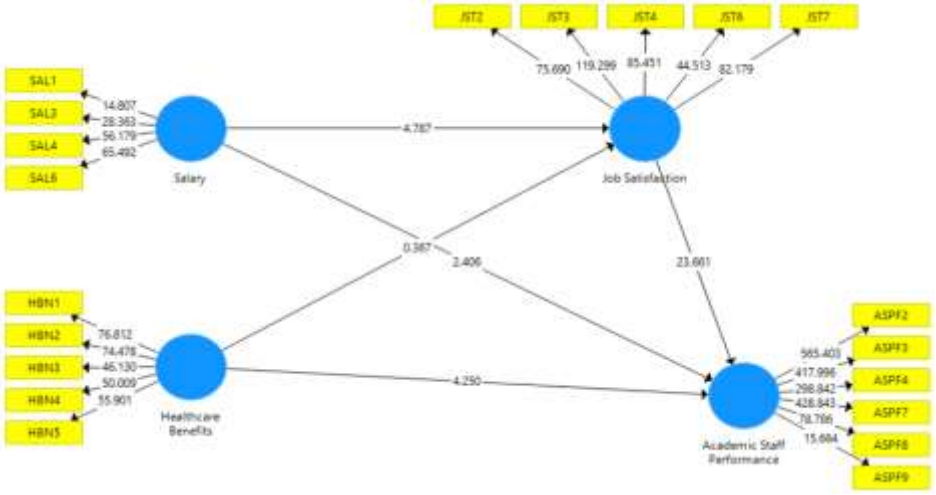

Figure 3: Structural Model

The model also reveal that healthcare benefits had a strong and positive direct effect on performance (t=4.250), indicating that supporting staff well being improves productivity. However, healthcare benefits influence on job satisfaction was not statistically significant (t= 0.367), indicating that healthcare benefits are vied as basic entitlement and not motivators. Job satisfaction showed the strongest positive effect on academic staff performance (t= 23.661), confirming its central role in driving productivity.

Table 6

Path Coefficients

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	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Healthcare Benefits -> Academic Staff Performance	0.221	0.052	4.250	0.000
Healthcare Benefits -> Job Satisfaction	0.021	0.058	0.367	0.357
Job Satisfaction -> Academic Staff Performance	0.776	0.033	23.661	0.000
Salary -> Academic Staff Performance	-0.089	0.037	2.406	0.008
Salary -> Job Satisfaction	0.255	0.053	4.787	0.000

The table above represents the path coefficient analysis which demonstrate that healthcare benefits has significant and positive influence on academic staff performance (β= 0.221, p < 0.000) indicating that access to healthcare schemes directly enhance employee productivity. However, healthcare benefits has no significant effect on job satisfaction (p= 0357). Job satisfaction on the other hand has a strong statistical significant effect on performance(β= 0.776, p < 0.000), revealing its central role as a key driver academic staff performance. Interestingly, salary was found to significantly improve job satisfaction (β= 0.255, p < 0.000), however salary has a negative significant effect on performance (β= -0.089, p = 0.008).

Table 7
Mediating Effect

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Healthcare Benefits -> Job Satisfaction -> Academic Staff Performance	0.017	0.045	0.366	0.357
Salary -> Job Satisfaction -> Academic Staff Performance	0.198	0.041	4.790	0.000

The table above show that job satisfaction does not significantly mediate the relationship between healthcare benefits and academic staff performance (β = 0.017, p > 0.05), indicating that healthcare benefits influence performance mostly through direct effects rather than through job satisfaction. However, job satisfaction significantly mediates the relationship between salary and academic staff performance (β= 0. 198, p < 0.001) suggesting that salary affect performance largely by improving job satisfaction, which in turn enhances teaching, research, and overall institutional contributions.

Table 8
Confidence Intervals

	Original Sample (O)	Sample Mean (M)	5.0%	95.0%
Healthcare Benefits -> Academic Staff Performance	0.221	0.220	0.130	0.307
Healthcare Benefits -> Job Satisfaction	0.021	0.021	-0.078	0.119

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Job Satisfaction -> Academic Staff Performance	0.776	0.777	0.722	0.830
Salary -> Academic Staff Performance	-0.089	-0.088	-0.150	-0.027
Salary -> Job Satisfaction	0.255	0.255	0.166	0.344

The table above represent the confidence intervals, it shows that the confidence internal values confirm stability of estimates, none cross zero for significant paths, reinforcing the reliability of findings.

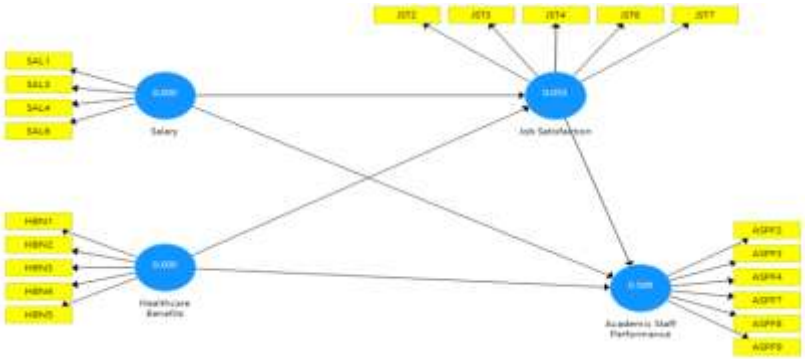

Figure 4: Predictive Relevance

The above model illustrates the structural relationship between salary, healthcare benefits, job satisfaction, and academic staff performance. Salary and healthcare benefits both have no direct explanatory power (R^2 = 0.000), but together they contribute indirectly through job satisfaction (R^2 = 0.053), which plays a modest mediating role. The model demonstrate that job satisfaction exerts a meaningful influence on academic staff performance while salary and healthcare benefits contribute more directly to performance without significantly influencing job satisfaction. The explained variance in academic staff performance (R^2 = 0.509) indicates a moderate predictive power of the model, highlighting that although job satisfaction is important, salary and healthcare benefits remain key drivers of staff performance in private universities.

Table 9
Construct Cross-validated Redundancy

	SSO	SSE	Q^2 (=1-SSE/SSO)
Academic Staff Performance	**2,262.000**	**1,109.846**	**0.509**
Healthcare Benefits	**1,885.000**	**1,885.000**	
Job Satisfaction	**1,885.000**	**1,784.295**	**0.053**
Salary	**1,508.000**	**1,508.000**	

The table above shows that academic staff performance has a strong predictive relevance (Q^2 = 0.509 > 0), meaning that the model has a good predictive ability for this outcome.

8. Discussion

The study findings shows that job satisfaction is the strongest predictor of academic performance, explaining nearly 65% of its variance. The findings supports the

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underpinning theory; expectancy theory, which posits that motivation such as satisfaction mediates the relationship between effort and performance. The mediation analysis reveals that job satisfaction significantly mediates the relationship between salary and performance highlighting salary's indirect role in boosting motivation and commitment. Healthcare benefits show a strong direct effect on performance, consistent with studies from (Imna & Hassan, 2015) that emphasize that welfare programs are key motivators. However, healthcare benefits was statistically insignificant on job satisfaction which suggest that academic staff view them as standard provisions rather than motivators. On the other hand, salary was found to positively influence job satisfaction but has a negative effect on academic staff performance, suggesting the possibility of increased workload tied to salary increase.

Overall, the results highlight the need for a balanced compensation strategy ensuring competitive salaries, meaningful healthcare support, and policies that foster satisfaction to sustain long-term performance improvements.

9. Conclusion and Future Research

This study confirms that compensation practices significantly shape academic staff performance, though their effects are nuanced. Institutions should therefore prioritize comprehensive healthcare programs, review salary structures to align with market standards, introduce fair, transparent performance based incentives. It is also very critical for institutions to improve job satisfaction effort through equitable workload distribution, supportive leadership, and opportunities for professional growth. Also regular feedback mechanism and climate surveys should be implemented to identify and address staff concerns proactively.

Future research should expand to public universities and other regions in Nigeria for a broader generalization. Future studies should also adopt longitudinal designs to track how changes in compensation policies influence performance over time. Additionally, mediator such as leadership style and institutional culture should be explored alongside qualitative approach like focus groups, interview to provide a richer understanding.

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