



## WORK ENGAGEMENT AS A MEDIATOR OF THE CONNECTION BETWEEN COMPENSATION AND EMPLOYEE COMPETENCE: EVIDENCE FROM NIGERIA

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### ABSTRACT

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Competence is as an essential attribute of employees which describes their work ability, attitude, knowledge and skills. This study aims to explore whether work engagement as a mediator can influence the link between compensation and employee competence and also establish the nexus between the two variables within the context of Nigeria's Universal Basic Education System Administration (UBESA). Studies that explore the impact of compensation on employee competence and the mechanism through which it influences employee competence appears to be scarce. The study used a quantitative approach to collect data from 341 randomly selected respondents. The instruments include the Utrecht Work Engagement Scale, Compensation Scale and Competency Scale and were adapted from prior studies to suit the current study. SPSS Amos 24 was used to analyze the data. The results revealed that compensation has a significant influence on employee competence and that work engagement mediates the connection between compensation and employee competence. This study contributes theoretically by proposing a new model that examines the mediating effect of work engagement on compensation and employee competence. The findings provide a better insight for the management of Nigeria's UBESA on how to increase employee competence. Finally, the study offers suggestions for future research.

**Contribution/Originality:** This study examines work engagement as a mediator of the connection between compensation and employee competence within the context of the public educational system in Nigeria, as research in this area is scarce in the existing literature. This study attempts to investigate these variables in one model.

### 1. INTRODUCTION

The most essential resource used in determining the success of any modern organization is the competence of its employees, who should possess adequate and relevant skills, abilities and knowledge (Satyendra, 2020). Buildings and other material resources only stand as the framework; what provides life and yields value are the competent employees within the framework (Sani & Ibrahim, 2020). Competent individuals are termed as the best organizational resource capable of achieving effective and competitive benefits by ensuring the overall success of an organization (Vathanophas, 2007). Unlike other essentials that can easily be copied, such as strategies, business models, services and other products, competent employees are considered as resources of sustainable distinction. Thus, the quest for competent individuals in modern organizations is increasing in both the public and private

sectors in response to the dynamic nature of the global market and the increasing nature of multiple competitors, which warrant modern organizations to be managed in a more flexible manner while taking environmental factors into consideration (Gould-Williams, 2003). Hence, it has become necessary for modern organizations to assess human resource management (HRM) practices to ensure success. Interestingly, most organizations tend to enhance their capabilities by offering adequate compensation (Samuel & Esther, 2013). Thus, compensation plays a greater role in determining the overall success of an organization than the capability of its employees (Islam & Siengthai, 2010; Liu, Zheng, Lu, & Qu, 2022; Utami, Handoyo, Negoro, & Hardinto, 2022). Human resource development encourages competency development by providing opportunities for employees to enhance their skills, which will work toward organizational achievement (Rodrigues & Chincholkar, 2005).

In the past few decades, competency-based practices have become crucial in HRM. Currently, different organizations, businesses and other public services have employed competency models aimed at improving the global trends and other business strategies through the use of available human and capital resources (Vathanophas, 2007). Competency entails knowledge, skills and abilities that enable the performance of job responsibilities. Hence, ensuring increased competency in modern organizations has become necessary toward sustainable competitive advantage. Nevertheless, public sector organizations have reaffirmed their commitment to enhancing competencies in the quest to achieve organizational greatness (Spekle & Verbeeten, 2014).

Public sector organizations in Nigeria have been accused of unethical conduct within the administrative system (Ezeamalu, 2015). This condition has led to the emergence of an increasing level of inefficiency within the system, particularly in the public educational system, which draws the attention of the general public (Inyang & Akaegbu, 2014). In order to increase the standard of basic education in Nigeria, the government introduced a universal basic education program with the ultimate goal of providing free and compulsory basic education to its school-aged children (6–14 years) to reduce the number of out-of-school children and the rate of poverty and illiteracy in the country (Claudia, 2017).

Despite the commendable effort made by the government, the number of children enrolling in basic education remains very low, which leads to the increasing rate of out-of-school children in Nigeria. Consequently, the rising number of out-of-school children in most developing nations, specifically in Sub-Saharan Africa, is worrying (UNICEF, 2018; World Bank, 2014). This has attracted the attention of numerous scholars, other concerned persons, international bodies, and non-governmental and governmental institutions. This situation has influenced the rate of global out-of-school children, leading to an increasing number of about 62 million children who have not enrolled in school (SDG4, 2018). With 15 million children out of school, Nigeria has been considered as the country with the highest number of out-of-school children (Alabi, 2022; Biodun, 2022). This situation has resulted in the increase in the level of illiteracy and poverty in Nigeria (Inforguide, 2022). In spite the declaration of free and compulsory basic education in the country, the rate at which children attend school remains low, especially in the Northern region of the country (Alabi, 2022).

As mentioned earlier, the general public have raised concerns regarding unethical conduct in the public education system (Jennifer, 2018; Sabi'u, 2017). Several scandals have been exposed related to corruption, embezzlement, inadequate service delivery and nepotism within the system administration (Channels, 2022). This unethical conduct has been labeled as a major hindrance to the adequate implementation of compulsory, free, basic education in Nigeria (Anthony, 2020; Channels, 2022). Hence, the Transparency International (2020) has described Nigeria as being among the countries with the highest rate of unethical conduct within public sector organizations. Outwardly, this indicates employees' incompetence in ensuring the adequate implementation of compulsory basic education in the country. Consequently, this problem requires urgent attention to limit the level of poverty and illiteracy among citizens in Nigeria.

Prior studies emphasized that the achievement of organizational success largely depends on employees' competence (Vathanophas, 2007). Interestingly, modern organizations have recognized the significance of the

factors that are capable of ensuring organizational success. Thus, high levels of employee engagement and effective compensation are described as critical in enhancing employees' competence in working toward achieving organizational success (Islam & Siengthai, 2010; Karatepe, 2014). Similarly, work engagement is regarded as a direct motivational factor that has the capability of increasing individuals' competence toward the attainment of organizational objectives (Aktar & Pangil, 2018; Karatepe, 2014). This paper is an attempt to address the alarming problem regarding the vital role of basic education in the country's economic development (Jennifer, 2018). Moreover, this paper posits that influencing individuals' unethical conduct within the public educational system, and Nigerian UBESA specifically, through ensuring a high level of work engagement among employees and providing them with effective and suitable compensation may have a great impact on their competence. Research that investigates these variables in one model is scarce. This study will add to the existing literature by exploring work engagement as mediator in the connection between compensation and employee competence in the context of the Nigerian public education system, and UBESA in particular.

## 2. LITERATURE REVIEW

### 2.1. Compensation

Compensation encompasses many types of economic gain and other commodities that can be used in place of monetary incentives given to employees (Islam & Siengthai, 2010). Wan (2008) emphasized that compensation is based on individuals' performance over and above their position in an organization. Also, it is regarded as a performance-based reward system based on the actual gain, e.g., the better the performance outcome, the higher the remuneration and the gain shared (Pfeffer, 1998).

### 2.2. Work Engagement

Work engagement is regarded as a satisfying work-related disposition mostly termed as dedication, vigor, and absorption (Schaufeli & Bakker, 2003). However, work engagement comprises of how individuals feel about their work. Likewise, work engagement is considered as the given condition in which individuals relate to their tasks in an organization and the activities that affect their lives entirely (Cesário & Chambel, 2017). Also, highly engaged individuals mostly identify with their given responsibilities and they are always thinking about their work even when they are not present at their place of work (Sani & Ibrahim, 2021).

### 2.3. Employees Competence

The word competency originated from the Latin word 'competentia,' which means 'authorized to judge' and 'the right to speak'. To HRM, its approach is not new. Competency is engrained in all aspect of HRM roles and it is largely utilized in all forms of organizations. Also, competencies are mostly determined by the complex nature of the responsibilities of a particular job. Accordingly, workers in every firm are charged to showcase their competencies to ensure the ultimate achievement of the firms' specified goals (Satyendra, 2020). Hence, competency is termed as the skills, knowledge and other abilities required from an individual in an organization (Satyendra, 2020). Nevertheless, individual competencies are often considered as a prevalent concept of an employee's performance. The concept has two basic aspects: the individual's personal potential (professional competence), and the required specifications for the job (workplace competency). These competencies are set strategically to ensure the success of an organization (Vathanophas, 2007). Largely, competency is regarded as a mixture of basic skills, attributes, behaviors and knowledge required of an employee to successfully carry out the given work-related responsibilities (Satyendra, 2020). The crucial role of employees can never be over-emphasized since HR establishes the basics for efficient performance of modern technological systems. Hence, competitive and competent employees are critical for the survival of modern firms in the present environmental dynamic (Sani & Ibrahim, 2021; Vathanophas, 2007).

#### 2.4. The AMO Theory

The use of AMO (ability, motivation and opportunity) theory in quantitative studies helps researchers to answer the research questions (Creswell & Creswell, 2017). The paper applied the AMO theory because of its suitability in describing the complex relationship between several variables. The theory explains how employees are managed for the attainment of organization goals. The study is based on the views of Lawshe (1945b) on AMO theory, which insist on the significance of ability-enhancing practices that have the capability of improving employees' abilities, knowledge and skills to ensure the attainment of organizational success. Hence, several researchers in the field of HRM and other related field consider the use of AMO theory in describing factors capable of influencing employees' ability toward organizational success (Kellner, Townsend, & Cafferkey, 2019). For instance, individuals' competence can be candidly increased through suitable compensation. The AMO theory posits that the combination of several elements helps to increase individuals' competence toward ensuring the success of an organization since its gives room for different elements to be grouped together (Boselie, Dietz, & Boon, 2005). Moreover, several studies have confirmed the suitability of using AMO theory the field of HRM as well as other related fields of study (Ujma & Ingram, 2019; Van Waeyenberg & Decramer, 2018).

#### 2.5. Hypothesis Development

##### 2.5.1. Compensation and Employee Competence

Previous studies have confirmed that compensation has a significant influence on employee competence. For instance, the study conducted by Nwamuo (2019) in Nigerian breweries with 337 respondents revealed that compensation has a positive and significant relationship with employee competence. The study maintained that compensation can be an influential instrument toward obtaining the best competency in the quest for achieving organizational goals. Similar, the findings emphasized that adequate compensation, which includes increases in salaries and wages, is a morale booster for employees and enhances their ability toward attaining the firm's success. In addition, Otoo and Mishra (2018) explored the influence of compensation and employees competence using 700 respondents from selected hotels in the Indian hospitality industry. The study showed a positive relationship between compensation and employee competence and maintained that compensation remains one of the strongest mechanisms which can be utilized to influence employees' competence by motivating them toward organizational competitive advantage. Similarly, Mohamud (2019) investigated the impact of compensation on employees' competence using 98 respondents from the Somalian educational sector. The findings indicated that compensation has a positive and significant relationship with employee competence. Likewise, Katidjan, Pawirosumarto, and Yuliani (2018) studied a sample of 120 respondents to determine the influence of compensation in Malaysian insurance companies. The findings revealed that compensation is significantly related to employee competence. In addition, the study maintained that adequate compensation enhances employee competence and ensures overall organizational success. Accordingly, this study hypothesizes that:

*H1: Compensation has a significant relationship with employee competence.*

##### 2.6. Compensation and Work Engagement

Several prior studies have confirmed a significant relationship between compensation and work engagement, e.g., the study conducted by Huang, Ma, and Meng (2018) in China's service and manufacturing sectors using 782 respondents. The findings suggest that compensation has a significant and positive relationship with work engagement. The study emphasized that adequate compensation is capable of ensuring a high level of work engagement and the subsequent attainment of a firm's objectives. In addition, Aktar and Pangil (2018) investigated the impact of compensation on work engagement using 376 respondents from Bangladesh's banking sector. The outcome posits that compensation has a positive and significant influence on work engagement. The study maintained that ensuring efficient and effective compensation practices in an organization guarantees a high level of

work engagement and the subsequent attainment of organizational success. Similarly, Sivapragasam and Raya (2018) explored the connection between compensation and work engagement in Indian information technology (IT) companies using 626 respondents. The outcome indicated that compensation is positively and significantly related to work engagement. In the same vein, the study suggests that provision of adequate compensation is capable of stimulating the well-being of employees directly by increasing their level of engagement. Likewise, Aboramadan, Albashiti, Alharazin, and Dahleez (2020) examined the influence of compensation and work engagement in Palestinian public universities using 237 respondents. The findings suggest that compensation has a significant influence on work engagement. The study maintained that the presence of effective compensation boosts employees' engagement and the overall success of an organization. Accordingly, this study hypothesizes that:

*H2: Compensation has a significant relationship with work engagement.*

### *2.7. Work Engagement and Employees Competence*

Several studies have confirmed the significant relationship between work engagement and employee competence. For instance, Seema (2016) investigated the connection between work engagement and employees competence in an IT company using 250 respondents as the sample size, and the findings indicated that work engagement is positively related to employee competence. Likewise, Nawangsari and Sutawidjaya (2019) examined the link between work engagement and employee competence in a small and medium enterprise in Indonesia using 101 respondents. The results showed that work engagement is positively and significantly related to employee competence. Wei, Li, Zhang, and Liu (2018) also investigated the connection between work engagement and employee competence using 248 respondents, and the outcome revealed a significant relationship between work engagement and employee competence. Moreover, Lawshe (1945b) maintained that ability-enhancing practices, such as high-level work engagement, are capable of increasing the level of employee competence and guarantees organizational success. Accordingly, the present study hypothesizes that:

*H3: Work engagement has a significant relationship with employee competence.*

### *2.8. Mediating Role of Work Engagement*

HRM practices are an area of concern among academics (Ghebregiorgis & Karsten, 2007). Hence, prior research works have confirmed the assumption that HRM practices, such as compensation, increase employee competence in the quest to achieve a firm's objectives (Otoo & Mishra, 2018). The instrument capable of explaining the connection between compensation and employee competence remains uncertain (Aryee, Walumbwa, Seidu, & Otaye, 2012; Karatepe & Vatankhah, 2015; Gomes, Angwin, Peter, & Mellahi, 2012). Alsabbah and Ibrahim (2014) and Alshibli (2019) registered their concern for the need for researchers to examine HRM practices, such as compensation, and the instrument that elucidates the link between the two variables. In addition, previous studies have established a significant positive relationship between compensation and employee competence (Mohamud, 2019; Otoo & Mishra, 2018), between compensation and work engagement (Aboramadan et al., 2020; Huang et al., 2018), and between work engagement and employee competence (Nawangsari & Sutawidjaya, 2019; Wei et al., 2018). Unfortunately, studies that examined these variables in one model appear to be scarce in the bulk of literature to the best of our knowledge. Hence, the current research work is an attempt to fill in this gap by exploring the mediating role of work engagement in the relationship between compensation and employee competence. In fact, work engagement is chosen to play a mediating role in this study based on three distinct reasons: Firstly, it is considered an end result of HRM practices (compensation) (Aktar & Pangil, 2018; Karatepe, 2013; Saks, 2006); secondly, it is termed as a direct motivational factor toward enhancing individual's competence (Karatepe, 2014); and thirdly, several empirical studies have confirmed the relationship between the study constructs. Accordingly, this study hypothesizes that:

*H4: Work engagement mediates the relationship between compensation and employee competence.*

### 2.9. Research Framework

The significant relationship between compensation and employee competence has been established by previous studies. Again, the crucial role of work engagement as the appropriate apparatus for explaining such a relationship between the study constructs has also been clarified in prior studies. Figure 1 illustrates the current study's framework.

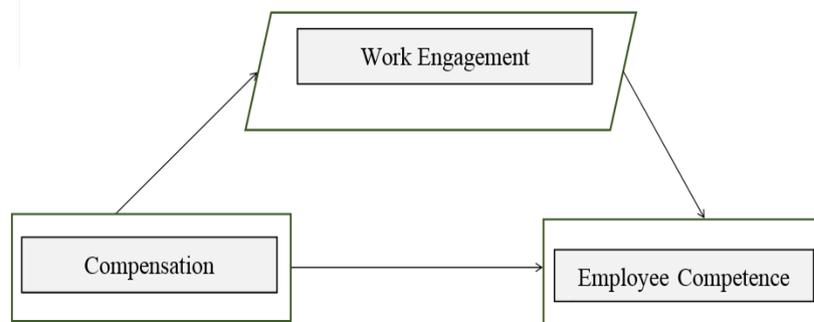


Figure 1. The study framework.

## 3. METHODOLOGY

This research work is quantitative and cross-sectional. The data was collected through questionnaires distributed among Nigeria's UBESA in selected states (Kaduna State, Katsina State, Kano State, Kebbi State, Jigawa State, Sokoto State, and Zamfara State). The stratified sampling method was applied to select the population from the sampling frame in this study, and a simple random technique was used to select respondents from the target population. The respondents were asked to supply their demographic information (gender, age, educational qualification, marital status, work experience, and monthly salary) before answering the questions in the questionnaire. A total of 455 questionnaires were distributed, 387 questionnaires were returned, and 46 questionnaires were excluded based on incompleteness; therefore, 341 questionnaires were considered usable and suitable for the data analysis in this study. This represents 75% of the total responses, which is in line with Sekaran and Bougie (2016), who stated that 35% is a sufficient response rate. Instruments used were adapted from prior studies in order to suit the present research, and a pretest was considered to ensure the content and face-to-face validity of these instruments for appropriate conduct of the research. An exploratory factor analysis (EFA) was conducted using the Statistical Package for Social Sciences (SPSS) on all the items involved in each construct in order to ensure the reliability of the items before conducting the final survey (Shkeer & Awang, 2019). Accordingly, the Structural Equation Modeling (SEM) in IBM SPSS Amos 24 was used to determine the connectivity among the constructs involved in the study.

### 3.1. The Exploratory Factor Analysis of the Individual Measurement Model

In order to determine the changes from prior studies' items and purify the measurement scale, factors that have an eigen value greater than one and 60% total variance explained are considered suitable for a factor analysis (Awang, 2012). Thus, factor rotation is determined based on the varimax and Kaiser normalization method. In this study, the varimax maximization rotation was conducted on eight items to measure the compensation construct. Bartlett's test of sphericity is only considered significant if the p-value is less than 0.05. Also, the Kaiser-Meyer-Olkin (KMO) sampling measure is only considered adequate if the value is greater than 0.6 (Awang, 2012). Consequently, Bartlett's test is the most significant, and the KMO must be greater than 0.6 in order to be adequate for data reduction (Awang, 2012). In addition, Cronbach's Alpha must exceed 0.7 in order to attain internal reliability.

For the purpose of this study, an EFA was conducted through the extraction technique of principal component analysis on the compensation construct for eight items through the varimax maximization. The rotation results

show that the eigen value for the compensation construct is 1.864, which is above 1.0 as required; the total variance explained is 69.024%, which is suitable since it is higher than 60% as required. Bartlett's test of sphericity is revealed as significant as the p-value is less than 0.05. The KMO is 0.892, which is adequate, as it has exceeded 0.6 as required (Awang, 2012). Hence, the two results indicate that the data is adequate to proceed with the data reduction process (Awang, 2010; Rahlin, Awang, Afthanorhan, & Aimran, 2019). The Cronbach's Alpha value is 0.891 for the eight items. In other words, all items are said to be suitable for measuring the compensation construct in this research.

An EFA was conducted on the work engagement construct using the extraction technique of principal component analysis (PCA) with variation maximization. Rotation was conducted on 17 items which measure the work engagement construct. The outcome indicates that the eigen values for the work engagement construct are as follows; component 1 (2.465), component 2 (2.219), and component 3 (2.219). Thus, the total variance explained for the construct is 63.423%. In other words, the 17 items which have been grouped in three main components measure about 63.423% for work engagement as a construct. Bartlett's test of sphericity is significant since the p-value is less than 0.05. The KMO measure of the sampling adequacy is 0.820, which is adequate as it has exceeded the required threshold value of 0.6 as suggested by Awang (2010) and Rahlin et al. (2019). The two outcomes clearly indicate that the data is sufficient to continue with the procedure for data reduction in EFA (Awang, 2010; Bahkia, Awang, Afthanorhan, Ghazali, & Foziah, 2019; Rahlin et al., 2019). The Cronbach's Alpha value is 0.882 for all 17 items that measure the work engagement construct.

Accordingly, the EFA was conducted on the employee competence construct using the extraction procedure of principal component analysis (PCA) with variation maximization. Rotation was conducted on 20 items which measure the employee competence construct. The outcome indicates the following eigen values: component 1 (7.110), component 2 (2.230), component 3 (1.929), and component 4 (1.845). Hence, the total variance explained for the employee competence construct is 65.568%. Bartlett's test of sphericity appears to be significant with a p-value less than 0.05. The KMO measurement of the sampling adequacy is 0.817, which means it is adequate since it has exceeded the 0.6 threshold value as suggested by Awang (2010) and Rahlin et al. (2019). The two outcomes suggest that the data is sufficient for the data reduction process in the EFA (Awang, 2010; Bahkia et al., 2019; Rahlin et al., 2019). The Cronbach's Alpha value is 0.902 for all 20 items, hence all items measuring the employee competence construct are useful. Table 1 shows the summary of the pilot test results.

Table 1. Summary of the pilot test results.

Construct	Dimensions	Items	Overall Reliability	Total Variance Explained	KMO	Cronbach's Alpha
Compensation	1	8	0.945	69.024%	0.892	0.891
Work Engagement	3	17	0.882	63.423%	0.915	0.882
Employee Competence	4	20	0.902	65.568%	0.817	0.902

As indicated in Table 1, the pilot test results reveal that all constructs have achieved suitable internal reliability since the Cronbach's Alpha values have exceeded the required threshold of 0.7. Each of the items has a factor loading value greater than 0.60, which were also loaded on their latent variable without any overlapping to the other variables. Hence, all the reliability measures have gone beyond the minimum required value of 0.6 and are confirmed to be suitable for the study.

## 4. FINDINGS

### 4.1. Confirmatory Factor Analysis (CFA)

In this phase, structural equation modeling (SEM) was performed to provide a structural model by examining

the measurement model of all the constructs involved in the research through the confirmatory factor analysis (CFA). CFA analysis is used to assess the normality distribution, unidimensionality, validity and reliability of the research constructs (Aziz, Afthanorhan, & Awang, 2016; Yusof, Awang, Jusoff, & Ibrahim, 2017). These requirements are known as construct validity. The construct validity is typically evaluated by the fitness index, the discriminant validity is evaluated by the discriminant validity which is the average variance extracted (AVE), while the construct reliability is evaluated by computing the composite reliability (CR) value for all the constructs (Afthanorhan, Awang, Salleh, Ghazali, & Rashid, 2018; Awang, Lim, & Zainudin, 2018). The outcome of the CFA revealed the following: the construct validity has a p-value = .000; the root mean square error of approximation (RMSEA) = 0.073; the comparative fix index (CFI) = 0.926; Tucker–Lewis index (TLI) = 0.914; and ChiSq/df = 2.837. Figure 2 presents the CFA results for the study model.

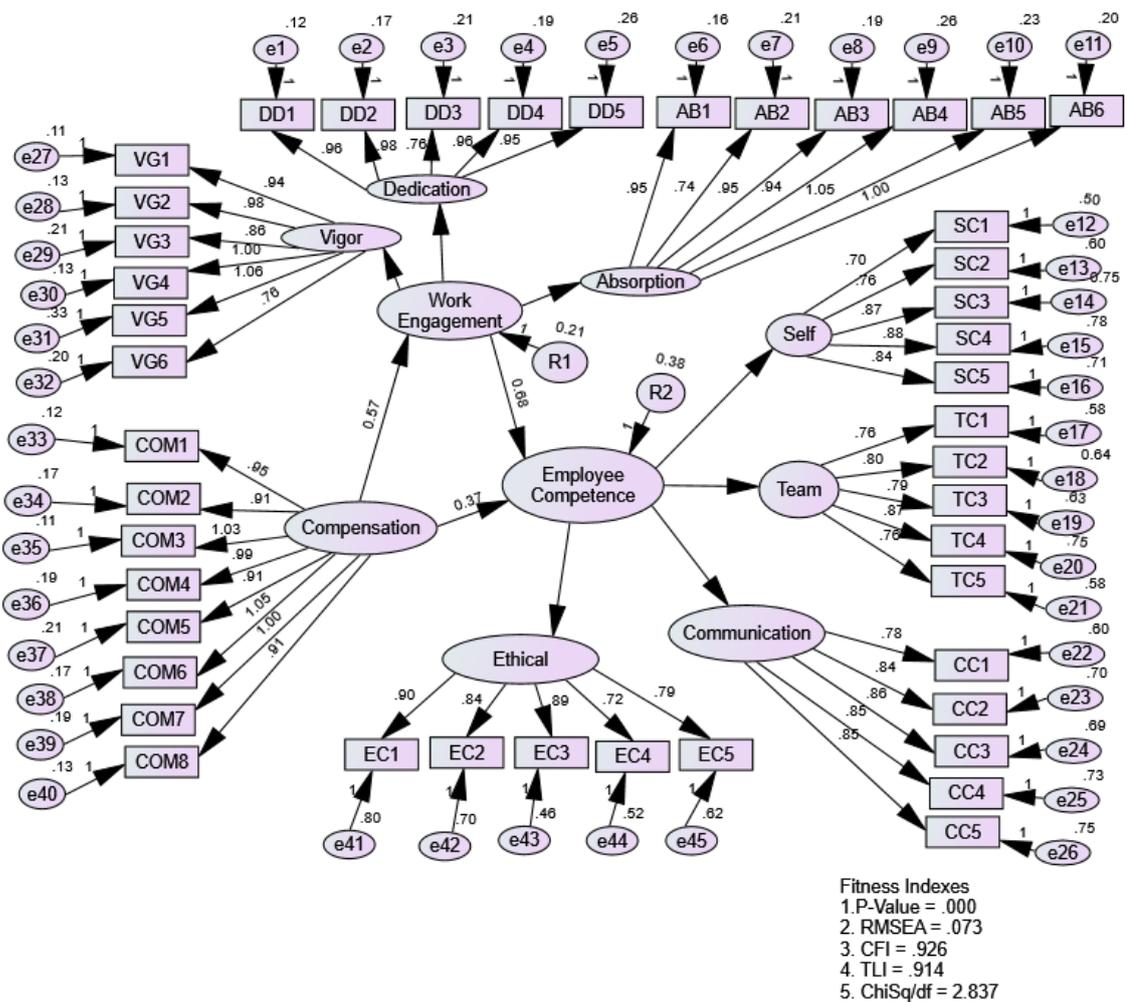


Figure 2. The CFA results for the study constructs.

The average variance extracted (AVE) value for the employee competence construct is 0.669, the AVE for work engagement is 0.690, and the AVE for compensation is 0.698. The overall value for all constructs in the study has exceeded 0.5. Similarly, the composite reliability (CR) value for employee competence is 0.887, the CR value for work engagement is 0.870, and the CR value for compensation is 0.902. This result confirms the convergent validity of all the constructs in the study. Consequently, the factor loading for all items involved in this research have exceeded 0.60, clearly indicating the unidimensionality of the measure in the study model (Asnawi, Awang, Afthanorhan, Mohamad, & Karim, 2019; Rahlin et al., 2019). This also signifies that the measurement model for all constructs has met the composite reliability requirements (Awang, 2015; Mahfouz, Awang, Muda, & Bahkia, 2020;

Yusof et al., 2017). The next stage contains the valuation of the discriminant validity index, as summarized in Table 2.

Table 2. The discriminant validity index summary for all constructs.

Construct	Compensation	Employee Competence	Work Engagement
Compensation	0.84		
Employee Competence	0.37	0.82	
Work Engagement	0.57	0.68	0.83

All the diagonal values are greater than the whole values in its sequence. Therefore, the discriminant validity for all constructs has been attained appropriately (Awang, 2015).

4.2. Structural Equation Modeling (SEM)

After ensuring that the constructs have attained the requisites for normality, validity, unidimensionality and reliability, the study proceeded with the structural equation modeling (SEM) procedure to test the projected hypotheses. The outcomes of the SEM process are presented in Figure 3.

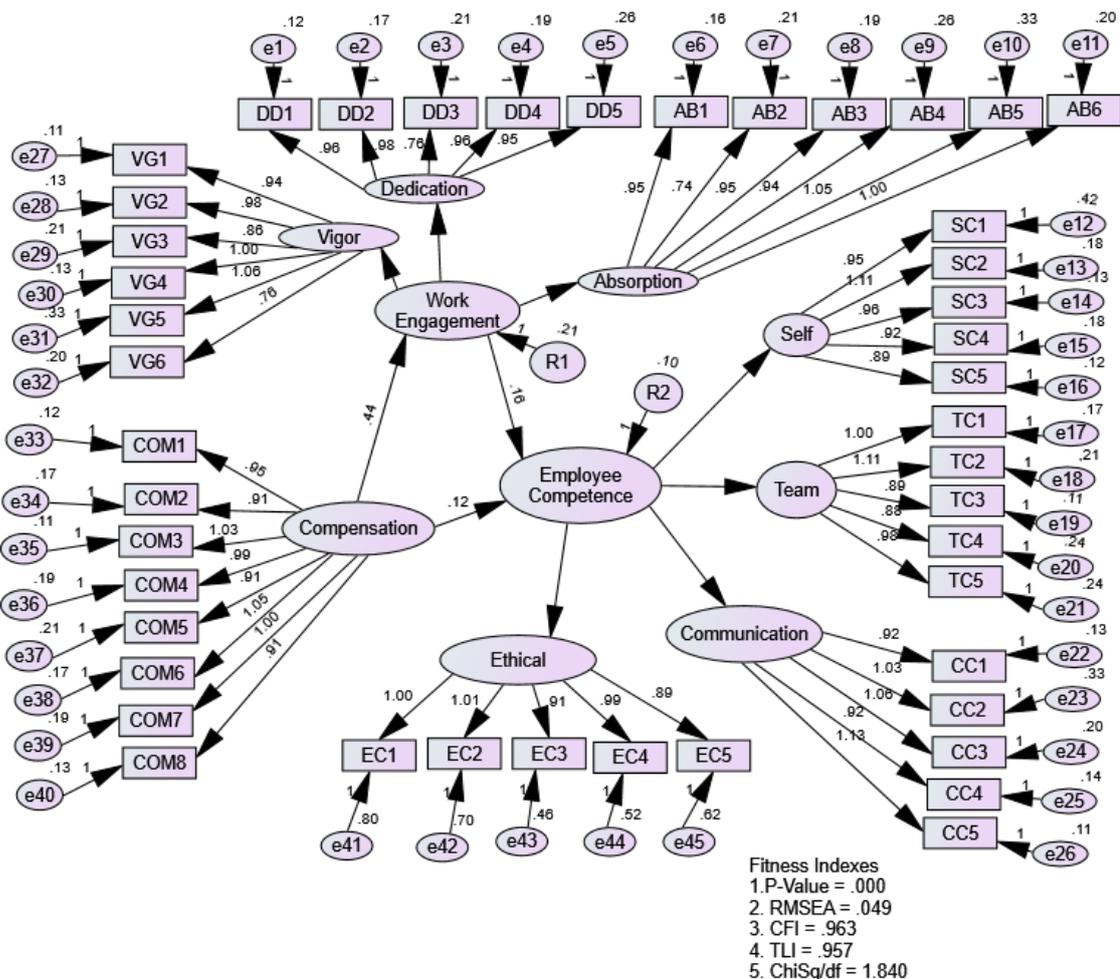


Figure 3. The regression path coefficients among the constructs in the model.

5. RESULTS

The outcome of the analysis was informed by the results derived from the SEM process. The direct effect of compensation on employee competence is reported to be significantly positive with an estimated value of 0.122 and

a p-value of 0.032. Thus, hypothesis 1 is supported. Similarly, the direct influence of compensation on work engagement is also positively significant with an estimated value of 0.442 and a p-value of 0.001. Hence, hypothesis 2 is also supported. The direct relationship between work engagement and employee competence was revealed to be positively significant with an estimated value of 0.156 and a p-value of 0.005. Therefore, hypothesis 3 is supported. Likewise, work engagement was found to be capable of mediating the relationship between compensation and employee competence. Hence, hypothesis 4 is also supported. Table 3 contains the regression path coefficients and their significance.

**Table 3.** The regression path coefficients and their significance.

Construct	Path	Construct	Estimate	SE	CR	P-value	Result
Employee Competence	<---	Compensation	0.122	0.057	2.145	0.032	Significant
Work Engagement	<---	Compensation	0.442	0.066	6.644	0.001	Significant
Employee Competence	<---	Work Engagement	0.156	0.056	2.794	0.005	Significant

Largely, work engagement was found to be capable of mediating the link between compensation and employee competence. Table 4 shows the mediation results.

**Table 4.** Mediation results.

The Indirect Effect (a)	0.42	Statistically Significant
The Indirect Effect (b)	0.19	Statistically Significant
The Direct Effect	0.15	Statistically Significant
Mediation has occurred since both a and b appear to be significant		

Based on the results, all the indirect effects are significant. Hence, the type of mediation is defined as 'partial mediation' since the direct effect also appears to be significant, as indicated in Table 4.

## 6. DISCUSSION

The first hypothesis suggests that compensation has a significant positive and direct influence on employee competence, and the analysis supports this hypothesis. Employees in the Nigerian UBESA who are satisfied with their compensation system tend to be more competent in fulfilling their responsibilities. This finding has also been confirmed by prior studies (Mohamud, 2019; Nwamuo, 2019; Otoo & Mishra, 2018). These studies revealed that compensation has the capacity to ensure an increase in the level of employee competence, thus attaining a firm's success. The second hypothesis, that compensation has a positive influence on work engagement among employees in the Nigerian UBESA, was also confirmed. This finding is consistent with prior investigations (Aboramadan et al., 2020; Aktar & Pangil, 2018; Huang et al., 2018). The third hypothesis, that work engagement has a positive and significant influence on employee competence among employees in the Nigerian UBESA, was also supported. This outcome is in line with those of prior studies (Nawangarsi & Sutawidjaya, 2019; Seema, 2016; Wei et al., 2018). The fourth hypothesis suggests an indirect connection between compensation and employee competence through the mediating influence of work engagement. The outcome revealed that work engagement mediates the relationship between compensation and employee competence. The Nigerian UBESA employees who are satisfied with the organizational compensation system tend to be more competent in executing their given tasks toward ensuring the ultimate achievement of organizational goals. More interestingly, the outcome of the current investigation maintains that work engagement is a 'partial mediator' in the relationship between compensation and employee competence. This signifies that a sufficient and effective compensation system is essential for influencing or enhancing employee competence indirectly or directly through work engagement.

## 7. CONCLUSION

This research examines the relationship between compensation and employee competence in the context of Nigeria's UBESA. Accordingly, the outcome supports the proposed link between compensation and employee competence in the educational system. In addition to this, the study examines the mediating effect of work engagement in the relationship between compensation and employee competence, and the outcome has some stimulating theoretical and practical implications. Firstly, compensation is capable of influencing employee competence. Also, work engagement is regarded as a mechanism for increasing employee competence toward the attainment of the firm's objectives (Cesário & Chambel, 2017; Karatepe. & Olugbade, 2016). Secondly, the outcome also contributes to existing literature on the mediation influence of work engagement. Thirdly, compensation should be used to increase employee competence and work engagement. In general, the current model validates the link between compensation, work engagement, and employee competence in the context of the Nigerian UBESA.

## 8. LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

In spite of the significance of this exploration, several limitations exist. Since the current study only focused on Nigeria's basic education system, the outcome in a different context may not be generalizable. Hence, future research should consider other countries in order to have a comparative outlook. Another limitation of the current study is the cross-sectional nature of the analysis. Also, the investigation using a longitudinal approach seeks to determine the connection between compensation and employee competence through the use of several mediating variables. Hence, considering the mediating influence of work engagement in the relationship between compensation and employee competence would increase the knowledge of the management in the Nigerian UBESA on the vital role of an effective compensation system to increase the level of work engagement and employee competence. Principally, the findings of this research work offer a practical inclination to the management of the Nigerian UBESA.

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