APPRAISAL OF IMPLEMENTATION OF THE SINGLE SPINE PAY POLICY IN GHANA
A CASE OF THE UNIVERSITY FOR DEVELOPMENT STUDIES

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Abstract
The study appraised the Single Spine Pay Policy in Ghana using University for Development Studies as the area of study. Questionnaires were used for primary data collection. Secondary data were also used. The findings of the research indicated that there is transparency in the Single Spine Pay Policy in Ghana. However there is no fairness and equity as indicated as the ultimate goal of the Single Spine Pay Policy. Also, the study indicated that the expectations of staff were not met. The implementation challenges were found to be market premium being most challenging issue causing the labour agitation and/or strikes. Finally, as means of addressing the labour strikes, all staff should have been paid market premium, give continuous education on the Single Spine Pay Policy. The study recommends continuous education on the Single Spine Pay Policy, with particular emphasis on Market premium. Staff thought that the pay of every worker would have been the same in every public sector organization once educational qualification is the same. But the implementation appeared differently, and this caused the strike actions

Keywords: Single spine pay policy, market premium, strikes, negotiations, fairness, equity
INTRODUCTION

Over the years, pay reforms and reviews have been undertaken by past governments with the goal of improving public service salaries and managing the recurring canker of disparities and inequities in the Pay Administration System. Attempts to redress these problems included reviews by Commissions and Committees such as the Mills-Odoi (1967); Issifu Ali (1973); Justice Azu-Crabbe (1979-1983) and Gyampoh (1992-1993) Commissions or Committees. Despite these attempts, distortions, inequities and low incomes continue to persist within the Public Services (GoG White Paper, 2009).

In 2005, government appointed a consultant – Co-En Consulting, to advise on a sustainable pay policy. At the end of its assignment the consultant proposed a Single Spine Pay Policy (SSPP) to resolve the distortions in the government pay administrative system. Government accepted the consultant’s recommendation and adopted the Single Spine Pay Policy as the most appropriate Pay Policy for the public sector.

According to the GoG White Paper (2009), the Single Spine Pay Policy (SSPP) has been put forward to restore equity and transparency in public service pay administration. The new pay policy is to be implemented in phases over a five-year period effective January 01, 2010. The SSPP seeks to address four main issues namely, pay disparities that have emerged within the public services, rising cost of the public sector wage bill, large number of public sector pay negotiations, and linkage of pay to productivity.

The ultimate goal of the SSPP is to ensure equity, fairness and transparency in Public Service Salary Administration as well as enhance performance and productivity. The specific objectives of the Pay Policy are to place all public sector employees on one vertical structure; ensure that jobs within the same job-value range are paid within the same pay range (that is "equal pay for work of equal worth"); allow Government the ability to manage the wage bill more efficiently; ensure compliance and ease of monitoring the pay structures of self-accounting Institutions; minimize industrial-relation tensions related to low pay and distortions across the Public Services; and link pay to productivity.

The SSPP is a new comprehensive pay policy designed for public service workers. The policy seeks to ensure that the public sector remuneration structure is rational, equitable, transparent and sustainable (Ankomah, 2012). Essentially, the policy involves placement of all public sector employees listed in Article 190 of the 1992 Constitution on one unified salary structure known as Single Spine Salary Structure (SSSS). The public sector employees included in the SSSS are those in the Civil Service, the Judicial Service, the Audit Service, the Ghana Education Service, the Ghana Health Service, the Parliamentary Service, the National Fire Service, the Customs, Exercise and Preventive Service, the Internal Revenue Service, the
Local Government Service, the Police Service, and the Prisons Service. Workers in public corporations other than those set up as commercial ventures, public services established by the constitution and all other public services as Parliament may by law prescribed also included in the SSSS (GOG White Paper, 2009) According to Cavalcanti (2009) the Ghanaian single spine pay proposal is better defined as a single spine pay structure that attempts to place all jobs onto a common structure with 25 grades (levels) that include, in turn, 7 to 15 steps.

At present, there are 17 to 18 separate pay determination instances (depending on the year), in a fragmented, sequential process in which the government negotiates new pay levels with the different trade unions representing around 20 services in which the Ghanaian public service is divided. The current process is vulnerable to competitive leapfrogging, as each trade union benchmarks their demands for wage increases against the increases already agreed between government and trade unions representing other services. Under the single spine pay reform, the number of public sector pay negotiations would be reduced, with the public sector base pay determined centrally in negotiations between the government and the trade unions representing public services and institutions, with the ‘other’ elements of public sector pay subject to service-based negotiations. This would result in ten separate wage negotiations conducted in each pay round: nine service level negotiations and one central.

Towards reducing the pay disparities within the public sector, the single spine pay proposal has been developed to reduce actual and perceived wage differences within the public sector by paying more to middle ranged staff benchmarked below median pay for the public service as a whole. Staff working in sectors whose median pay is already well above the median for the public service are expected to gain very little from what is being proposed, which explains their opposition to the proposal.

Concerning the rising cost of the public sector wage bill at the end of 2008, the wage bill to GDP ratio reached 11.3 percent in Ghana, accounting for around one quarter of overall expenditures, over 40 percent of recurrent expenditures, and 46 percent of all tax revenues. The ends of 2008 figures are the result of the steady rise of the public sector wage bill to GDP ratio over the last 20 years, with particularly sharp increases during the last three years. Figure 1.1.1 pinpoints three distinct stepwise increases in the wage bill to GDP ratio over the last twenty years (1989 to 2008), indicating that these usually happen around the time of political transitions. The first increase in the wage bill to GDP ratio happened around the time of the separation of the public delivery services from the civil service in the run up to the completion of the 1992 constitution. At that time, the wage bill to GDP rose from just over 4 percent to around 6 percent in 1993. The next increase in the wage bill-to-GDP ratio happened following the 2000 election, when the ratio leaped from 6.1 percent in 2001 to 8.5 percent in 2002. The third jump
was after 2006, when the ratio rose to 9.7 percent in 2007 and then continued rising until reaching 11.3 percent last year (Cavalcanti, 2009).

Figure 1   Ghana Wage bill to GDP ratio, 1989 to 2008 (%)

Source: Ghanaian authorities (cited in Cavalcanti, 2009).

Despite the beauty of this policy, it is encountering some challenges in its implementation. The issues that lead to strike actions are numerous. Most-often, escalated individual or group grievances may lead to strike actions. Disagreements on all or parts of a Policy under negotiation or implementation may sometimes lead to a declaration of strike to drive home a point or two. In the specific instance of the single spine salary implementation processes, unpaid allowances and what I believe is the impatience of some public sector unions to be migrated onto the single spine pay structure constitutes a majority of the issues leading to the threats of and actual strike actions. The recent strikes, however, have had to do with determination of the quantum of Market Premium for Workers (Cavalcanti, 2009).

The agitations and industrial unrest which have characterized the migration of some public sector workers onto the Single Spine Salary Structure is an indication of the inadequacy of the current reform to address the low pay syndrome. The Ghana Trades Union Congress admits that some public sectors have witnessed improvements in their pay levels, the reality is that for a large number of the public sector workforce, the take home pay is grossly inadequate. Though the overall wage bill has increased following the implementation of the Single Spine
Salary Structure, individual level pay remains among the lowest in Africa. Therefore addressing the low pay regime in the public sector should be central in the national effort to raise productivity and public service delivery.

**Research Objectives**

1. To assess the implementation of the Single Spine Pay Policy in terms of the ultimate goals of the policy at University for Development Studies
2. To determine whether expectations of employees are met with the implementation of the Single Spine Pay Policy at University for Development Studies

**LITERATURE REVIEW**

Policy is a course of action or inaction chosen by public authorities to address a given problem or an interrelated set of problems (Barrows, et al 2003). In Ghana Fair Wages and Salaries Commission is mandated by law to take charge of the administration of wages and salaries.

According to Perera (2003), in communicating the analysis and recommendations to authority for policy formulation, policy analysts should be able to convince those in authority to agree with their recommendations. No policy can be implemented without the consent of authorities. Thus’ after selecting the best possible option for solving a problem, the next task is convincing others to agree with (it)’ (Keefe et al., 1983). When there is majority acceptance of a given option for solving a problem it will effectively go through an approval process. This means that there is always the need to discuss policy with stakeholders before implementation. But it appears that there was no much stakeholder forums before the implementation of the Single Spine Pay Policy.

**Theory of Transparency**

According to Etzioni (2010) Transparency is generally defined as the principle of enabling the public to gain information about the operations and structures of a given entity. Transparency is often considered synonymous with openness and disclosure, although one can find some subtle differences among these terms. In public discourse, transparency is widely considered a “good” on the face of it, similar to privacy and free speech. Related to the literature Solum (2013) said that the basic idea of transparency is simple: things go better when processes are open. Markets function best when transactions are public and terms are disclosed. Judicial processes work best when they are visible to the participants and the public. Governments work best when both inputs to decisions and the meetings in which decisions are made are public. This post provides a brief introduction to the idea of transparency in a few important contexts.
Expectancy Theory

Vroom, (1963) expectancy theory assumes that behaviour results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. Together with Edward Lawler and Lyman Porter, Victor Vroom suggested that the relationship between people’s behaviour at work and their goals was not as simple as was first imagined by other scientists. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. The theory suggests that although individuals may have different sets of goals, they can be motivated if they believe that: there is a positive correlation between efforts and performance, favourable performance will result in a desirable reward, the reward will satisfy an important need, the desire to satisfy the need is strong enough to make the effort worthwhile. The theory is based upon the following beliefs:

Placement of Jobs on Single Spine Salary Structure (SSSS)

The SSSS, which is an important aspect of the SSPP, came into effect in July 2010, with an agreed base pay of GH₵1,108.08 per annum and pay-point relativity of 1.7%. The implementation of the SSSS has, however, received mixed reactions from the generality of public workers. While some public workers have accepted the SSSS as a way of promoting fairness and achieving equity in public sector pay administration, others have also raised legitimate concerns about distortions and inequities in the structure.

Market Premiums

Another major challenge with the implementation of the SSSS is the issue of payment of market premiums to some workers. Under the SSPP, market premiums are required to be determined and paid to attract and retain critical skills, which are in short supply. What this means is that not all jobs are eligible for the market premiums. There is no doubt that some professionals like doctors, nurses, police, engineers etc need to be paid market premiums to keep them in the country and in the public sector. Certainly, in a key sector such as health, a lot need to be done about remuneration to attract and retain the critical health professionals at home. As noted by Abbey, their absence or insufficient presence could mean an intensification of socio-political instability, which could flow out of poor health service delivery in the country. While this is the case, there is a critical need for FWSC to clearly come out with appropriate guidelines and apply due diligence in determining the market premium in order not to compromise pay equity, which is one of the critical issues that this new policy seeks to address.
RESEARCH METHODOLOGY

Research Design
Research design is the conceptual structure within which research would be conducted. The function of research design is to provide for the collection of relevant information with minimal expenditure of effort, time and money, Kothari (2004). The research design helped the researcher realise the objectives of the study.

The researcher used primary data which involved the use of questionnaire made up of thirty eight questions, containing both opened-ended and closed-ended questions. The respondents for the research were one hundred and forty two, chosen through simple random sampling. Unit of inquiry was the University Senior Members and Senior Staff. The data collected was edited, classified, coded and tabulated. The analysis of the data took place by using statistical package for social sciences (SPSS) and presented on tables, pie charts and bar charts.

Sources of Data

Primary Data
According to Kothari (2004), primary data are those which are collected afresh and for the first time, and thus happen to be original in character. The primary data was gathered from the field using questionnaire. The questionnaire was structured into opened and ended questions made up of thirty eight (38) questions. According to Fisher (2010), the difference between the pre-coded and open questionnaire is simple. That the pre-coded ones have lots tick boxes for respondents to fill in, whereas open questionnaires have few open questions and lots of white space for people to make their responses in their own words.

Secondary Data
The secondary data provided the needed information on the study. Materials used included published and unpublished books, journals, Government of Ghana Acts, Government of Ghana Budgets, Articles, University for Development Studies Statutes. Kothari (2004) said that secondary data are those which have already been collected by someone else and which have already been passed through the statistical process.

Sampling Design
All items in any field of inquiry constitute a ‘Universe’ or ‘Population.’ A complete enumeration of all items in the ‘population’ is known as a census inquiry. It can be presumed that in such an inquiry, when all items are covered, no element of chance is left and highest accuracy is obtained. But in practice this may not be true. Even the slightest element of bias in such an
inquiry will get larger and larger as the number of observation increases. Moreover, there is no way of checking the element of bias or its extent except through a resurvey or use of sample checks. Besides, this type of inquiry involves a great deal of time, money and energy. Therefore, when the field of inquiry is large, this method becomes difficult to adopt because of the resources involved. At times, this method is practically beyond the reach of ordinary researchers. Perhaps, government is the only institution which can get the complete enumeration carried out. Even the government adopts this in very rare cases such as population census conducted once in a decade. When field studies are undertaken in practical life, considerations of time and cost almost invariably lead to a selection of respondents that is selection of only a few items. The respondents selected should be as representative of the total population as possible in order to produce a miniature cross-section (Kothari 2004).

**Simple Random sampling**

It is a sampling method where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples, in case of finite universe, has the same probability of being selected, (Kothari, 2004). During the administration of the questionnaire, the researcher gave out questionnaires to any staff within the unit of inquiry by chance.

**Sample Size**

According to Kothari (2004), sample size refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. The researcher could not administer questions on the total population of nine hundred and twenty four, instead, a sample was carried out for determination of the sample size. The sample size was arrived at by the formulae below:

\[ N \]

\[ n = \frac{N}{N(X^2) + 1} \]

\[ n = \text{Sample size} \]
\[ N = \text{Sample frame} = 924 \]
\[ X = \text{Margin of error} = 7.7\% \]

\[ 924 \]

\[ n = \frac{924}{924(0.077^2) + 1} = 142 \]
ANALYSIS AND DISCUSSIONS

Demographic Information

This section of the presentation gives brief information about the respondents from whom data were collected. This involves staff category and length of respondents’ experience in service with UDS. The staff category is the respondents from whom primary data was collected for the research. The length of time of service in the University for Development Studies is also there for the researcher to determine whether the respondents have witness several years of pay matters in the University for Development Studies.

Staff Category

The data collected revealed that, 38.03% of the respondents were senior members whilst 61.97% were found to be senior staffs of the Institution. The varied categories of staffs indicates the varying bargaining or negotiation powers of the respondents, hence different benefits or sufferings from the single spine pay policy. This is presented on Figure 4.1 below.

Respondents’ Length of Service with UDS

Fifty five (55) of the one hundred and forty two (142) respondents studied, which represent 38.7%, noted to have worked in the University for Development Studies for a period of 1-3 years whilst 61.3% of respondents said to have worked with the institution for more than three years (that is, 4 years and above). This implies that, majority of the respondents have an appreciable length of experience with the Institution and are considered capable of responding appropriately to research questions. It further implies that, valuable data can be obtained from these forms of respondents considering their length of service. The field data relative to this presentation is shown on Table 1 below.
Assessing the Implementation of the SSPP in Terms of its Basic Objectives
According to Government White Paper (2009), The ultimate goal of the SSPP is to ensure equity, fairness and transparency in Public Service Salary Administration as well as enhance performance and productivity. Various questions were asked to confirm whether the equity, fairness and the transparency have been achieved. The following results were ascertained.

Staff Knowledge of the Basic Objectives of SSPP
In an attempt to ascertain respondents’ knowledge of the basic objectives of the Single Spine Pay Policy, 86.6% of respondents noted in the affirmative indicating their knowledge of the basic objective of the SSPP. On the other hand, 13.4% of respondents reported not to have known anything regarding the basic objective of the SSPP. It can be said that, majority of respondents have fair knowledge of the primary aim of the single spine pay policy which are expected to be brought to bear in the subsequent discussions. Table 2 shows data on the responses gathered.

Transparency in the Implementation of the SSPP
Whilst transparency is said to be one of the major goals of the SSPP, an attempt was made to ascertain respondents’ view about the transparency of the policy. This revealed 13.4% and 40.1% of respondents respectively agreeing strongly and fairly to the statement that, ‘there is transparency in the implementation of the single spine pay policy’. On the other hand, 29.6% and 13.4% of respondents respectively disagreed fairly and strongly to the researcher’s assertion. Also, 3.5% of the respondents remained undecided on the assertion thereby indicating the ignorance about the transparency of the pay policy. However, a great session of
the respondents (that is about 53.5%) noted the pay policy to be transparent whilst some other session of respondents (about 43.0%) did not see the pay policy as transparent. This is shown on Figure 3 below.

Figure 3. Transparency in the Implementation of the SSPP

Disclosure of all facts of salary negotiations to public

The study sought to establish whether respondents expect salary negotiations to be disclosed publicly in order to ensure the said transparency. This inquiry revealed 68.3% of respondents indicated that salary negotiations should be disclosed to the general public. Agitations in favour of this response indicated that, the disclosure of such negotiations would help to reduce some labour agitations in the form of strikes. Furthermore, these disclosures would build employee confidence in both labour unions and Fair Wages and Salaries Commission, such that, it would help to clarify relativities of the pay policy for different groups. The disclosure of the progress of the negotiation may also enable affected workers to manage their expectations from the policy. On the other hand, 31.7% of respondents noted, it is not necessary to publicly disclose salary negotiations. Arguments in favour of this response could be established as creating unnecessary tension among affected workers and sometimes, increase in prices of goods and services in anticipation of more money in the system. This response however suggests that, disclosures should be made only to unions only. Data relative to this presentation is shown on Table 3 below.
Table 3. Disclosure of all facts of Salary Negotiations to the Public

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
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<tbody>
<tr>
<td>Yes</td>
<td>97</td>
<td>68.3</td>
<td>68.3</td>
</tr>
<tr>
<td>No</td>
<td>45</td>
<td>31.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100.0</td>
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**Fairness of Single Spine Pay Policy**

In a quest to determine whether there is fairness in the SSPP implementation, the researcher asked respondents to show their level of agreement or otherwise with the statement ‘there is fairness in the SSPP’. This quest also revealed 9.9% and 26.8% of respondents respectively agreeing strongly and fairly to the assertion. Contrarily, 45.8% and 16.9% of respondents also respectively disagreed fairly and strongly with the assertion. About 0.70% of respondents however were silent on the statement which depicts their neutrality to the assertion. It could be said however that, majority of respondents did not consider the implementation of the pay policy as fairly as it is purported. This is illustrated on Figure 4 below.

![Figure 4. Fairness in Single Spine Pay Policy](image-url)
Equity in the Single Spine Pay Policy

Further enquiries on the basic objectives of the single spine pay policy, the researcher sought to determine whether there is equity in the implementation of the policy. This inquiry also revealed 8.5% and 23.2% of respondents respectively in strong and fair agreement with the assertion that, ‘there is equity in the implementation of the single spine pay policy’. Amazingly, 48.6% and 18.3% of respondents however noted that, the single spine pay policy lacks equity. About 1.4% of respondents remained undecided with the assertion. It can be deduced from these responses that, the beneficiaries of the single spine pay policy do not regard the policy as being ensuring equity in rewarding employees in the public sector. This is shown in Figure 5 below.

Figure 5. Equity in the Single Spine Pay Policy

Employee Expectations from the SSPP

Towards ascertaining the expectation of employees from the single spine pay policy, the researcher asked whether their expectations from the policy have been met and this revealed 37.3% of respondents saying ‘Yes’ whilst 62.7% of respondents also answered ‘No’. A further inquiry revealed that, of the respondents who reported to have met their expectations, some noted to have had their basic salaries increased, others believed they were placed on the right
scale whilst others also said they were comfortable with their salary level. Some also believed that, they no longer feel cheated. On the other hand, the respondents who indicated that their expectations were not met, to the extent that they were not placed on the scale that commensurate with their qualifications whilst others indicated that, all their allowances were consolidated and salary arrears paid by installments. Some also noted that they have been cheated relative to colleagues with equal qualifications. Other issues raised by this category of respondents includes inappropriate market premium, and delayed migration into the spine (policy). Table 4. shows responses regarding the percentages of respondents who met or did not meet their expectations.

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>53</td>
<td>37.3</td>
<td>37.3</td>
</tr>
<tr>
<td>No</td>
<td>89</td>
<td>62.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100.0</td>
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**CONCLUSIONS**

Lack of proper understanding of basic objectives of the SSPP brought about the strikes action. Staff thought that the pay of every worker would have been the same in every public sector organization once educational qualification is the same. But the implementation appeared different, and this caused the strike actions.

Also, in terms of meeting expectations of staff about 62.7% said their expectations were not met as in table 4.3.1. Perhaps this might have been the cause of the strike action on SSPP. During the implementation of the Single Spine Pay Policy a lot of challenges were encountered and prominent among them was market premium which was paid to some staff whilst others were not paid. Other issues that brought about the strike actions were conversion difference arising in staff pay, annual incremental jumps on hold and allowances previously depend on basic salary still remained unchanged.

Finally, as means of addressing the labour strike action, all staff should have been paid market premium. The basic pay should have been free from disparities. There should have been continues education on the SSPP. There should not be direct political involvement in its implementation. The inadequacy of these factors brought about the labour agitations and/ or strike action.
RECOMMENDATIONS

There is the need for continues education on the Single Spine Pay Policy implementation. This will assist in making all staff understand and appreciate the basic objectives of the policy. Fair Wages and Salaries Commission should try as much as possible to be fair and equitable in all pay issues to all staff of UDS and the entire public sector workers in Ghana.

Fair Wages and Salaries Commission should try as much as possible to meet the expectation of the Senior Members and Senior Staff of the University for Development studies. Thirdly, after the implementation of the SSPP many challenges arose, Very strong one being market premium. The researcher recommends that a stakeholder forum be organized to determine appropriate guide lines for the payment of the market premium. The others which were conversion difference, annual incremental jumps should be resolved immediately.

Finally, for the sake of addressing the Single Spine Pay Policy implementation challenges, the policy should not be seen as political tool for winning votes, market premium should be paid to all staff, there should not be accumulation of salaries leading to payment of arrears which put more financial burden on the economy of Ghana. Additionally, all grievances should be addressed by a higher independent body as staffs have lost confidence in the Fair Wages and Salaries Commission ability to handle the pay issues. Moreover, all labour Unions interest should be considered in the negotiation process. The Fair Wages and Salaries Commission should not negotiate with one association/union at a time with different pay for each group as this brings about pay comparison and leads to strike action.

LIMITATIONS OF THE STUDY & SCOPE OF FUTURE RESEARCH

This study was limited to the University for Development Studies and as a result of resource constraints to conduct a nationwide research. This obviously affected the sample size used and the generalisation used arising from the research may not reflect the actual situations in specific Universities. Some of the respondents might have provided dishonest responses which might affect the scientific analysis of the study.

Future studies should involve the Southern part of Ghana where there are three public universities and some private universities which should give a wider scope to provide a more scientific output. The theoretical scope should also be broadened to cover the impact of the single spine pay policy in Ghana.
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