

# **THE SINGLE SPINE PAY POLICY: CAN IGNORANCE DERAIL THE BENEFITS IT HAS ON THE GHANAIAAN PUBLIC SERVICE WORKER?**

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## **Abstract**

A better paid public sector could be more efficient in the delivery of important services of interest to the business community no matter the sector of business involved. The public sector is the main engine of growth for most developing countries. It therefore performs many important tasks that starts business and keep them in operation.

The study therefore seeks to enlighten Executives of Ghanaian Labour Unions (GLU) on dispute resolution procedures for negotiation as enshrined in the Labour Act 2003 (Act 651), the rationale for the introduction of the single spine pay policy, find out about the perceived inequalities in the new pay policy and to assess the effects of the SSPP on the Ghanaian economy.

The study collected data from executives of labour unions such as Federation of University Senior Staff Association of Ghana (FUSSAG), Teachers and Educational Workers Union (TEWU), University Teachers Association of Ghana (UTAG) and Civil and Local Government Staff Association of Ghana (CLOGSAG) using structured interviews. A personal administered questionnaire was also used to seek views from some TEWU and FUSSAG executives at the University for Development Studies (UDS) at its Tamale Campus and finally a review of the Government's White Paper (GWP) on the SSSS.

One major finding was that, it is clearly stated in the Government's White Paper that, "no worker should be worst of than they are in the prevailing system". With this statement, workers had great expectations that significant salary increases should and will be accessible to everyone irrespective of merit but that was not the case hence, the current strike actions in the public sector.

The research however, challenged Government to define her labour laws very well and stop remunerating agitating workers during strikes. This will stop unions from continuing to be free riders on the ignorance of

Government. If it is made clear to labour unions' that their responsibilities during industrial actions are not to be borne by the tax payer, then labour unions will seize to organize strikes as their best tool for meeting their demands. The constant strike actions are both dangerous and costly to the development, stability and economic productivity of Ghana. In such instances, the poor tax payer pays the price in exponential rates.

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**Keywords:** Single Spine Salary Structure, Labour Unions, Equity, Inequity, Fairness

### **Introduction**

CoEn Consulting, (2008) points out that “Every person has the right to work under satisfactory, safe and healthy conditions, and shall receive equal pay for equal work without distinction of any kind”. She further states that the ability of the Ghanaian public service to attract, retain, adequately motivate its personnel and build the requisite human resource capabilities is one of the prerequisites to improved service delivery. Many of the problems associated with the poor performance, lack of professionalism and corruption in the public service are related to low compensation levels and ineffective pay administration. A comprehensive approach to pay reform is crucial in the achievement of overall public sector reform.

In this regard, Ghana has gone through quite a handful of wage and salary administration regimes and structures, especially in the public sector. One can remember the days of the Prices and Incomes Board and the frustrations in the implementation of the recommendations of the Price Water House Coopers Salary Structure and the Ghana Universal Salary Structure (GUSS).

In 1997, the government of Ghana decided to address gaping disparities that had emerged between the pay of civil servants and those in the wider public sector. A nationwide job evaluation exercise was undertaken and a new grading and salary structure was developed to create equity. Despite these efforts, the Ghana Universal Salary Structure was only marginally successful as most public sector institutions did not convert to the new system. Between 1999 and 2006, the few institutions that did so were considered consistently disadvantaged as a result of re-established pay and grade disparities. In 2006, the Kufuor administration addressed these problems, hence the single spine salary policy.

The term single spine basically refers to the principle that all public sector workers no matter their area of specialization and the public organization they belong to must be placed or linked to one common salary structure, typically like all nerves and organs of the body connected with the human spine. It is suggested that having employees with the required

qualification, skills and abilities to perform their job well is only part of the equation and will not automatically result in improved job performance. A fair and transparent employee reward system and other innovative strategies that include supportive working environments or positive work climate, job enrichment, educational opportunities, etc. are seen as some of the ways to transform the overall context in which employees deliver their work, enhance their motivation and consequently improve the overall performance of the organization.

A Government White Paper (2009), noted that “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. The SSSS also policy seeks to ensure that the public sector remuneration structure is rational, equitable, transparent and sustainable. 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.

Those excluded from the structure are the military and public officials covered by Article 71 of the 1992 Constitution of Ghana. Those public office holders include the President, the Vice President, the Chairman and Members of Council of State, Ministers of State and their Deputies, the Speaker and Deputy Speakers and Members of Parliament, the Chief Justice and other justices of the Superior Court of Judicature, the Chairman and Deputy Chairman of the Electoral Commission and others. The SSSS replaces the Ghana Universal Salary Structure (GUSS) and other forms of pay structure within the various public sector institutions in order to restore equity and transparency in public service pay administration. Unlike the GUSS, which was a 22-level salary structure, the SSSS is a 25-level structure. The SSSS also has a common base pay and common relativity across all the levels compared to the GUSS, which had variable base pay and relativities across levels. The base pay is the minimum pay on the SSSS, while the pay-point relativity is the percentage differentials between successive pay points.

The GUSS (1999) was touted as the first holistic public sector pay reform. Before the GUSS, there existed public pay review commissions and committees such as the Gyampoh Commission (1992-93), the Justice Azu-Crabbe Commission (1979-1983), Issifu Ali Committee (1973) and the Mills-Odoi Committee (1967). Despite repeated attempts to rectify the problematic post-independence public pay system, the efforts of these reform-oriented interim entities could not completely bear the desired fruits.

The objective of the universally underpinning the GUSS could not be realised, particularly since sections of the Public Service were allowed to opt out without any sanctions being applied. Its failure could be attributed to the fact that the Central Management Board and the Appellate Body that were to manage its implementation were not backed by any legal instrument and were also not adequately resourced.

The levels and processes of implementing the GUSS were different from that of the SSSS. Under the SSSS, jobs within the same job value range are expected to be paid within the same pay range in accordance with the principle of ‘equal pay for work of equal value’. The value of the public sector jobs was assessed through job evaluation (JE) exercise. The process of the JE exercise involved evaluation of jobs descriptions / specifications for each job and the summing up of the evaluation points for each job to determine the ‘job worth’. Four common factor groupings, including knowledge and skills, responsibility, effort and work conditions were used for the analysis and the evaluation. The result of the JE exercise provided the basis for placement of public service jobs onto the SSSS.

The principles of the single spine structure which should be put into the public domain to ease the tension unions attacking their leadership for unjust request are;

- Internal equity of the salaries levels;
- External competitiveness between the public and private sector jobs;
- Employees’ contribution to productivity and performance;
- Transparency in the administration of the structure;
- Affordability of the new salaries for the country;
- Having a clear understanding of the structure;
- Flexibility of the structure and;
- Sufficiently decompressed to recognize and compensate for the difference in job content from the highest to the lowest levels in the structure.

The basic ideology for the payment and increment of salary is that the employer would only be assured of paying a meaningful salary if the employee produces ten parts of his or her salary. Here lies the case that Ghanaian public sector workers’ productivity levels are so low and yet they

cry out for increment in salaries with no commitments to increasing productivity.

The new pay reforms also involved the establishment of a Fair Wages and Salaries Commission (FWSC) to serve as an institution responsible for the implementation of the pay policy. The Commission, which was established by an Act of the Parliament (Act, 737, 2007) is mandated to ensure that decisions related to public sector salaries, wages, grading, classification, job analysis, among others, are properly managed and coordinated. It also ensures the control and coordination of public sector wage and salary negotiation.

The SSPP is seen as a worthwhile intervention, which if properly and fully implemented could play a focal role in harmonizing remuneration in the public service and enhance the pay of public workers in a manner that is equitable and consistent with the country's desire to improve efficiency and productivity in the entire public sector. The reality, however, is that there is a declining confidence of some public workers and unions in the ability of the reform to realize its intended objective.

The ideal road map for the rolling out this controversial single spine was first, the establishment of a fair and standard job evaluation performance criterion, a fair wages commission, then, the rolling out of the single spine structure in the public sector. Unfortunately the policy statement went the other way round with the fair wages being first established followed up by the others. This notwithstanding the second and third steps were well rolled out with the deficiency emanating from the major component which is the job evaluation criteria which has brought this monster that has come to stay until a better weapon is devised to kill it but until then what's the fate of the poor populace who make up the country when these elites classes who are to serve them "civil servants" untimely decide to embark on industrial action which has come to stay among them.

However, to enable the effective implementation of the policy, the Government constituted the Public Services Joint Standing Negotiating Committee (PSJSNC) to undertake negotiations on Base Pay and common allowances between government and Organized Labour. The PSJSNC is an umbrella body comprising all unions, associations and institutions to represent Organized Labour on one side; and the Government represented by the Fair Wages and Salaries Commission (FWSC), the Ministry of Employment and Labour Relations (MELR) and the Ministry of Finance (MOF) on the other side. A Memorandum of Understanding was signed with Organized Labour giving legal effect to this arrangement.

Also, all public service institutions were grouped into Service Classifications based on their similarity in terms of the education, skills and training required to discharge their duties. The service classifications are for

the purposes of job evaluation, job grading, career planning, pay administration and negotiation of specific allowances.

Conversely, notwithstanding the inflationary impact of the SSSS, a better paid public sector could be more efficient in delivering important services of interest to the business is in the acquisition of land, the payment of taxes or the processing of contract documents, the public service perform many important tasks that start business and keep them in operation. Additionally, as the incomes of public workers rise, their purchasing power also improves, which can generate demand for more products and services, thereby, also deepening economic activity, and the development of financial and credit products for customers.

The current labour unrest in the country is not because public sector workers' pay have not appreciated but because the Fair Wages and Salaries Commission did not do any proper education on the SSSS specifying who is qualified for market premium, types of allowances categories of employees are entitled to and to crown it all delays in the implementation of the new pay policy in some departments and institutions.

Apart from the allowances some labour unions are not benefiting from, they also have the perception of inequity in the new pay policy and are asking for equal pay for equal work of value. Disputes regarding equal pay for equal work are becoming more frequent since the introduction of the SSSS. Although this matter is being addressed by the FWSC some labour unions are not patient enough for the issue to be fully addressed.

### **Statement of the problem**

The single spine pay policy was introduced 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.

It was to reduce the number of public sector pay negotiations and also reduce the pay disparities within the public sector. However, executives of Labour Union (LU) have misconstrued these ideas and have consistently embarked on lock outs and strike actions which are detrimental to the growth of a low income economy such as Ghana.

Just recently (last August and September) public workers and groups have threatened strike actions against government and this situation has increased and continues to increase by the day. The Eastern Regional Secretariat of the Civil and Local Government Staff Association of Ghana (CLOGSAG) says it is ready for a strike action if its leaders do not come out with a progress report on their market premium. Members of the unions

perceive inequity in their salaries. It said the tension in the district was a matter of great concern to the secretariat and demanded that the national headquarters come out with something positive without delay. The strike threat by the Eastern regional branch of CLOGSAG followed another streak of similar threats from the University Teachers Association of Ghana (UTAG) and the Ghana Medical Association (GMA).

Their warning follows a recent suspension of strikes by the Ghana National Association of Teachers (GNAT), National Association of Graduate Teachers (NAGRAT) and the Teachers and Educational Workers Union (TEWU). Though GNAT and NAGRAT have resented their decision to embark on their strike actions, TEWU for the past five weeks have been on strike and this is affecting the smooth running of the administrative system of the Universities and educational activities. Stakeholders are keenly watching what steps the government and for that matter the FWSC would take to avert these seemingly looking strikes considering its effects on the country's economy.

It is in this vain that the study seeks to find out about the perceived inequalities in the new pay policy and to assess the effects of the SSPP on the Ghanaian economy.

## **CONCEPTUAL FRAMEWORK AND THEORETICAL PERSPECTIVE**

Grade structures are needed to provide a logically designed framework within which an organization's pay policies can be implemented. Structures enable an organization to determine where jobs should be placed in a hierarchy, to define pay levels and the scope for pay progression and provide the basis on which relativities can be managed, equal pay can be achieved and the processes of monitoring and controlling the implementation of pay practices can take place. A grade and pay structure is also a medium through which the organization can communicate the career and pay opportunities available to employees (Armstrong and Murlis, 2005, p.196).

According to Dyk, (2010) “ The new public sector pay policy, the single spine salary structure comes to effect tomorrow but already there are indications a section of the public sector workers are not in favour of it. The new pay policy is a unified salary structure that places all public sector within the same pay range”. It would replace all existing salary schemes within the public service. In the months prior to the policy's implementation, various labour groups have taken diverse positions on certain aspects of the policy.

The Ghana Police Service (2010), which was the first institution to have been put on the system, has hailed the SSSS, professing that it has brought about a substantial increment in the salaries of the police who were

among the lowest paid employees in the public service. Other public workers have, however, expressed dissatisfaction with the SSSS with regard to fairness, equity and transparency. Health workers, for instance, have raised genuine issues about internal relativity distortions and lack of transparency in the placement of their jobs on the SSSS. Even though re-evaluation of some of the jobs has been done, the exercise has not helped the situation any better. Apart from health workers, other public workers including Ghana Prison Service staff as well as civil service and local government staff have also come out strongly against the SSSS, saying it is fraught with distortions and inequity.

Lieberman, (2010) reiterates that “some of these labour groups have accepted the need for a single pay structure but more have kicked against the whole idea. Most vocal against the policy is the Civil and Local Government Services Association of Ghana (CLOGSAG), which has called for the single spine pay policy to be scrapped”. The group says the Ghana Universal Salary Structure (GUSS) should be maintained and other workers brought on to it.

James Ekow Amissah, (2010) the Acting President of CLOSSAG said “a lot of money had been spent addressing problems associated with GUSS and there was therefore no need to abandon the policy and go for SSSS”. He further added that “another challenge is that while the GUSS has twenty-four (24) levels, the SSSS has twenty-five (25) levels which will create more problems.

The University Teachers Association of Ghana (UTAG), (2010) on the other hand has welcomed the pay policy. They have however, expressed worry that the committee set to review the job evaluation process has not communicated much information to the public.

The president of UTAG, Dr. Samuel Kwesi Aseidu Addo (2010) said, “the universities are also concerned about the migration of salaries to the Controller and Accountant General’s Department (CAGD). We have written papers through the Vice chancellors Ghana..., we are not in favour of it because it will cause more problems than they are trying to solve.

The national Association of Graduate Teachers (NAGRAT) has also welcomed the SSSS, but like UTAG, it says “the job evaluation process should be redone”. Despite these calls by various groups, the fair Wages and salaries Commission (FWSC) from tomorrow July 1<sup>st</sup>. play the attached audio and listen to disagreements by the various groups over the new pay policy”. *Source: Joy News Report July 2011.*

The emerging issues point to the fact that the inherent problems with the placement of jobs on the SSSS have not been addressed satisfactorily and this has potential risk of derailing the intended objectives of the SSPP. While acknowledging that there is no perfect salary structure, it is extremely important for the FWSC to engage the public service worker on the SSSS to



address their legitimate concerns in order to secure their cooperation for the smooth implementation of the policy and to forestall industrial and labour problems in the country.

### **Pay Reforms - The Ghanaian Perspective**

Over the years, managing the public sector wage bill within a sustainable economic framework, while harmonizing the remuneration structure, has been a major concern of the Government. The public sector wage bill has been a persistent source of budget over-run apart from the fact that it has also been characterized by large inequities across sectors and by overall compression across skill levels.

The pay administration has also been faced with the challenge of cumbersome negotiations involving the Government and a large number of unions at different times, making the management of the wage bill extremely difficult. Furthermore, while public sector wage bill forms relatively high proportion of government overall expenditure, the average public sector salaries in Ghana, particularly in the civil service, have remained low and uncompetitive, making it difficult for the Government to attract and retain technical and managerial talents required for substantial efficiency and productivity gains in the public sector.

Even though various attempts have been made by successive governments from the 1960s to undertake pay reforms and review with the goal of improving public service salaries and managing the recurring canker of disparities and inequities in the pay administration system, the situation has not improve any much better. The issues of distortions, inequities and low incomes have continued to persist within the public service and this has led to a lot of problems at the labour front.

One of the pay reform attempts made prior to the introduction of the SSPP was the Price Water House pay reforms in 1997, which resulted in the adoption of the GUSS. The GUSS was intended for implementation in all institutions in the public services to deal with salary inequities and distortions. It could however, not realize its intended objectives as sections of the public services were allowed to opt out without any sanctions being applied. Besides, the Central Management Board & the Appellate Body to manage its implementation were not backed by any legal instrument and were also not adequately resourced.

Following from the above, the driving forces behind the introduction of the new pay reforms can be summed up as:

- Rising cost of the public sector wage bill;
- Pay disparities that have emerged within the public service;
- Low and uncompetitive remuneration in the public service;

- High level of salary compression in the public service, coupled with overlapping pay scales; and
- Large number of public sector pay negotiations marked proliferation of allowances in the public service The need to link pay to productivity.

### **Government White Paper on Single Spine Pay Policy**

According to Marjorie Heins, (2010) “The Single Spine Pay Policy (SSPP) has been put forward to restore equity and transparency in public service administration. The new pay policy is to be implemented in phases over a five (5)-year period effective January 01, 2010”.

The first six months of the implementation process will be used to address some of persistent technical problems to ensure that the SSPP does not re-introduce inequities which it was to address.

This paper is in four (4) parts. It begins with an Introduction. The second part deals with the Background to the SSPP. The third part addresses the Introduction of the New Pay Policy stating the rationale for it, its objectives, key elements of the policy and establishment of the Fair Wages and salaries Commission which is to oversee the implementation of the SSPP. Section four (4) articulates Governments position on the subject. Government is grateful to its social partners, especially organized labour, for its cooperation in working to bring about equity and transparency in national pay administration.

### **The Concept of the Single Spine Pay Policy:**

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.

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.

Those excluded from the structure are the military and public officials covered by Article 71 of the 1992 Constitution of Ghana. Those public office holders include the President, the Vice President, the Chairman

and Members of Council of State, Ministers of State and their Deputies, the Speaker and Deputy Speakers and Members of Parliament, the Chief Justice and other justices of the Superior Court of Judicature, the Chairman and Deputy Chairman of the Electoral Commission and others.

The SSSS replaces the Ghana Universal Salary Structure (GUSS) and other forms of pay structure within the various public sector institutions in order to restore equity and transparency in public service pay administration. Unlike the GUSS, which was a 22-level salary structure, the SSSS is a 25-level structure. The SSSS also has a common base pay and common relativity across all the levels compared to the GUSS, which had variable base pay and relativities across levels.

The base pay is the minimum pay on the SSSS, while the pay-point relativity is the percentage differentials between successive pay points. Under the SSSS, jobs within the same job value range are expected to be paid within the same pay range in accordance with the principle of 'equal pay for work of equal value'. The value of the public sector jobs was assessed through job evaluation (JE) exercise. The process of the JE exercise involved evaluation of jobs descriptions/specifications for each job and the summing up of the evaluation points for each job to determine the 'job worth'. Four common factor groupings, including knowledge and skills, responsibility, effort and work conditions were used for the analysis and the evaluation. The result of the JE exercise provided the basis for placement of public service jobs onto the SSSS.

The new pay reforms also involved the establishment of a Fair Wages and Salaries Commission (FWSC) to serve as an institution responsible for the implementation of the pay policy. The Commission, which was established by an Act of the Parliament (Act, 737, 2007) is mandated to ensure that decisions related to public sector salaries, wages, grading, classification, job analysis, among others, are properly managed and coordinated. It also ensures the control and coordination of public sector wage and salary negotiation.

### **Market Premiums**

A "Market Premium" is defined by the Government White Paper on the Single Spine Pay Policy (SSPP) released in 2009 as "monetary incentive paid to attract and retain critical skills in short supply within the economy. The premium is to bring the salaries of skills in short supply to be close or equal to the actual market value of such skills. The rationale is to enable the public services compete favourably for such skills with the private sector".

The market premium is essentially an absolute amount paid only to employees with critical skills in short supply. It is paid to attract and retain critical skills in short supply within the economy. It is envisage to use

Market Premium as a tool to attract and retain critical skills in short supply in the public service and thus make available the mix of skills needed for public service delivery. The scarce skill in the public service is one that is in short supply relative to the demand for it in the labour market within a defined period as determined by Government.

The rationale for Market Premium is to attract and retain critical skills in short supply in the public service in order to enhance service delivery. The objectives of the Market Premium are:

- a) to enable the public service compete favourably with the private sector for critical skills; and
- b) to enhance performance and productivity in the public service

The 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 (2010), 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.

It is in this vein the Government Came out with a white paper on the guidelines for the determination of market premium under the single spine pay policy. This white paper is divided into four sections. The first section deals with the background. The second section is the introduction. The third section addresses the concept of market premium and the guidelines for its implementation. The position of Government on Market Premium is dealt with in the fourth section.

## **SCOPE OF STUDY AND METHODOLOGY**

The research design for this study requires a methodological approach which permits gathering of primary data on the Single Spine Pay Policy. The study adopted a qualitative research approach. According to Patton (1985 in Merriam, 1998), “qualitative research is an effort to understand situations in their uniqueness as part of a particular context and the interactions there”. This understanding is an end in itself, so that it is not

attempting to predict what may happen in the future necessarily, but to understand the nature of that setting-what it means for participants to be in that setting, what their lives are like, what's going on for them, what their meanings are, what the world looks like in that particular setting- and in the analysis to be able to communicate that faithfully to others who are interested in that setting.

The study was conducted in the Tamale Metropolis, the Northern Regional capital of Ghana. The choice of the Tamale Metropolis for the study was because it is the administrative capital of the region where regional executives of the various labour unions are located. It therefore offers a good opportunity for these regional executives of labour unions to be contacted and their opinions on the new pay policy introduced by the Government of Ghana sought.

The population for this study is all the executives of Labour Unions currently on strike and resides in the Tamale Metropolis. Though it is not difficult to give the exact number of the union executives, it poses a challenge of getting all of them to respond to the questionnaire or answer interview questions because they constantly travel to the National Capital (Accra) to meet with the FWSC for negotiations. In view of this and for convenience sake, the purposive sampling technique was adopted to collect data for the study.

According to Merriam (1997; 2000) and Tagoe (2009), the most appropriate sampling in qualitative research is purposive sampling of non-probability sampling technique. Mugenda and Mugenda (1999:50) maintain that, "Purposive sampling allows a researcher to use study sites that have the required information that could answer objectives of the research." Purposive sampling of study areas could inform the researcher better understanding of the research problem under study (Creswell, 2007:p118). Purposive sampling is based on the premise that, the researcher want to discover, understand and gain in depth knowledge and to that end ought to select a sample from which more can be learned (Merriam,2000; Tagoe,2009).

The technique for primary data collection for this study was the interview method. The data was obtained through personal interview methods involving three Labour Unions at the University for Development Studies in its Tamale Campus. These executives of the various labour unions were selected based on convenience. Sitting face-to-face with the interviewees would enable the researcher to clarify statements from respondents that might not be clearer .This motivated my choice of interviewing method of collecting primary data.

According to Merriam (1998), in all forms of qualitative research, data collections are done through interviews. Interviewing as method of data collection is at the heart of qualitative research. Creswell (2006), define

interview as face-to-face verbal exchange of information in which one person, the interviewer, attempts to elicit information from the interviewee. Gubrium and Holstein (2002) content that” we now live in an interview society” due to the extensive use of the interviewing as data collection tool to acquire information.

According to Awoyemi (2002), the interview method is useful where the educational levels of the respondents are varied. The researcher chose the interviewing method because, executives of labour unions vary in terms of their levels of education and the only way to source information which can be used as a standard measure could be direct contact with the individual respondents. Face-to-face interview with the union executives enabled the researcher to executives’ worldview and perspective through asking them questions to elicit the needed answers for the research questions.

Descriptive qualitative data analysis was used to analyses the data. Bogdan and Biklen (1992:145 cited in Tagoe,2009) describe qualitative data analysis as “ working with data, organizing it, breaking it into manageable units, synthesizing it, searching for patterns ,discovering what is important and what is to be learned, and deciding what to tell others”. Similarly, as Creswell (2006) explains, data analysis in qualitative research study involve preparing and organizing the data for analysis, then reducing the data into themes through a process of coding and condensing the codes, and finally representing the data in figures, tables, or a discussion. In this research, data collected through interview were represented qualitatively in the form of description, narration through the use of words, field notes and quotation from participants voices (Creswell, 2003). The data were organized into common themes reflecting the research objectives. The data were organized into two themes such as; the perceived inequities in the new pay policy and effects of the SSPP on the Ghanaian Economy.

## **RESULTS AND DISCUSSION**

### **Perceived inequities in the New Pay Policy**

It is not uncommon for two individuals to be executing the same assignment in a workplace and receive different rewards in Ghana. According to compensation theories, employees judge equity in compensation by their perceived level of contribution to the organization through their work and when it is clear they are not being adequately rewarded they seek it elsewhere. Apart from the current labour unrest are not farfetched because it is quite strange to see a person with similar academic qualification who enters into politics and receives a fat salary and in less than two years he or she is better off than the same person who is with the public sector and cannot afford to either own a house, live by three square meals a day let alone take proper care for himself and his family. It is no wonder

teachers and most professionals are running away to join politics which is now more lucrative than gold mining. Why on earth do we create such huge disparity in a payment structure and continue to cry whenever there is unrest by a section who wants to claim what they think they deserve and have been deprived of.

The Single Spine Pay Policy (SSPP) that has been proposed under the pay reform in Ghana is to ensure efficiency and effectiveness in managing the government's wage bill, as well as remove disparities in public service salaries. It is also anticipated that the SSPP could eventually make public pay competitive, for the attraction and retention of the right mix of skills in, especially, public organizations and institutions is a key feature of tackling equal pay problems. The study revealed that a transparent pay system is one where employees understand not only their rate of pay but also the components of their individual pay packets, including the way in which the demands of their jobs have been assessed. A transparent pay system avoids uncertainty and perceptions of unfairness and reduces the possibility of individual claims. If a pay system, or any part of it, is characterized by a total lack of transparency, the burden of proof is on the employer to show that the pay practice is not discriminatory. In respect of equal value, 'transparent' means that information about how job demands have been assessed and how this assessment results in the rate of pay for the job.

The substantive crux of the numerous strike actions by public servants relates to the payment of adequate compensation and benefits in a timely manner. The complaints of the unions is based on the fact that the FWSC did not give them market premium and illustrates the inadequacy of a wholesale adoption of foreign labour relations principles and practices without considering the overall macro and organizational context. The report of the foreign consultant was not adequately suitable to the context of Ghana industrial relations system and it is very significant that the NLC asserted this fact. Thirdly the issue of equity, distributive justice and relative deprivation are issues that have to be analyzed in order to provide sustainable solutions.

The study found out that most business owners and successive Governments are mostly in a dilemma over the basis for determining and computing equitable levels of compensation which would ensure that public workers are motivated enough to enhance productivity. They explained that pay equity is about equal pay for equal work of equal value. So that work done by people with the same qualifications and work experience must necessarily earn the same amount of pay if employed by the same employer. Citing the public sector, where government is the employer, they pointed out that work done in different organizations by persons in the same profession must attract the same pay.

The study unearthed that the Fair Wages and Salaries Commission (FWSC) is worried about the wrong perception that the implementation of the Single Spine Pay Policy, (SSPP) would automatically mean an across board increase in the salaries of Public Service Workers. This was confirmed when a statement issued in Accra on Thursday February 24, 2011, following concerns raised by the National Association of Graduate Teachers (NAGRAT) over the migration of staff of GES onto the Single Spine Salary Structure said “The basic objectives of the Policy are to correct distortions and inequities in salaries within the Public Services and also to streamline pay administration in the country.” The Commission therefore assured all Public Service workers who fall under Article 190 of the 1992 Constitution, that the implementation of the Single Spine Pay Policy will not render any of them worse off.”

The research found out that as part of the process of migrating public service employees onto the SSSS, a consultant, CoEn Consulting, was contracted to undertake job evaluation for the various classes of employees. Many Labour Associations and other public sector unions and associations disagreed with the grade structure submitted by CoEn Consulting and therefore requested for job re-evaluation, which was duly carried out. Mindful of the mediation agreement and cognisant of the need to maintain the integrity of public sector workers in terms of its ability to attract the needed skills to achieve its mandate and to prevent seepage of workers from one sector to the other, the FWSC finally gave all public sector workers of equal standing the same levels. It therefore means that technically the FWSC has totally eliminated any perceived or real inequities that existed between public sector workers of equal standing.

The study makes it emphatically clear that there is a difference between analogous institutions and service classifications. The fact of one being in the same service classification with another does not mean that the individual institutions therein should have the same grading structure or indeed market premium. A good example is POTAG asking for the same market premium as UTAG. The FWSC had a discussion with UTAG on Market Premium to arrive at their current rates. Similarly, the FWSC discussed the Market Premium rates with POTAG who are analogous with the Universities which are within the service classification to arrive at their rates too. The rates arrived at remain as discussed at the various levels maintained without ascribing the rates arrived at with other institutions.

The study identified that pay equity is about equal pay for equal work. So that work done by people with the same qualifications and work experience must necessarily earn the same amount of pay if employed by the same employer. For example in the public sector, where government is the employer, work done in different organizations by persons in the same



profession must attract the same pay. One unique thing identified within the new pay policy is that until recently, as salaries across the board of the public sector have been grossly distorted, especially in favour of what has been referred to as the ‘revenue earners’.

The study identified that public sector comprise of many groups all of who demand some form of entitlement or the other. It must not seem to be saying that groups should be given whatever they demand no matter how unjustifiable or unfounded these demands are and no matter its effect on the wage bill. What the study recognises is that whatever is given to any group of public service workers has a rippling effect on discussions with other groups and sets off its own snowballing effects on agitations in the larger public sector which is always difficult to handle. The situation received confirmation even for groups who have already been migrated. They sooner file a grievance using what has been done for others that they see as analogous to them as basis for a charge of unfair treatment or even bad faith in their own migration.

The study also unearthed that it was not leaders of public sector workers who were to be blamed for the galloping wage bill, but parliamentarians, political appointees and Article 71 office holders were equally liable. Therefore the perception that political appointees were paid huge sums of money was not wrong. This was evident from the fact that the study identified the inequalities in the salaries of public servants as being “too much”.

It is evident from the Government White Paper that as the activities of the new pay policy are systematically planned, there are indications that the new pay structure which would replace the defunct Ghana Universal Salary Structure is a necessity for economic growth and enhancement for wealth-creation as well as pay equity as desired by the hardworking Ghanaian yet implementers did not consider distortions identified in the GUSS.

The study also made public that data on industrial relations in Ghana, has shown that there are numerous reasons why Ghanaian workers embark on strikes, one of which is on perceived unfairness and lack of equity in determining working conditions (Coleman 1993, 1996, 1997). It pointed out that ever since the migration started, it appears it is creating more problems than it envisaged solving. The disparities within the wage and salary regimes continue to widen to an unimaginable level more especially, among people with equal academic qualifications who are rendering similar services.

### **Effects of the SSPP on the Ghanaian Economy**

There is this perception that has almost become a belief that the only language the Government and the leaders will understand is the language of

strikes or industrial action. This is rather unfortunate, considering the social, economic and human losses which an industrial action or strike leaves behind. In some cases these strikes leave behind painful and irreparable losses that have deep emotional and mental consequences on relatives.

Strike actions seriously affect the poor and the marginalized in the society. Besides the Nation suffers in some cases heavy economic losses and precious working hours are wasted. In the case of the health sector, the sick are denied health care. Irritation and confusion sets in, sometimes ending in chaos. The questions that come to mind is have these health workers ever thought of the number of patients who might have lost their lives and the panic situations that resulted because there was no doctor or nurse at post. Have these health workers paused to find out what would happen should the police go on strike? Who handles the excess accident and the activities of the criminals? Have the doctors paused to reflect on what would happen when Ghana is attacked and the Ghana Armed Forces refuse to protect the country against the aggressor because the Armed Forces are on strike? These questions and many more could be asked but what striking workers need to understand is that, their attitudes affect the general development of the nation. If strikes, lead to economic losses with other ripple effects and loss of life then we must be concerned as a people. The public sector worker no matter where he/she finds himself/herself has to be circumspect when they have to apply any such industrial action mindful of the rippling effects and loss of life and other economic constraints.

The study revealed that the nation's wages and salaries alone including those of government appointees such as the Presidency, Ministers, and Parliamentarians accounted for over 60 percent of government expenditure and consequently contributed to the budget deficit of about 12 and half percent recorded in 2012. This is not to mention the election year expenditure.

Respondents asserted that the FWSC promised to conduct regular labour market and inducement surveys to identify potential benefits and challenges of the SSPP yet the disparities have not been identified since the implementation of the SSPP two years ago. For instance, due to salary disparities between Lecturers on one side and Senior and Junior Staff (FUSSAG and TEWU) on the other, the leadership of the two former unions meet with Vice Chancellors Ghana (VCG) to negotiate for salaries and they were offered 15% of their salary as market premium and now that the SSPP presumed that all those allowances were consolidated in the base pay, the unions would not understand other going in for further negotiations which eventually led to the just ended strikes.

Rampant industrial conflicts and strikes have a huge impact on public sector effectiveness and efficiency. This also affects the implementation of

public policies. The government should not under-estimate the impact of such strikes in social and political-economic terms. Strikes discourage investment.

Despite the introduction of the SSPP is welcoming news, as public sector workers deserve equitable and fair remuneration that will in the end ensure that the people of Ghana and government experience a peaceful industrial environment for productive work the new pay policy escalated government wage bill from about GH¢2 billion to more than GH¢7 billion by the end of 2012.

Irrespective of the fact the introduction of the SSPP had some negative effects on the Ghanaian economy the study has also identified some number of positive effects. The study has identified the Single Spine Pay Policy has superior benefits over previous pay systems. Among the benefits are; equity in the salaries of public officials and elimination of all forms of discrepancy in the public service salary administration. The new pay policy would ensure equity, fairness and transparency in public service pay administration. This laudable idea should involve all institutions to fully participate in the exercise to ensure a successful take-off of the Single Spine Salary Structure.

The SSPP would enhance performance and productivity as well as encourage workers to accept posting to deprived areas of the country are among the good things that are associated with the SSPP. Public sector workers should be aware that market premium, which is a mechanism to encourage qualified professionals to go to deprived areas and inducement system of ensuring mixed skills in all parts of the country, is one of the initiatives contained in the new pay policy to make the public service attractive.

## **CONCLUSION AND RECOMMENDATIONS**

The smooth implementation of the new pay administration arrangement greatly depends on how best the Fair Wages Salaries Commission (FWSC) delivers on its mandate which handles salary negotiations of public servants. This paper recommends that, government needs to resource the FWSC to deliver on its mandate as government has promised it would receive the desired and immediate attention. The public service and organized labour associations are charged with the responsibility of sensitizing their staff and members to ensure a well-informed constituent of public servants who would be direct beneficiaries of the policy. “There is the need to stimulate broad consensus and ownership for a successful implementation of the policy for national development. “There are jobs in the public service that require enhanced-pay to attract and retain the right caliber of personnel. The ability to objectively determine these market

premiums and inducements is critical to attraction, retention and deployment of competent skills required to deliver effective Civil Service”. If the activities designed in the Government’s White Paper are systematically implemented, it would ensure that workers are remunerated fairly by virtue of the work they do, as it has been said that paying workers equitably produces a happy and motivated workforce who meet targets and work in happiness.

The study observed that the implementation of the SSPP is welcoming news, as public sector workers deserve equitable and fair remuneration that will in the end ensure that the people of Ghana and government experience a peaceful industrial environment for productive work. With the application of the SSSS however, it is increasing the Government payroll by 3 billion Ghana Cedis. It is therefore necessary that the use of law courts to settle industrial disputes has to be given priority and conditions for employment have to be collectively looked at with the Trade Union Congress.

The research also revealed that experts, practitioners and civil society have expressed views that the new pay structure that would replace the defunct Ghana Universal Salary Structure is a necessity for economic growth and enhancement for wealth-creation as well as pay equity as desired by the hardworking Ghanaian. Salary structures in any establishment, either run by government or a private operator, are as important in any organization as the success of that organization. According to experts, the policy is in the right direction as according to them, it would contribute to defining the job relativities that result in appropriate remuneration of work done by an employee. The new pay policy should therefore be implemented taking into consideration the pitfalls of the defunct GUSS.

The FWSC should ensure that office holders of Article 71 of the 1992 constitution of Ghana are integrated into the Single Spine Pay Policy (SSPP) to avoid the perception that these caliber of officers earn more salaries than any public service worker and the only way the ordinary Ghanaian to benefit to the fullest is becoming a politician. It is therefore the view of this study to urge government to speed up work on the amendment bills currently being prepared by the Constitutional Review Implementation Committee (CRIC) to Parliament so that the changes needed to be done to migrate onto the single spine would be quickly effected.

The study has noted a matter of concern that needs to be opened to the public. It is evident and clear from salary review specialist and policy makers that Market Premium and indeed job grading, classification and salary structuring is not a matter for negotiation. It is a management function and prerogative. It is however, good practice to involve stakeholders in their determination to negotiate. Therefore, in the spirit of negotiating in good

faith, it is important to invite striking unions to negotiate as it was done for those who had gone on strike before and had negotiate for an appreciable market premium factor.

The study seeks to suggest an innovative programme that will make the Ghanaian more patriotic. A programme that will instigate into the Ghanaian, a paradigm shift in their minds. Ghana has always got to be put first, making all other personal priorities secondary. In everyday life, people cheer and are happy and proud when Ghana wins an international game or football match. This collective joy, celebration and happiness demonstrate the level of importance that has to be given to matters that deal with Ghana.

The paper makes it clear that it is only when Ghanaians refuse to use strike actions as weapons uncontrolled, and remember that the fatal cost can also happen to our relatives and friends, that we can develop and sustain a peaceful and harmonious environment for cooperation and mutual respect.

The study recommends that the FWSC and for that matter Government should employ fairness and equity when dealing with salaries of public servants. The study revealed that Government listens more to some categories of workers especially some category of health workers to the detriment of other health workers and the general public sector workers.

The research established a fact that salary structures in any establishment, either run by government or a private operator, are as important in any organization as the success of that organization. According to salary experts, the policy is in the right direction as according to them, it would contribute to defining the job relativities that result in appropriate remuneration of work done by an employee. Salary structures that would also ensure that performance is rewarded in accordance with appropriate standards is sure to make an impact on the ordinary Ghanaian, especially since Ghana has ratified the UN convention on equitable pay for work done that warrants the implementation of such convention. If one wants to be emphatic, he would quickly concluded that this might have contributed to the introduction of the SSPP.

The research also observed the scathing public criticism of the NLC in their handling of the disputes. It has also shown the need for parties to create trust and demonstrate goodwill during collective bargaining processes. There is also need for more sensitization on the labour laws and not a rigid interpretation of the clauses by the NLC. With education and internalization compliance will gradually become institutionalized. It is also important to resource NLC with high caliber and well qualified staff well-grounded in industrial relations theory, research and practice. They then should be given continuous training to reinforce on a continuous basis their skills to keep abreast in development in industrial relations. A solid research gathering, monitoring and evaluation unit will strengthen the capacity of the NLC to

ensure that early warning signs of possible industrial conflicts are detected in good time and addressed. This should be reinforced with the required logistics.

One significant observation this research made was that at no point during the strikes was there a clear attempt by the political parties to politicize the issues and possibly link them to recent political demonstrations over fuel increases etc. Perhaps it was because the issues were purely technical and industrial relations specific hence the tension was purely on substantive labour matters. However, if it is also a sign of political maturity by the other political parties, then that is a source of hope for the country.

The study contends that if due diligence and care is not taken to address industrial relations related issues, this will seriously affect the government's human resources development agenda and slow down the path to economic growth. An environment of rampant strikes is also a fertile ground for political instability. Clearly there is a link between peaceful industrial relations and economic growth.

Another critical observation made by the study was the Government's misuse of the tax payers' money to pay striking workers. In a situation where workers of a particular union go on strike, the labour unions pay striking workers salaries during industrial strikes all over the world. In Ghana, workers go on strike and earn salary simultaneously. The paper wonders whether the labour unions in Ghana would have the power and resources at their disposal to constantly organize strikes, if they indeed, logically enough, had to foot the salaries of their members during strikes. This is a huge confusion, unreasonable and highly irresponsible on the part of government to continue to allow people eat their cakes and still have them. Going on strike and paid by your employer is not done anywhere.

The study suggests the that Ghana should practice her industrial relations well and ensure civility making sure that her labour laws are based on international practices, by this, labour unions in Ghana ought to understand the actions and inactions of their acts. Most labour unions would have gone bankrupt if they indeed had to remunerate their members during strikes. They would probably seek better and more appropriate means of bargaining other than embarking on strikes.

The research further challenged Government to define her labour laws very well and stop remunerating agitating workers during strikes. This will stop unions from continuing to be free riders on the ignorance of Government. If it is made clear to labour unions' that their responsibilities during industrial actions are not to be borne by the tax payer, then labour unions will seize to organize strikes as their best tool for meeting their demands. The constant strike actions are both dangerous and costly to the

development, stability and economic productivity of Ghana. In such instances, the poor tax payer pays the price in exponential rates.

It is the papers view that Ghanaian political leaders, power holders and employers' associations would seek to understand and design proper bargaining systems to address these unfortunate occurrences permanently. It is the paper's fervent hope that politicians would have the courage to set standard systems that reflect international regulations which will at all times protect the collective welfare of our motherland, Ghana.

The study suggests that the Fair Wages and Salaries Commission (FWSC) as well as the National Labour Commission (NLC) should be well resourced and seen to be working for positive results. These current labour strikes by various labour unions and worker groups are unacceptable. Ghanaian workers must also make sure that they obey rules and regulations particularly made for labour dispute resolution. If all agree for a law to be made and later seen to be circumventing and breaking it, then what is the use of promulgating the law at all? It is always saddening to hear leaders of worker groups boasting of their refusal to adhere to rulings given by mandated institutions for labour dispute.

The study increasingly observed that labour leadership generally is unwilling to let increased benefits wait upon increased productivity. This conservative idea by labour leaders needs to be discarded and rather worked upon for mutual benefit to both employees and employers. The historical happenings of labour agitations give evidence to the fact that strike action has been a permanent feature of labour relations, when workers feel their situation to be intolerable. There is no likelihood that occasional strikes by the labour front would ever end any time soon.

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