**NATIONAL MINIMUM WAGE AND WORKERS’ PRODUCTIVITY IN LAGOS STATE CIVIL SERVICE**

**Abstract**

Workers' productivity is the concern of every employer as it defines how the organization grows. In most cases, some organizations do not pay attention to how productive their employees are. Among factors that influence workers' productivity, wages serve as the pivotal. This shows how important an efficient wage is to every employee. This study employs a quantitative approach using survey data from civil servants in Lagos State to examine how national minimum wage adjustments impact productivity. 342 employees of Lagos State Lands Bureau were sampled. Simple regression was employed in testing the hypothesis. Result indicated that an increase in minimum wage in Nigeria had a significant positive effect on workers' productivity (β = 0.363, p-value = 0.000 < 0.05). The findings reveal that while wage increments enhance motivation, their effect on overall efficiency is moderate. This implies that government should keep increasing the national minimum wage with a significant value as this would enable workers to put in their best. The study concludes that minimum wage influences workers’ productivity.

Key Words: Minimum wage, Workers, productivity, employee, motivation,

1. **Introduction**

The more productive an organization is, the greater its competitive advantage, as a result of the efficiency of the resources used, according to Mathis and John (2023). McNamara (2024) further affirms that results are typically the final and specific outputs desired from the employee, which may be in terms of financial accomplishments or impact on a community; consequently, whose results are expressed in terms of cost, quality, quantity, or time. McNamara (2021) also asserted that measuring productivity involves figuring out how long an average worker needs to produce a given level of output. It may also refer to how much time a team of workers spends on production, travel, or idle waiting for supplies or fixing malfunctioning equipment. The technique can identify whether workers are spending excessive amounts of time away from production on other aspects of their jobs that the company can control.

Economic incentives, especially wages and benefits, are important factors that affect productivity. The efficiency wage theory states that higher wages can increase productivity by bringing in more qualified workers, decreasing turnover, and boosting employee morale (Oke, 2023). In the context of minimum wage policies, on the other hand, low wages can result in discontent, less effort, and higher absenteeism. In Lagos State, keeping wages up to date with inflation and the cost of living is essential to maintaining high productivity levels, especially in the face of economic challenges like the removal of fuel subsidies and rising living expenses (Akinwotu, 2023).

The United Kingdom implemented a new statutory minimum wage with national coverage in 1999, and since the early 1990s, eight other members of the Organization for Economic Co-operation and Development (OECD) have adopted a statutory minimum wage, including the Czech Republic, the Slovak Republic, Poland, Estonia, Slovenia, Ireland, Israel, and most recently, Germany. Additionally, the majority of OECD countries that do not have a statutory minimum wage have legal floors set through collective agreements, such as in Denmark, Finland, Norway, or Switzerland, meaning that minimum wages are in place throughout Europe (OECD, 2015).

Minimum salaries were also created or reinforced in many emerging and developing nations. South Africa implemented a minimum wage system following the end of apartheid in 1997; Brazil revived its minimum wage policy in 2005; the Russian Federation supplemented its national minimum wage with regional floors in 2007; China adopted a minimum wage in 1994 and reinforced it in 2004; Malaysia adopted a national minimum wage in 2013, followed by Myanmar and the Lao People's Democratic Republic in 2015, and Macao (China) in 2016. Cape Verde became the last nation in Africa to implement a national minimum wage in 2014 (Neumark et al., 2008).

In Nigeria, the minimum wage's history began during the colonial era with the establishment of the Hunts Commission in 1934 (Nwude, 2013). Jude and Ernest (2015) pointed out that between 1973 and 2003, a number of other commissions were established, including the National Minimum Wage Board and Industrial Council Act of 1974, the National Minimum Wage Act of 1981, the National Minimum Wage Decree No. 43 of 1988, the National Salaries, Incomes and Wages Commission Decree No. 99 of 1993, the National Salaries, Incomes and Wages Commission (Amendment) Decree No. 17 of 1999, the National Minimum Wage (Amendment) Act 2000, and the National Minimum Wage (Amendment) Act 2003. The Minimum Wage Act of 2000 guaranteed a 5,000 Naira basic salary increase for federal employees and 4,500 Naira for state and local government employees. In 2015, the National Assembly signed a bill into law guaranteeing a continuous review of the national minimum wage every five years, which required the approval of a national minimum wage of ₦30,000 in 2019 (Federal Republic of Nigeria, 2019). This Act also guaranteed a 25% pay increase for government employees starting on May 1, 2002, but it was never implemented.

In Nigeria, the minimum wage is essential for reducing poverty and raising living standards. The minimum wage in Nigeria has been repeatedly modified by the government to account for shifts in the cost of living and the state of the economy. According to the Federal Republic of Nigeria (2024), the most recent change raised the minimum salary to N70,000 per month, which went into effect in 2024. However, the purchasing power of this pay has been severely reduced by economic issues like inflation, currency depreciation, and the recent elimination of fuel subsidies, requiring additional adjustments (Central Bank of Nigeria, 2024). The minimum wage increase in Nigeria especially the Lagos State Lands Bureau does not correlate with the expectation and objective of wage increase. it has been observed that there is continuous decrease in productivity due to workers non chalant to work, redundancy at work, lateness to duty, poor attitude and lack of commitments to work, absence from duty at will and lack of focus at work, among others. Thou**,** the removal of fuel subsidy has complicated the economic landscape of workers in Lagos State couple with inflation, currency devaluation, and economic instability. The subsidy removal led to sharp increases in fuel prices which in turn escalated to higher cost of transportation and general living costs, putting additional financial strains on workers (Akinyele, 2021). Many workers, particularly in Lagos State found that their wages could no longer cover basic expenses such as food, transportation, and healthcare, forcing them into a cycle of financial hardship that minimum wage adjustments alone have been unable to break (Central Bank of Nigeria, 2024). In Lagos State Civil Service, reports have indicated increased absenteeism, lateness and general lack of commitment among civil servants (Lagos State Civil Service Commission, 2023). This study therefore examined the effect of the minimum wage on workers’ productivity in Lagos State Lands Bureau.

1. **Literature Review**

**Minimum Wage**

A fundamental idea in labor economics and social policy, the minimum wage is designed to guarantee that workers get a base salary that enables them to cover their essential expenses and preserve a minimal standard of life. By guaranteeing that workers are appropriately compensated for their effort, the legally regulated minimum wage protects against worker exploitation (International Labour Organization, 2022). Economic theories, social justice movements, and empirical data from different nations have all had an impact on this idea's evolution over time (Babalola, 2019).

The minimum wage, which is usually stated as an hourly, daily, or monthly rate, is the legally mandated minimum amount that employers must pay their workers for the labor they perform over a specific time period. It is a piece of legislation intended to safeguard employees against exploitation and guarantee that they receive a minimal standard of life. Because of variations in labor market dynamics, economic conditions, and social welfare considerations, minimum wage laws differ between nations and regions. Despite its widespread implementation, debates surrounding the minimum wage often centre on its potential impacts on employment, inflation, and poverty alleviation.

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Developed in response to increasing concerns about worker exploitation, especially during periods of rapid industrialization, minimum wage laws serve as a safety net for the working population, especially in sectors where collective bargaining and union representation are weak or nonexistent. They are intended to protect vulnerable workers, particularly those in entry-level or low-skilled positions, from being paid less than what is considered necessary to live a decent life (Akeem, 2011).

By establishing a legally enforceable wage floor, minimum wage laws aim to prevent workers from being exploited. In order to guarantee that workers can pay for essentials like food, housing, and medical care, this wage floor is set to reflect the cost of living. By shifting revenue from employers to lower-paid employees, minimum wages can be viewed as a component of a larger initiative to attain social fairness, as stated by Neumark and Wascher (2008). Laws pertaining to minimum wages also act as a means of combating poverty. Governments can lower the prevalence of poverty among workers, especially those in low-paying industries, by establishing a minimum income level. As Neumark and Wascher (2008) argue, the minimum wage can help lift individuals and families out of poverty, provided it is set at an adequate level relative to the cost of living.

But the effectiveness of the minimum wage as a tool to reduce poverty is debatable. While some researchers, like Ogunbiyi (2024), contend that raising the minimum wage can result in job losses, especially for low-skilled workers, because employers may reduce their workforce or automate some tasks in response to rising labor costs, other researchers, like Oke (2023), contend that the negative employment effects of minimum wage increases are frequently exaggerated and that such policies can increase low-wage workers' earnings without causing a significant loss of jobs**.**

**Worker Productivity**

At its core, worker productivity is about maximizing output while minimizing input, and its improvement is crucial for economic development and raising living standards. It is a complex concept that quantifies the efficiency and effectiveness with which labor inputs are converted into outputs, and it is a crucial factor in determining economic growth, competitiveness, and the overall performance of both individual firms and national economies (ILO, 2021). The first of several interrelated factors that affect worker productivity is education and skills. Education gives people the knowledge and skills they need to do tasks effectively and creatively (Zinecker et al., 2018). Higher education is associated with better problem-solving abilities, greater adaptability, and a greater ability to use technology. As demonstrated by Hanushek and Woessmann (2008), countries that invest heavily in education tend to have higher productivity growth. In Nigeria, raising educational standards is essential for increasing workforce productivity, particularly in a diverse and dynamic economy like Lagos State.

Additionally important to employee productivity are motivation and job happiness. Herzberg's two-factor theory makes a distinction between the motivators that influence job happiness, including recognition and personal development, and hygiene considerations, like pay and job stability (Mankiw, 2014). Better performance, decreased absenteeism, and lower turnover rates can all result from high levels of motivation. By establishing encouraging work environments, praising employees' accomplishments, and offering chances for professional growth, employers can encourage motivation. For example, providing equitable pay and opportunity for career progression can greatly increase productivity in Lagos State, where economic difficulties might affect employee morale (Maslow, 1943).

**Theoretical Review**

**Efficiency Wage Theory**

Alfred Marshall coined the phrase "efficiency wage theory" to refer to the amount of money a company would pay an employee to boost productivity, with the company not caring whether the employee was highly or lowly productive (Reich et al., 2003). This isn't exactly what an efficiency wage theory would be today, though. A collection of models that demonstrate the productivity and efficiency gains from raising salaries make up the contemporary area of efficiency pay theory in labor economics. Numerous models exist to explain why the labor market will provide varied results based on the wage offered for a job; there is no single creator of the theory (Okafor & Aniche, 2015).

The two most important models in the subject are most likely the gift exchange model proposed by George Akerlof and the "shirking" model created by Carl Shapiro and Joseph Stiglitz. An important idea in labor economics is efficiency wage theory, which examines the justification for employers' paying wages higher than the amount at which the market clears. According to this hypothesis, a company's total efficiency and productivity can increase with increased pay (Kadiri & Jimoh, 2017). The concept contradicts the conventional neoclassical model, which holds that in a competitive labor market, supply and demand alone determine wages. Rather, efficiency wage theory presents the idea that increased pay can boost employee productivity through a number of channels, including greater health, lower turnover, and increased morale, and increased effort (Hackman & Oldham, 1976).

The idea that greater salaries can result in more effort and output from employees is one of the main points of the efficiency wage theory. This is predicated on the idea that well-paid workers are more inclined to put in more effort and deliver better work. Employees are more likely to feel appreciated and, as a result, be more dedicated to their occupations when they believe their pay is fair and substantial (ILO, 2022). This improved dedication may show up as more effort, less shirking, and increased output all around. In their groundbreaking study, Shapiro and Stiglitz (1984) explained this, contending that greater pay discourages shirking since the risk of losing a job increases. Additionally, according to efficiency wage theory, paying workers more can lower employee turnover. Due to the costs of hiring, training, and attracting new staff, high turnover rates are expensive for companies. By raising pay, employers can boost employee loyalty and work satisfaction, which will lower turnover.

**Empirical Review**

The impact of removing fuel subsidies on household livelihoods in Bwari Area Council, Federal Capital Territory-Abuja, Nigeria, was assessed by Musa et al. (2024). Using multi-stage and random sampling techniques, a sample of 80 respondents from eight communities was selected, and data was analyzed using descriptive statistics, multiple regression, and Garrett ranking. The regression result indicated that the removal of fuel subsidies had a significant negative impact on household livelihoods, and the study suggested that the government implement price control and improved distribution channels to reduce inflation, as well as make credit facilities more accessible to all farmers so they can start rainfeeding and irrigation to reduce food security.

Musibau and Bamidele (2024) investigated the effects of minimum wage increases on the welfare of civil servants in the context of Nigeria's Fourth Republic, with a focus on Lagos and Osun States. The study used both quantitative and qualitative methods, and 347 of the 400 questionnaires that were distributed were validly returned. The results show that although the goal of minimum wage increments is to raise workers' living standards, obstacles like budgetary constraints, inflation, and administrative capacity make it difficult for them to be implemented effectively. In Osun State, economic constraints, such as delayed salary payments, were identified as major obstacles, and in Lagos, where internally generated revenue is relatively higher, responses show that while wage implementation is more efficient, rising living expenses erode gains in purchasing power.

Using the discourse analysis methodology, Ozili and Obiora (2023) provided some insight into the macroeconomic and microeconomic ramifications of Nigeria's 2023 gasoline subsidy elimination. Eliminating fuel subsidies would have several benefits, including releasing funds for other economic sectors, encouraging domestic refineries to produce more petroleum products, decreasing Nigeria's reliance on imported fuel, creating jobs, directing funds toward the construction of vital public infrastructure, lowering the budget deficit and producing a budget surplus soon, decreasing government borrowing, reducing corruption related to fuel subsidy payments, boosting competition, revitalizing domestic refineries, and lessening pressure on the exchange rate. Removing fuel subsidy have negative effects on the economy, including short-term slower growth, higher inflation, poverty, fuel smuggling, more crime, higher petroleum product prices, and layoffs in the unorganized sector.

Using a quasi-experimental design, the authors of the study by Dube, Lester, and Reich (2016) examined the effects of minimum wage increases on employment and productivity across contiguous county pairs in the United States with different minimum wage levels. They compared employment and wage growth in counties with and without minimum wage increases, controlling for demographic and economic factors. The findings showed that minimum wage increases resulted in significant wage growth without negative effects on employment, and that higher wages improved worker productivity, probably as a result of lower turnover and higher morale.

In a study titled "Reallocation Effects of the Minimum Wage," Dustmann et al. (2020) examined the labor market in Germany after a national minimum wage was implemented in 2015. Employing administrative data and a difference-in-differences methodology, the researchers looked at shifts in firm-level productivity, earnings, and employment. According to their data, the minimum wage had no detrimental impact on overall employment while significantly raising wages for low-paid individuals. Notably, the study discovered that businesses adjusted by redistributing responsibilities, spending money on training, and increasing productivity, which led to increased output, especially in industries where the wage floor had a significant impact.

Kanbur and Ronconi (2018) investigated the efficacy of minimum wage enforcement in emerging nations within the framework of developing economies. Their study used a mixed-methods approach, combining qualitative interviews with employers and employees in Latin America and India with quantitative analysis of labor market data. Regression analysis was employed in the quantitative component to evaluate the connection between worker outcomes and minimum wage compliance. The qualitative interviews shed light on the dynamics of informal work and enforcement difficulties. The results showed that although minimum wage regulations enhanced pay and working conditions for employees in the formal sector, their overall effects on economic justice and productivity were constrained by high levels of informality and enforcement gaps.

**Gap in Literature**

While the existing literature provides valuable insights into the relationship between minimum wage and worker productivity, several gaps remain that are pertinent to the context of Lagos State, Nigeria. Firstly, there is a significant lack of empirical studies specifically examining the impact of minimum wage policies on the productivity of civil servants in Lagos State and secondly, the effect of subsidy removal has not being critically examined. Addressing these gaps will provide crucial insights into optimizing minimum wage policies for enhanced productivity in Lagos State.

1. **Methodology**

The study was carried out inLagos State Lands Bureau, Nigeria. The study employed primary data through the use of a questionnaire. 342 employees made up the sample size. The questionnaires were analyzed using tables. Hypothesis was tested using simple regression technique.

**Table 1 Population of the Study**

|  |  |  |
| --- | --- | --- |
| Category | Section | Number of Employees |
| Departments | Lands Use and Allocation Committee | 73 |
|  | Land Services Department | 65 |
|  | Land Regularization | 40 |
|  | Land Registry | 45 |
|  | Admin & Human Resources Department | 35 |
|  | Accounts Department | 30 |
| Units | Legal Unit | 5 |
|  | Public Affairs/Complaints Unit | 5 |
|  | Procurement Unit | 8 |
|  | Internal Audit Unit | 6 |
|  | Planning Unit | 7 |
|  | ICT Unit | 10 |
|  | Survey Unit | 13 |
| Total |  | 342 |

**Source: Lagos State Lands Bureau Nominal Roll (2025)**

**Table 2 Selected Sample Distribution**

|  |  |  |
| --- | --- | --- |
| Category | Section | Population |
| Departments | Lands Use and Allocation Committee | 73 |
|  | Land Services Department | 65 |
|  | Land Regularization | 40 |
|  | Land Registry | 45 |
|  | Admin & Human Resources Department | 35 |
|  | Accounts Department | 30 |
| Units | Legal Unit | 5 |
|  | Public Affairs/Complaints Unit | 5 |
|  | Procurement Unit | 8 |
|  | Internal Audit Unit | 6 |
|  | Planning Unit | 7 |
|  | ICT Unit | 10 |
|  | Survey Unit | 13 |
| Total |  | 342 |

Source: Authors Compilation (2025).

**Table 3: KMO and Bartlett’s Test of Sphericity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variables** | **Number of Items** | **KMO** | **Bartlett test of Sphericity** | **Average Variance Extracted** | **Composite Reliability** |
| **Minimum Wage** | 7 | 0.577 | 0.003 | 0.775 | 0.912 |
| **Workers Productivity** | 7 | 0.710 | 0.020 | 0.605 | 0.884 |

**Source: Field Survey, 2025.**

**Table 4: Internal Consistency Reliability Result**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Variables** | **Number of Items** | **Cronbach’s Alpha** |
| 1 | **Minimum Wage** | 7 | 0.710 |
| 3 | **Workers Productivity** | 7 | 0.881 |

**Source:** **Field Survey, 2025**

From table 4, the Cronbach’s Alpha coefficient for all the study variables is above 0.70. Thus, the instrument used for evaluation was highly reliable. Hence, the researcher affirmed that the research instrument used was reliable.

1. **Analysis, Results and Discussion of Findings**

**Response Rate**

The researcher distributed 342 copies of questionnaire to the respondents of which 334 copies of the distributed questionnaire were duly filled and returned and was used for the analysis. This represents a response rate of about 97.7% of the population employed in the study, which was considered an excellent response rate. Table 5 presents results of the response rate.

**Table 5 Response Rate**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Completed usable copies of questionnaire | 334 | 97.7 |
| Unreturned/incomplete copies of questionnaire | 8 | 2.3 |
| **Total** | **342** | **100** |

**TABLE 6: Descriptive Statistics on Workers’ Productivity**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ITEMS | Rating | | | | | Mean | Std. Dev |
|  | SA | A | PA | DA | SD |  |  |
| There is improvement in my work place | 86(25.7%) | 190(56.9%) | 15(4.5%) | 35(10.5%) | 8(2.4%) | 3.9311 | .96705 |
| Each civil servant delivers his/her duty effectively irrespective of the current fuel price | 41(12.3%) | 229(68.6%) | 13(3.9%) | 39(11.7%) | 12(3.6%) | 3.7425 | .94258 |
| Lagos state government is on the best state in Nigeria in terms of service delivery | 91(27.2%) | 197(59%) | 16(4.8%) | 20(6%) | 10(3%) | 4.0150 | .91192 |
| We are not in any way been affected by the current economic situation in Nigeria | - | 11(3.3%) | 19(5.7%) | 72(21.6%) | 232(69.5%) | 1.4281 | .74692 |
| The civil servants in Lagos state are too committed to their work | 98(29.3%) | 182(54.5%) | 21(6.3%) | 29(8.7%) | 4(1.2%) | 4.0210 | .90187 |
| My organization cannot think of laying me off | 105(31.4%) | 133(39.8%) | 27(8.1%) | 46(13.8%) | 23(6.9%) | 3.7515 | 1.22826 |
| I always receive incentives | 43(12.9%) | 190(56.9%) | 23(6.9%) | 51(15.3%) | 27(8.1%) | 3.5120 | 1.14090 |
|  |  |  |  |  |  | 3.4859 |  |

**Source: Researchers Findings 2025**

The questions were used to harness the state or nature of worker’s productivity. Based on the survey, it was observed that majority (82.6%) of the respondents asserted that there is an improvement in their work place. This finding shows that there is high productivity among workers in Lagos State Lands Bureau. Further findings show that 80.9% who represent greater percentage of the respondents agreed that each civil servant delivers his/her duty effectively irrespective of the current fuel price. This means that skyrocketing fuel price is not really affecting civil servant in Lagos state from been productive. Similarly, 86.2% of the respondents asserted that in Nigeria, Lagos state is among the states with efficient service delivery. However, 91.1% of the respondents indicated that present economic situation in Nigeria which includes high inflation rate is affecting them in terms of productivity.

From the survey also, it was found that Lagos State Lands Bureau are too committed to their work as asserted by 83.8% of the respondents. The implication of this is that Lagos civil servants do not play with their work amidst the reality of the economy. It is arguably based on the commitment of the workers to work by the Lagos State Lands Bureau that they asserted that their ministries cannot of think of laying them off. Interestingly, 66.8% of the respondents asserted that they always receive incentives from their working place.

**Table 7: Descriptive on Minimum Wage**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ITEMS | Rating | | | | | Mean | Std. Dev |
|  | SA | A | PA | DA | SD |  |  |
| National minimum wage has been effected in Lagos state civil service | 32(9.6%) | 218(65.3%) | 24(7.2%) | 35(10.5%) | 25(7.5%) | 3.589 | 1.04667 |
| Minimum wage in Lagos state civil service is above the national minimum wage | 74(22.2%) | 195(58.4%) | 28(8.4%) | 29(8.7%) | 8(2.4%) | 3.8922 | .92694 |
| Lagos state government has adjusted its payment structure to accommodate the new national minimum wage | 46(13.8%) | 228(68.3%) | 30(9%) | 24(7.2%) | 6(1.8%) | 3.8503 | .81006 |
| Lagos state government asserted that they cannot pay the #70,000 national minimum wage | 23(6.9%) | 52(15.6%) | 23(6.9%) | 48(14.4%) | 118(56.3%) | 2.0240 | 1.37088 |
| I am delighted for working with Lagos state government as result of the national minimum wage | 50(15%) | 224(67.1%) | 36(10.8%) | 16(4.8%) | 8(2.4%) | 3.8743 | .80673 |
| Recently, there is significant increase in my salary. | 25(7.5%) | 27(8.1%) | 20(6%) | 51(15.3%) | 211(63.2%) | 1.8144 | 1.28807 |
| I feel like quitting my job due to my salary. | 16(4.8%) | 107(32%) | 24(7.2%) | 71(21.3%) | 116(34.7%) | 2.5090 | 1.37051 |
|  |  |  |  |  |  | 3.079 |  |

**Source: Author’s computation, 2025 underlying data from Field Survey**

Table 7 represents responses from questions on minimum wage. In the context of this study, minimum wage is defined as least payment a worker receives irrespective of the qualification acquires by the worker. In Nigeria, there was an upward of review of the national minimum wage. From the survey, majority (74.9%) of the respondents asserted that upward review of national minimum wage has been implemented in Lagos state. In addition, 80.6% of the respondents said that minimum wage in Lagos state is above the national minimum wage. In a similar way, 70.7% of the respondents disagreed that Lagos state government cannot pay the #70,000 national minimum wage as the state minimum wage is above the national minimum wage.

Interestingly, majority of the respondents (82.1%) asserted that they are delighted for working with Lagos state government as result of the national minimum wage. Which of course, Lagos state is known for their high and prompt payment of workers salary in Nigeria. However, despite the implementation of national minimum wage and even above the approved minimum wage, 78.5% of the respondents said that there is no significant increase in their salary. This finding is indeed justified as minimum wage mainly benefit those who were earning below the threshold. Irrespective of not having a significant increase in salary after the implementation of National minimum wage, majority of the respondents said that (56%) asserted that they will maintain their work.

**Research Hypothesis (Ho)**: Minimum wage does not have a significant impact on workers’ productivity in Lagos State Lands Bureau.

**Table 8: The effect of minimum wage on worker’s productivity in Lagos state civil service**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Model | | | R | | | R Square | | | Adjusted R Square | | | | | Std. Error of the Estimate | | |
| 1 | | | .578a | | | .343 | | | .340 | | | | | 3.53910 | | |
| 1. Predictors: (Constant), minimum wage | | | | | | | | | | | | | | | |
| **ANOVA** | | | | | | | | | | | | | | | |
| Model | | | | Sum of Squares | | | Df | | Mean Square | | F | | | Sig. | |
| 1 | Regression | | | 693.852 | | | 1 | | 693.852 | | 55.396 | | | .000b | |
| Residual | | | 4158.388 | | | 332 | | 12.525 | |  | | |  | |
| Total | | | 4852.240 | | | 333 | |  | |  | | |  | |
| 1. Dependent Variable: Workers Productivity | | | | | | | | | | | | | | | |
| b. Predictors (Constant), Minimum Wage | | | | | | | | | | | | | | | |
| **Coefficient** | | | | | | | | | | | | | | | |
| Model | | | Unstandardized Coefficients | | | | | | | Standardized Coefficients | | T | | | Sig. |
| B | | | Std. Error | | | | Beta | |
| 1 | (Constant) | | 16.570 | | | 1.070 | | | |  | | 15.489 | | | .000 |
| Minimumwage\*\*\* | | .363 | | | .049 | | | | .378 | | 7.443 | | | .000 |
| 1. Dependent Variable: Workers Productivity | | | | | | | | | | | | | | | |

**Source: Author’s computation, 2025 underlying data from Field Survey**

Table 8 shows regression result on the effect of minimum wage on workers’ productivity in Lagos State Lands Bureau. From the result, minimum wage had significant positive effect on workers’ productivity (β1 = 0.363, p-value = 0.000 < 0.05). The coefficient value implies that a percentage increase in minimum wage led to 0.4% increase workers’ productivity.

In addition, the R2 value of 0.578 supports this result and it indicates that minimum wage has a moderate positive relationship with workers’ productivity in Lagos State Lands Bureau, Nigeria. The coefficient of determination R2 = 0.343 indicates that about 34.3% variation that occurs in workers’ productivity in Lagos State Lands Bureau, can be accounted for by the minimum wage while the remaining 65.7% changes that occurs is accounted for by other variables not captured in the model. The predictive and prescriptive regression models are thus expressed:

WP = 16.570 + 0.363MW + Ui---------------------- Eqn(i) (Predictive Model)

WP = 16.570 + 0.363MW + Ui ------------------ Eqn(ii) (Prescriptive Model)

Where:

WP = workers’ productivity

MW = minimum wage

The simple regression model showed that holding minimum wage to a constant zero, workers; productivity would be 16.5 which is positive. This implies that there many other factors that influence workers’ productivity other than minimum wage. In the predictive model it is seen that minimum wage had a positive and significant effect on workers’ productivity Lagos State Lands Bureau should lay emphasis on wages as it is a significant factor that influences workers’ productivity.

**Findings**

The study found that minimum wage had significant positive effect on workers’ productivity. This finding is in accordance with the apriori expectation because high wages can motivate workers to be more productive as they feel valued and recognized for their contribution. Furthermore, high wages lead to higher job satisfaction, which results to an increased productivity as workers become more experienced and familiar with their roles. In agreement with the finding of Musibau and Bamidele (2024) who examined the impact of minimum wage increases on civil servants' welfare within the context of Nigeria’s Fourth Republic, focusing on Lagos and Osun States and found that upward review of minimum wage increases productivity which in returns increases living standard of workers. Also, Kanbur and Ronconi (2018) in their study found that minimum wage increases employee output. The finding is also in accordance with the preposition of efficiency wage theory which provides a robust framework for understanding the relationship between wages and productivity. The theory suggests that higher wages can lead to increased effort, reduced turnover, better health, and higher-quality applicants, all of which enhance productivity.

**Conclusion**

In conclusion, the empirical findings of this study provide evidence of the significant effect of minimum wage on workers’ productivity in Lagos State Lands Bureau. This study is pertinent because enhancing workers’ productivity is very crucial especially in Nigeria. The study concludes that minimum wage influences workers’ productivity in Lagos State Lands Bureau. Based on the finding, the following recommendations were given:

1. The study found that minimum wage had significant positive effect on workers’ productivity. Thus, to ensuring enhanced workers’ productivity, there should be regular review of minimum wage in Nigeria. This implies that government should increase the national minimum wage with a significant value as this would enable workers to put in their best.
2. Minimum wage should be indexed to inflation to ensure that the purchasing power of workers’ is maintained over time. Furthermore, the government should implement price control and enhanced distribution channels to curb inflation, make credit facilities more accessible to all farmers to embark on both irrigation and rain fed to curb food security.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

Option 2:

Author(s) hereby declare that generative AI technologies such as Large Language Models, etc. have been used during the writing or editing of manuscripts. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology

Details of the AI usage are given below:

1.

2.

3.

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