



IMPACT OF REMUNERATION ON EMPLOYEE'S PERFORMANCE: A STUDY OF BRADRAN NAJIB MOHIB WASHING MATERIALS AND ANTI-SEPTIC PRODUCTION AND PACKING COMPANY.

Najibullah Amini, Istanbul Aydin University, Master Business Administration, Istanbul, Turkey

Assist. Prof. Dr. VEDAT ULUSOY. Istanbul Aydin University, Faculty of Economics and Administrative Sciences

Abstract

The key component of organizational performance is employee performance and productivity. That is because individual performance contributes and help to the work of groups and departments and, in specific, in terms of productivity, all teams and departments have organizational performance and productivity. The remunerations system is a significant tool for not just monitoring employee performance and productivity as well as for motivating them. As a result, an organization can both maintain and attract new ones by implementing a good remuneration scheme.

This study tempts to observe the impact of remuneration dimensions on employee's performance with particular reference to Bradran Najib Mohib Production Company (BNMPC). In this investigation, the goal is to expose the maximum important impact of the remuneration system on employee performance.

Previous researches in this field emphasize the significance of evaluating the correlation between remuneration systems and employee's performance and how it influences employee productivity and organizational success. The objectives of this study are to look into the relationship between remuneration and employee's performance in (BNMPC) setting and seeing how the total compensation structure impacts employee's performance levels inside the organization.

For the aim of the survey, questions were distributed among 400 Bradran Najib Mohib Production Company employees, of which 384 employees answered the survey's questions. The parameters of the population have been derived from the questionnaire of these 384 employees. In this study, the data set was analyzed using linear regression analysis. The SPSS 25 Linear Regression Analysis was used for the data measurement of the survey.

The investigation findings confirmed the following hypotheses are: According to the views of those working in Bradran Najib Mohib Production Company; There is a positive linear correlation of 48.2% between the remuneration and employee's performance. There is 41.7% positive linear correlation between the remuneration and employee's satisfaction of organization. The results and linear regression analysis show the main impact of the independent and dependent variables. One may use other approaches for determining the modal regression analysis.

Keywords: *remuneration system, work efficiency, employee's performance, linear regression analysis.*

I. INTRODUCTION TO TOPIC

Human resources are an organization's most important resource, and they must be handled effectively to ensure greater efficiency to their human resources. It has also been said that remuneration administration is a component of the business environment that has not given much consideration recently in the organization. Remuneration plays an important role in organizations that would like to achieve their aims and objectives. If the organization who do not handle this area of human resource activity well enough would have a negative effect on the overall morale of their workers and an impact on productivity. In order to handle rewards adequately in order to have a positive impact on the success of its workers, a company must consider the multiple perspectives of rewards as a driving force for employees' motivation and behavior in the achievement of their organizational goal.

As we see nowadays to keep employees happy is the major challenge to an organization especially in private sectors and public sectors, the employee's satisfaction should be updated every period of the time and the company should meet their needs. The remuneration referred the yearly or monthly salaries and benefits expenses like (bonuses, pension expenses wages, health insurance, travel expenses, facilities, Entertainment allowances and etc. (Valeryre, Grebenkov, Aboura, & Bonnin, 2016). If an organization wants to reach to high level than others competitive they must adopt and keep the high quality of service to the employees.

Employee performance is an organization performance metric so that the job performance of workers can be repeatedly measured in an effort to preserve and enhance organizational performance. At the Same time organization measured the employee's performance they should regularly analyze their requirement too and satisfy their needs. In an effort to improve the performance of its employees, an organization uses several methods: create remunerations, disciplines, and encouragement for work. Via these procedures, workers are expected to properly raise their responsibilities for the task to be done; via work discipline, workers arrive and get home in good time, use the same uniform, and use the facilities wisely and efficiently; education programs and training programs are often needed to be a means of work, Although excellent job environments and encouragement, as well as incentives, are ultimately the responsibility of workers and the responsibility of the company to promote the commitment of its staff in the effort to achieve the main mission (Sardjana, Sudarmo, & Suharto, 2018).

An organization spends wages, salaries, and benefits on each employee, the best its preform in the company. Moreover, a company adopting remuneration policies to achieve to a predetermined goal. (Valeryre, Grebenkov, Aboura, & Bonnin, 2016). Remuneration plays the most important factor in this days in the organization and the utilization of employee's in a company. By providing enough salary or employee's welfare it effects on employee's performance and also it can effect on company future to achieve the high level to the market (Johan, 1994).

Workers are considered a valuable resource by all companies regardless of their orientation toward profit-making. This is especially true in view of the fact that they reflect a serious investment in the location of companies; recruiting activities; training & growth courses; the execution of financial responsibilities; the procurement of a health insurance plan, all directed towards the achievement of the company goals and objectives(O, O, & A, 2018).

It has been stated that workers are the backbone of any company worthy of more than wages, training, or rewards. Investments in workers are typically the result of business strategies intended to create faithful employees and to guarantee a comparatively long period of time at work (K & L, 2007). Consequently, it was stated that workers and organizations have a two-way functional correlation as well as shared commitments among all sides (A, MS, & R, 2015).

For the development of a relaxed workplace environment, organizations are expected to have a solution. The need for the Department to have a positive workplace. One method to build a successful working environment is to include bonuses or rewards for the success of the jobs done by

workers. According to (Anthony, J. Dearen, & Govindarajan, 1992) Which notes that offering benefits is one way to boost productivity and performance. The reward system can be remunerated, direct allowances, compensation, and pay and benefits. Incentives are also important for increasing the output of employees. On the opposite, the situations that arise in the workplace appear to be different, a reward that has been seen as an opportunity that causes fresh problems. It can be seen by the difference in worker's remuneration at the Department of Business and the quality of jobs. This gap directed to disagreements between staff in the organization.

II. LITERATURE REVIWE

Human resource is a valuable source in any organization human resource can bring the best competitive advantage with the help of their knowledge, experiences, and other skills. Therefore, human resource is important to any company to hold and keep save the entire company and those who are playing the main part in an organization for example top-level they play serious position to hold a company and also those are working under them to keep them satisfied and inspire them (Edirisooriya, 2014).

The backbone of any organization is human capital(S, 2016). Since all companies or organizations controlling by human resources, prepare them services, boost their skills and knowledge, inspire them to the best degree of performance and ensure they engage and remaining to the organization and keep their commitment to the organization to achieving the determined organizational goals. Employees play the main and essential action entire company if they are experienced and knowledgeable workers are working in an organization it can bring a pool of success in the organization, therefore the company can stand against others competitors and ready to compete with other organizations in the market. Whenever an organization reached to their objectives successfully it means the employee's performance is appreciated by the organization. workers are a significant organizational resource that must be managed carefully in order to increase return on investment and realize organizational goals (Anggi & Singmin, 2019).

It is necessary to a high level of management in the organization to bring new or modern methodologies of improvement hard it can be effective on organization either on employees to reach the goals easily when the organization run right methodologies it means organization ruing correctly if they follow wrong methodologies the company will face many problems even the employees those are working for the entire organization and also it is important those are responsible on the top level of organization they mast keep the stable relationship between the company and employees for achieving the organizational objectives and brings changes in the organization and also employees achieve their goals. All activities in the organization are holding and managing by the humane resource. If the companies are, consider all employees as a dynamic resource it will help to influence on organization future. For all employee's organizations should create for their workers' rewards and compensation to motivate employees to work individually and teamwork to reach a good point of view. The power of an association or business lies in the human resources that are in it. If human resources are correctly measured by appreciating their talents, knowledge, skills, experiences capability, and if their capabilities are grown and used properly, a company will be able to transfer energetically and develop quickly. One way to worth worker ability and skill is by delivering remuneration. It is accepted that remuneration can encourage staffs to increase their performance (Aktar, Sachu, & Md., 2012). The literature review of this study contains 2 main sections (Remuneration and employee's performance)

a) **Remuneration Concept**

The phrase remuneration is originated from the word “Remuneratio”. Remuneration is a means of compensation or pay, but it has a broader definition than pay since it can involve not only salary or bonus but also commissions and extra grants of benefit made under the terms of an employment agreement (S S. , 2001). The remuneration is stated exactly as pay or recompense established by certain laws in exchange for a job routine (Li-Jin & Ya, 2010). Remuneration is a level of money or attention provided in order to boost the performance of employees by companies or owners(Qian, Qi, & Xiao, 2009). Remuneration or reward refer payment or compensation get by employee create by the organization for the purpose of motivating the employees to perform excellently. This compensation includes all monetary and non-monetary like salary and bonuses or other benefits a worker received when he or she finishes their responsibility and mission successfully in the organization. The remuneration system amounts hold difference procedure in every organization and pay to difference factors suppose they pay according to the working hours those working full time get more remuneration and reward amount or those are working part-time in the company they receive remuneration like salary, wages, or bounces and other benefits according to the working hours. Some organization offer the best amount of remuneration for the employees because the organization want to use their knowledge skills and the experiences to make more profits their organization, Therefore when organization make more profits it means the company is running success it shows employees ability to make the company profitable with the help of their employee's effort and keeping organization actives (Anggi & Singmin, 2019).

The remuneration divided into two categories, the first component is financial remuneration and the second component is non-financial remuneration.

Financial remuneration: As we know financial reward is key to improving employee’s performance and productivity. Financial remuneration (reward) is all the time is significant to control employee’s performance, but over the back 25 years, some other compensation is improved to create a manager’s remuneration to inspire its employees. Remuneration is known as financial or non-financial compensation provided by an employee as a result of their accomplishment (Dutra & J. S., 2002).

The financial reward and remuneration includes direct financial rewards and indirect financial rewards (Marwansyah, 2010).

Direct financial remuneration

financial reward or remuneration are those rewards employees received directly from the organization, the direct financial remuneration includes direct cash, salaries, incentives, and other payable things which paid by the organization and received by the employees in the organization. The direct financial remuneration is created by the company according to the employee's qualities and quantities performance. For example, some employees work 9 hours per day he or she pays by the organization for 9 hours’ wages only or some employees work overload suppose he works extra like 12 hours or more than that he or she obtains more wages than those employees are worked less than him or her, this is referring the quantities performance and the qualities performance referring those are working in the company they are knowing everything’s because they may contain with the good background, skills and work experiences they pay by the organization according to their qualifications. Some employees working at the top position he or she might have good experience history and good background he or she gets financial remuneration more than others.(Elizabeth & de Sousa D. S, 2008)Direct income is the total earn by employees for an excellent work including of fixed or variable compensation.

Indirect financial remuneration: The indirect financial compensations are benefits which cover by the organization to its employees like health insurances, home insurance, educational support, social assistance and etc. indirect financial it related to non-money remuneration the employees regularly get from the organization and employees rendered work done to organization regularly.

Non-financial remuneration: Non-financial rewards are also significant to the workers because it helps to motivate the employees to improve themselves. In order, employees are trying individually learning and developing. The non-financial remuneration is those satisfactions received by the workers in the organization from them jobs such as, tasks challenges, interesting jobs, improving abilities, expand knowledge, gets more experiences, achievements, such as the achievement highest position in the organization, or other welfare, opportunities they obtained. This non-financial compensation obtains by the employees and prepared by the organization. The organization gives opportunities to boost the knowledge, skills, and experiences and learn new things in the organization.

b) Performance Concept

Performance as an individual's personal degree of work reaching after working hard (D., E. , & W., 1999). performance refers to work to get done by someone or employees within an organization. performance comes from the word of job performance; it means getting work done or achievement of work final at the end step. Performance is an employee's duties it means a worker gets the responsibility to control and executes his or her responsibility at the exact period of time or gets some mission to complete it and finish their work to get good results from work which perform by the employees. performance is regularly referred to as work performance. The word performance appears from the word job performance, which means the achievement of work got by somebody. Explanation of performance is the outcome of work in quality and quantity completed by somebody in finishing their obligations in accordance with the accountabilities or responsibility given to him or her in the organization. usually, employees get the responsibility to cover a mission entire an organization they get mission and start performance and make it finish their responsibility it can be individual performance or team performance.

Moreover, performance is the quantity or quality of something manufactured or services prepared by somebody in the organization (Stephen P, 2007). has said performance is a recording of profits arising from a specific work thing or action within a specific timeframe (Bernardin & H. John dan Russel J. E. A. , 2001).

Indicators of Remuneration

Salary:A salary structure or remuneration is a cohesive organization of figures (financial quantities of salaries) that defines the pay correlations among jobs and job-holders inside an organizational unit and settles individual pay or remuneration according to the exact ratio (the salary measure) (Poels, 1997). Salary refers to the amount of cash payment for the employees it pays monthly contracts between employees and the organization. Salary is determined by studying the position of each employee in carrying out administration and expansion tasks. salary is get by the employees and pays by the companies in a fixed period of time.

Wages: Wage policy is a feature of the organization general strategy and a tool to promote efficiency and to boost the effectiveness and performance of the worker and the corporation(S & I, 2013). Wages is the amount of money pay to employees as well as like salary but there is some difference between salary and wages the salary as mention before it pays to employees periodically

or monthly but wages referees pay to worker hourly or daily basis. Wages denote to expense for service to an employee, particularly remuneration on an hourly, weekly, or daily basis or by the piece of products.

Pension Scheme: pension scheme is an organization that promises stated monthly benefits on retirement employees that are determined based on workers receiving history, duration of service, and age. The most organization promises to their employees who are work long duration at their company they will prepare monthly benefits when an employee gets his or her retire from the company but not at all some organization not promise to its employees when they get them to retire (Obringer, 2011).

Health scheme: health insurance is another important indicator of remuneration some organizations is offered for their employees but some organizations are not offering health insurance because it will cost on organization and some companies are paying a part of the insurance premium to their employees. health insurance will mention in the contract before hiring an employee in the organization. some big companies offer health insurance even they offer to them family as well like if the employees are women if she has children health insurance will cover by the organization. and also dental and life insurance are offered as part of the remuneration package (Obringer, 2011).

Transport Allowance: Transport allowance is cover mostly by the organization the transportation expenses is an employee he or she comes from home to workplace and goes back from workplace to home repeatedly daily or traveling to other places for organization duties purpose and pay to transportation charges is called transportation expenses.

Accommodation or Housing allowance: Accommodation or housing allowance is another indicator of remuneration this is referring to the organization prepare some facilities for employees to stay when they are including organization staff. Accommodation or housing allowance is a service from organization to employees. This is some money or cash paid in compensation for living or staying expenditure for employment circumstances. An employee gets the amount of money to provide he or her living expenses for a work situation (E, 2010). An extra number for workers who work more than 40hours per week must be the overtime compensation(M. , 2010).

III. METHODOLOGY

This study has three main questions in this study, which the analysis methods are used to response the research questions. These questions are as follows:

1. What are the impact of remuneration on employee's performance?
2. What truly motivates employees and what does not?
3. Which parts of the remuneration system does well, and which should be developed for providing employee's satisfaction?
4. What is the expectation of employees that is their effort is truly contributing to obtain the organization's aims?

Research approach: First and foremost, I used the librarian method of study and gathered terminology from the truest and accurate books, articles, magazine papers, eBooks, and websites and other resources. The aim of this study was to see whether there was a connection between the remuneration system and employee performance. It then moved on to gathering explicit impressions from Bradran Najib Mohib Production Company. Through questionnaires in order to test existing hypotheses regarding the relationship between two variables. To obtain the actual results, I will perform this research and collect data via the questionnaire.

Research strategy: To gather sufficient data and information through the analysis process, an investigative technique is selected to collect data and break it down to assess notable conclusions and results in order to obtain the truth and objectives of the investigation. The establishment of an investigation is known as the research system, and conclusions made in this manner must comply with the investigative process.

There are several categories of techniques that consolidate Audits, evaluations, action investigations, logical inquiry, recorded research theory and ethnography are all consolidated in diverse types of techniques.

As previously reported, this investigation is a contextual examination focusing on Bradaran Najib Mohib washing materials and anti-septic production and packing company in order to test and clarify the impact of the remuneration on Bradaran Najib Mohib Production Company.

This investigation conducted surveys with Bradaran Najib Mohib Production Company workers and inferred implications based on the hypothetical relationship between the variables by disseminating this information.

Data collection instrument: This original study data was gathered from together primary and secondary sources. The main source was a close-ended questionnaire. The respondent chose their response from a list of two to five choices.

The questionnaire was categorized into three parts with part one providing information on the respondent's bio-data such as age, gender, qualification, etc., while part two and three represented the study goals, investigative questions and hypotheses.

The investigator used secondary information's from the textbooks, publications and copies of the annual review assessment form from private files and record in support of the findings. research questions, and hypothesis; it was from the questionnaire that research questions and hypotheses were derived.

Administration of data collection instruments: The questionnaires were administered by the investigator to the respondent through private communication. Four hundred (400) questionnaires which were spread to the selected staffs to the entire company.

Method of Data Analysis: The outcome of regression is an equation that represents the greatest prediction of a dependent variable from independent variable. Regression Analysis is used when independent variable is correlated with one another and with the dependent variable. Independent variable can be either continuous or categorical. In contrast, the dependent variable must be measured on continuous scale.

In this study, the linear regression model called standard or simultaneous model is used to examine the relationship between the predictor and the dependent variables.

IV. RESEARCH RESULTS

In this chapter will concentrate on the analysis of data gathered from the corporation via questionnaire and data analyzed by method called linear Regression Analysis and the normality of data for Likert 5 scale has tested and based on the result the appropriate Ordinal Regression Model also is analyzed.

4.1 Data Processing: Demographic Characteristics of respondents:

4.1.1 Gender:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	127	33.2	33.2	33.2
	Male	257	66.8	66.8	100.0
	Total	384	100.0	100.0	

The study considered both the male and female respondents. The majority respondents accounted by the Male which is represents 66.8 percent of the overall responses, while Female respondents accounted for 33.2 percent, for a total of 384 responses. Table 1 shows the percentage distribution of respondents by gender.

4.1.2 Age:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-34	233	60.8	60.8	60.8
	35-44	93	24.3	24.3	85.1
	45-54	49	12.8	12.8	97.9
	55 or older	9	2.1	2.1	100.0
	Total	384	100.0	100.0	

The majority of the 384 staffs at Bradran Najib Mohib Production Company are between the ages of 21-34, accounting for 60.8 percent of the workforce. 24.3 percent of people's age lies on the interval of 35-44. 12.8 percent of respondents are 45 up to 54 years old.

Only 2.1 percent of respondents are people in the ages 55 or above. Table 2 show the detailed info about the age distribution of respondents.

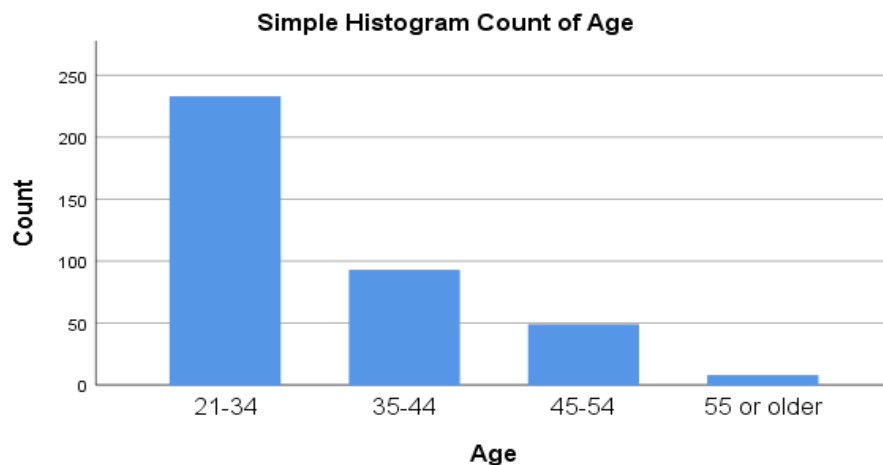


Figure 4.2

4.1.3 Qualification:

The most of the employees have the bachelor's and master's degrees which were allocated 69.5 percent of the respondents (36.3 percent for Bachelors and 33.2 percent for Masters). Only one case out of 230 is employee with OND qualification. It is obvious the allocation of percentage for Post Graduated Diplomas are only 15.7 percent from entire population. Among all these 230 people there are 36 respondents who have no qualifications which categorized by group named as Others. Table 3 shows the distribution of the qualification among different group or respondents.

Table 3: Frequency Table for Distribution of Respondent's Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor	139	36.3	36.3	36.3
	Master Degree	127	33.2	33.2	69.5
	Post Graduate Diploma	65	17.0	17.0	86.4
	OND	2	.3	.3	86.7
	Others	51	13.3	13.3	100.0
	Total	384	100.0	100.0	

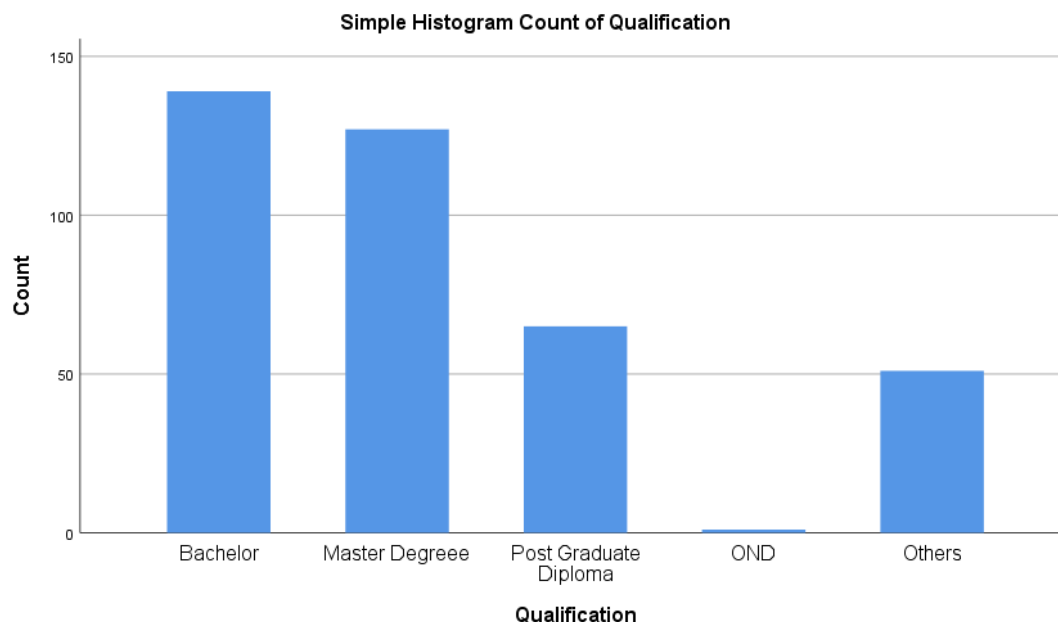


Figure 4.3

4.1.4 Marital Status:

As shown in Table 4, Two groups of respondents are married employees or single employees with 46.1 percent and 40.9 percent, respectively. Just few cases of Divorced, Separated or Widowed groups exist in the entire sample of respondents.

Table 4: Marital Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Divorced	6	2.6	2.6	2.6
	Married	106	46.1	46.1	48.7
	Separated	10	4.3	4.3	53.0
	Single	94	40.9	40.9	93.9
	Widowed	14	6.1	6.1	100.0
	Total	230	100.0	100.0	

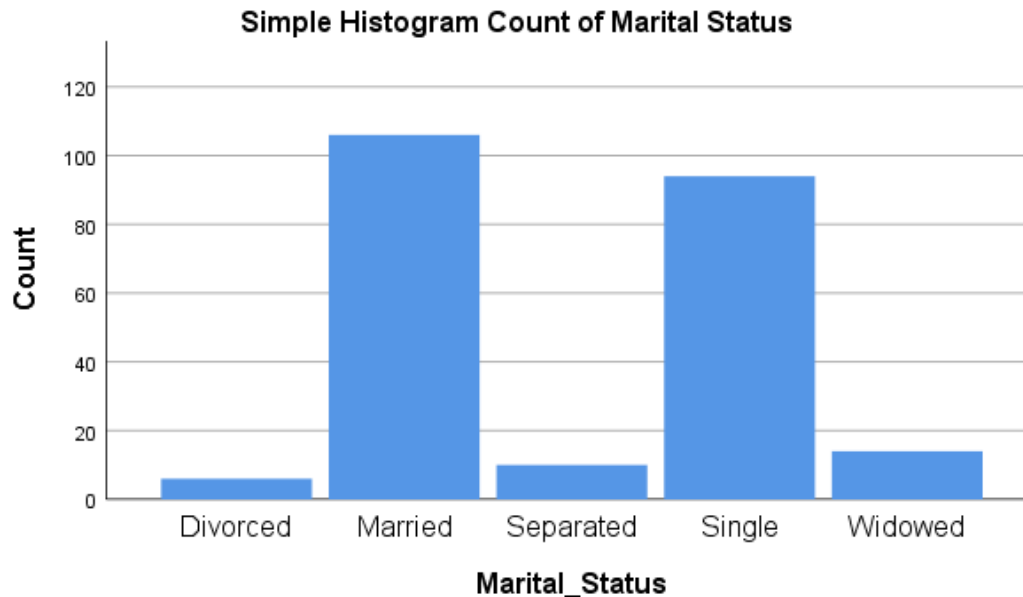


Figure 4.4

4.1.5 Number of Children

In the table 5 below, the frequency table of the number of children were generated by SPSS. The number of the respondents' children became 5 types of groups as shown below.

Table 5: The Frequency Table of Number of Children

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	108	47.0	47.0	58.7
	2	34	14.8	14.8	73.5
	3	30	13.0	13.0	100.0
	4	31	13.5	13.5	87.0
	5	27	11.7	11.7	11.7
	Total	230	100.0	100.0	

47 percent of the respondents don't have any children which is the largest group among other 4 remaining groups. 14.8 percent of the respondents have "1" children. 13.0 percent of respondents have "2" children. 13.5 percent of the respondents have "3" children and the remaining 11.7 percent of the respondents have "4" children.

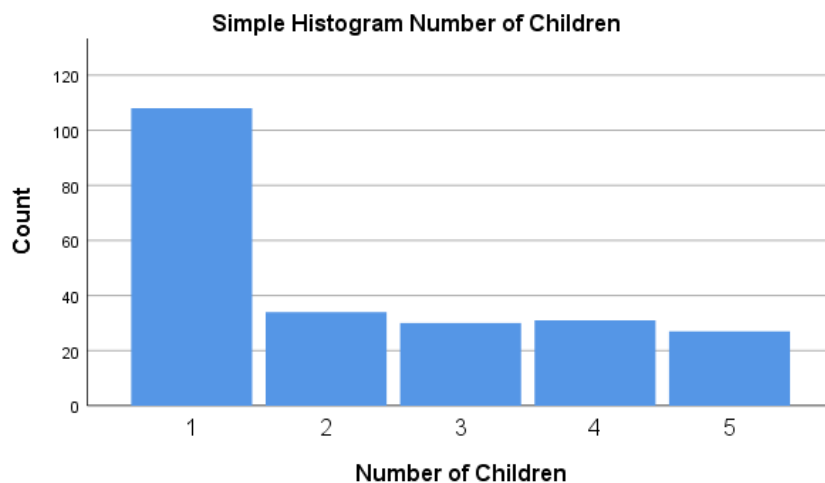


Figure 4.4

Review of Conceptual Framework:

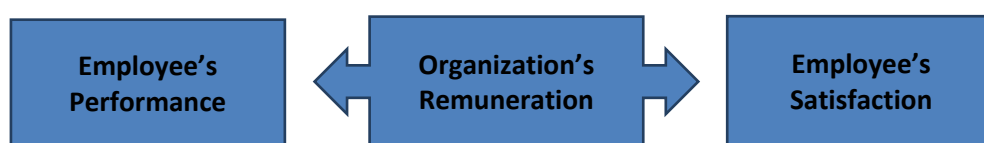


Figure 4.5

4.2.2 Questionnaire's Reliability:

The reliability of the questionnaire was checked by the test of internal consistency and calculate the extraction reliability coefficient (Cronbach's alpha) for all 18 questions. It is clear in below table 6 that the reliability coefficient of questions is acceptable and meet the objectives of the study.

Table 6: Reliability Statistics	
Cronbach's Alpha	N of Items
.860	18

4.3 Hypothesis Testing

Hypothesis I

There is no statistically significant difference at level ($\alpha = 0.01$) between Company's Remuneration and Employee's Performance at Bradran Najib Mohib Production Company in Afghanistan.

Pearson correlation test was used to test the hypothesis I, the results showed that all correlations are statistically significant with P-values less than $\alpha = 0.01$ and Pearson Correlation Coefficient = 0.482. This indicates that there is a high positive correlation between Organization's Remuneration and Employee's Performance. The Table Shown below is the summary of the test.

Table 16: Correlation Between Organization’s Remuneration and Employee’s Performance (Hypothesis I)

		Remuneration	Performance
Remuneration	Pearson Correlation	1	.482**
	Sig. (2-tailed)		.000
	N	384	384
Performance	Pearson Correlation	.482**	1
	Sig. (2-tailed)	.000	
	N	384	384

** . Correlation is significant at the 0.01 level (2-tailed).

Hypothesis II

There is no statistically significant difference at level ($\alpha = 0.01$) between Company’s Remuneration and Employee’s Satisfaction at Bradran Najib Mohib Production Company in Afghanistan. Pearson Correlation test was used to test the hypothesis, the results showed that all correlations are statistically significant with P-values less than $\alpha = 0.01$ and Pearson Correlation Coefficient = 0.417. This indicates that there is a high positive correlation between remuneration and Employee’s Satisfaction. The Table Shown below is the summary of the test.

Table 17: Correlation Between Organization’s Remuneration and Employee’s Performance (Hypothesis II)

		Remuneration	Satisfaction
Remuneration	Pearson Correlation	1	.417**
	Sig. (2-tailed)		.000
	N	384	384
Satisfaction	Pearson Correlation	.417**	1
	Sig. (2-tailed)	.000	
	N	384	384

** . Correlation is significant at the 0.01 level (2-tailed).

4.4 Linear Regression Analysis:

Since there is positive linear relationship between Organizations Remuneration and Employee’s Performance, one can find the linear regression coefficients as shown on table below.

Table 19: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.816	.172		10.583	.000
	Remuneration	.484	.045	.482	10.739	.000

a. Dependent Variable: Employee’s Performance

The linear regression’s equation is given as follows:

$$y = 1.816x + 0.484$$

From other side, there is also positive linear relationship between Organizations Remuneration and Employee’s Satisfaction. The linear regression coefficients have shown on table below:

Table 20: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.213	.174		12.736	.000
	Remuneration	.409	.046	.417	8.967	.000

a. Dependent Variable: Satisfaction

The linear regression’s equation is given as follows:

$$y = 2.213x + 0.409$$

Hypothesis Results

Table 18: Pearson’s Correlations for Hypothesis

Hypothesis	Structural Paths	P value	Result
Hypothesis I	Company’s Remuneration implies Employee’s Performance	.000**	Supported
Hypothesis II	Company’s Remuneration implies Employee’s Satisfaction	.000**	Supported

** . Value is significant at the 0.05 level(2-tailed).

V. Conclusion

This section is a synthesis of the whole study and covers summary of research findings, exposition of findings, commensurate the objectives, conclusion and recommendations.

The objective of the study was to find out if the selected variables have an effect on the Employee’s performance of Bradran Najib Mohib Production Company Descriptive Statistics, Spearman Correlation, Ordinal Regression Analysis, and Factor Analysis were applied. The Spearman Analysis and hypothesis testing displayed that the selected variable does have a positive effect on employee’s performance and employee’s satisfaction. The correlation between the Organization’s remuneration and the employee’s performance was found to be 0.482. it means that there is a high positive impact of the remuneration in the company on employee’s performance. On the other hand, the correlation between an organization’s remuneration and employee’s satisfaction was found to be 0.417 which indicated that the said variables have a moderate impact on the employee’s satisfaction.

The study explored the effect of the organization's remuneration on the employee's performance and employee satisfaction. The result of this study was that organization remuneration has a significant impact on both employee performance and employee satisfaction. Mentioning besides this important factor there might be other factors that may affect the employee's performance and employee satisfaction. Due to some limitations during the study, we only evaluated the organization's remuneration as a major factor affecting the employee's performance and employee satisfaction. So, based on the above findings, we found out that the organizations need to consider all the important factors to maintain and boost the employee's performance and employee's satisfaction.

Future work for academics

This investigation was focused to only Bradaran Najib Mohib Production Company, however, future research may focus on a relative report across open and private organizations in Afghanistan. Because not all workers with different qualities, experience, knowledge and presentation may be developed in the same method, it is essential to identify a specific motivating element for representatives. Future studies may also include a comparative examination of remuneration or compensation frameworks among female and male employees.

Recommendations

Organizations are under growing pressure to justify and match their pay practices with their strategy and risk profile. Creating an appropriate compensation system. Designing a governance framework that can analyze where your present rules may be failing is the first step toward making big changes to your compensation plan. The basis and purpose of every committee will vary based on the size of the company, the industry in which they work, and the resources that are available. Given the controversies surrounding pay in the financial services industry, companies in banking, superannuation, and financial services would consider improving management-to-board reporting on any possible risk factors that might negatively influence remuneration results.

While the Hayne Royal Commission and the Prudential Regulatory Authority of Australia are aware of the detrimental effects of financial metrics on behavior, organizations will have to continue to measure the results. The key is that organizations get away from the issue of "what are the market practices?" to evaluate how appropriate metrics are in the context of their corporate strategy, identify key value drivers and adjust the goals so that a balance can be established between shareholder and customer interests.

Standardize how you assess non-financial goals as another essential step in assuring your compensation programs are appropriate. Changing remuneration plans away from short-term financial goals necessitates defining how success is assessed. Employee satisfaction surveys or year-over-year customer retention/satisfaction statistics are two traditional techniques to analyze.

NOTE

This article has been developed from master's thesis of Najibullah Amini advised by Assist. Prof. Dr. VEDAT ULUSOY.