

**EFFECT OF REMUNERATION ON EMPLOYEE PERFORMANCE IN
THE NIGERIAN BREWERIES PLC**

BY

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AUGUST, 2018

DECLARATION

I hereby declare that this project has been written by me and it is a report of my research work. It has not been presented in any previous application for any Masters in Business Administration. All quotations are indicated and sources of information specifically acknowledged by means of references.

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DATE

CERTIFICATION

This project “**Effect Of Remuneration On Employee Performance In The Nigerian Breweries Plc**” meets the regulations governing the award of Masters in Business Administration of the School of Postgraduate Studies, Nasarawa State University, Keffi, and is approved for its contribution to knowledge.

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DEDICATION

I dedicated this work to Almighty Allah.

ACKNOWLEDGEMENTS

My gratitude goes to the Almighty God for his love and guidance towards the success of this project.

My gratitude to my able supervisor, Dr. (Mrs.) Ruth Andah who despite her tight schedule took her time to go through the work and make necessary corrections which led to the success of this work.

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ABSTRACT

While remuneration is arguably one of the key drivers of motivation and one of the most studied areas, doubts have been cast. While lack of it causes dissatisfaction, its provision does not result in lasting motivation. The effects of remuneration on motivation vary from organization to organization. The study thus examines the effect of motivation on employee performance using Nigerian Breweries Plc as a case study. The study adopted descriptive research design, while regression method of analysis was utilized in carrying out the empirical analysis. Findings from the study revealed that salary has a significant effect on and employee's performance Nigerian Breweries Plc. the existence of a good remuneration of employees will make the health of employees also good. In addition, bonus was found to have a significant effect on employee performance at Nigerian Breweries Plc. The result showed that a change in bonus by 1% had on the average, enhanced employee performance by 0.51% within the period under review. Furthermore, commission was discovered to have a significant impact on employee performance. Lastly, overtime payment was discovered to have a significant effect on employee performance. The results revealed that overtime payment have positive effect on employee performance. It is the desire of every organisations to constantly increase productivity, thereby necessitating the need to motivate employees through comprehensive remuneration policies and friendly working conditions. The need to retain effective and qualified work force is a necessity for a functional organization, thereby necessitating the need to provide good working conditions

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Human resource plays a very significant role in the growth and development of organizations all over the world. This is because no organisation can achieve short, medium and long term corporate goals and objectives without the contribution of the employees; hence it is important that employees are well compensated financially for the success of such organizations. According to Tella, Adeyemi and Popoola (2007), the management of people at work is an integral part of the management process, put differently; managers need to understand the critical importance of people in their organizations so as to recognize that the human element and the organization are synonymous. Therefore, it is imperative to compensate an employee with benefits if he merits it. Cascio (2003) opines that because of the importance that compensation holds for people's lifestyle and self esteem, individuals are very concerned about what they are paid – a fair and competitive wage, while organizations are also concerned about what they pay because it motivates important decisions of employees about taking a job, leaving a job and on the job performance.

Remuneration is an important matter which needs to be considered because it directly or indirectly affect effectiveness and competitiveness of a business as well as the well-being of employees. It is a significant instrument for

employers in affecting employee attitudes such as perceptions of fairness and employee behavior including whether an employee is attracted to and remains with the employer and how employees effectively utilize their time at work. It has a major effect on employees' values of living and communicates to them the degree to which the employer values their contribution. The Remuneration package is normally differentiated into remunerations. These comprise financial and non-financial Remunerations (Noe, Hollenbeck, Gerhart, & Wright, 1996).

Remuneration involves those Remunerations financial and non-financial, direct and indirect which an organization exchanges for the participation of its employees; both job performance and personal contribution. It is revealed that Remuneration is the main element of the employment contract because it is the basic reason why people work. It involves all types of Remunerations, both intrinsic and extrinsic, that are gained as a result of employment by the organization.

Remuneration management is one of the central pillars of human resources management (HRM). It is linked with the formulation and implementation of strategies and policies that aim to compensate people practically, justifiably and constantly in agreement with their worth to the organization (Armstrong, 2005). Remuneration Management as the name represent including a Remuneration structure in which best performer employee awarded more than average performer This motivates the good performer to work hard and make competitive atmosphere in organization. Remuneration management is an

essential part of HRM approach to achieve organizations objectives and manage the people and it is strategic because it is tackle relating to problem like how people can achieve their objectives; it is therefore linked with other HRM functions, mostly linked with human resource development.

Remuneration management is one of the most important elements of personnel management. It includes economic Remunerations in form of wages and salaries as well as in different forms of non-wage economic payment known as fringe benefits, indirect Remuneration or supplementary pay. The subject of Remuneration is of great importance because it affects the well-being of the individuals in the concerned organizations.

Employee performance is a result of one's work in carrying out tasks assigned to him based on skills, experience, and determination as well. The performance is result of work quantity and quality work achieved by an employee in carrying out their duties according to responsibility given to him and this can be only achieved if the employee are well motivated.

In any profit-oriented organization, employee relationship is seen as an exchange process where employees provide inputs in terms of skills and expertise in return for various Remunerations from the employer. From the perspective of the employee, pay has an important influence on Standard of living, status, and security. Less direct forms of Remuneration such as health care, pensions and other benefits also have an important impact on employees' well-being. From the employer's point of view, Remuneration is both a major

cost of doing business that needs to be controlled, and an investment that must generate adequate returns in terms of employee attitudes, skills, behaviors, and organization performance.

Remuneration is often regarded as direct and indirect monetary and non-monetary Remuneration given to employees on the basis of the value of the job, their personal contributions, and their performance. This Remuneration must meet both the organization's ability to pay and any governing legal regulations.

Remunerations are a great way to boost employee performance. In today's world, many people have what's-in-it-for me mentality that affects their work. Remunerations are an important motivational factor for everyone.

Searl and John, (2012), says Remuneration is basically to motivate the behaviors of employees towards their work. Cameron and Pierce, states that every business use Remunerations like salary, commission, promotion and other types of bonuses to encourage employees towards high level of performances.

Remunerations can be classified as intrinsic Remunerations and extrinsic Remunerations. Intrinsic Remunerations are that which are inbuilt in the job itself as a result of successfully completing the task or attaining his goals. Extrinsic Remunerations are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, and promotion, contract of service, the work environment and conditions of work. Such tangible

Remunerations are often determined at the organizational level, and may be largely outside the control of individual managers. Hellriegel expressed extrinsic Remuneration as result of performance in the form of salary, bonus, fringe benefits and job security. Extrinsic Remunerations include things such as pay, job security, fringe benefits, promotions and working conditions. Other things included in it are competitive salaries, increment in pay, bonuses, and such indirect forms of payment.

Extrinsic Remunerations are defined in terms of salary, performance bonus, and working conditions. Salary is defined as base pay to employees either daily, weekly, monthly or yearly basis according to their job structure. Performance bonuses are used as incentives for increasing productivity of an employee or team in an organization. Working condition is the environment in which an employee works such as physical environment, degree of comfort and ease, stress level, etc.

The efficient and timely completion of tasks given to employees as given by employers is regarded as employee performance. Charity Tinofirei, Performance means the degree of completion of an employee's task or given objective. "Performance is associated with quantity of output, quality of output, and timeliness of output, presence / attendance on the job, efficiency of the work completed and effectiveness of work completed". Performance is about how well a person is performing the task given to him or her. Hence, it can be said that employee performance is the efficient and timely completion of tasks and giving quality output. Several studies showed that Remuneration have

great impact on employee's performance. When employees perform well then organizations achieve its desired goals. It can be seen that Remunerations increases employee's motivational level and motivated employees perform better. Effective Remuneration system catches employees' attention and interest directly.

There are several factors that have influence on employee performance such as working conditions, job security, relationship between employer and employee, training and development, employees Remunerating policies, etc. Ali and Ahmed said that there should be appropriate salary, Remuneration and Remuneration systems to enhance employees' performance. Extrinsic Remunerations like competitive salaries, increment in pay and bonuses enhances performance. The growing recognition and consensus that Remuneration promotes productivity is consistent with the early work of Drucker (1956) that states "happy workers are productive workers."

1.2 Statement of the Problem

While Remuneration is arguably one of the key drivers of motivation and one of the most studied areas, doubts have been cast by Herzberg (1957) and Amstrong (2008) on the effectiveness of Remuneration. They argued that, while lack of it causes dissatisfaction, its provision does not result in lasting motivation. The effects of Remuneration on motivation vary from organization to organization.

Nelson and Spitzer (2003) states that in today's work environment, there is more change and uncertainty, there is increased need for empowered employees, there is decline in traditional incentives, there is rise of nontraditional incentives and there is increased use of variable Remuneration. Studies have also shown that Remuneration programs and the methods of administration affect employee motivation (Bowen, 2000). Many researchers have focused on satisfaction, recognition, appreciation and work environment as employee motivators in different organizations (Kosgei, 2011). However none has studied employee Remuneration in Nigerian Breweries PLC.

It is not clear what methods were used to determine employee Remuneration, what direct and indirect financial programs were offered in Nigerian Breweries Plc and their effects on employee performance and lastly the non-financial benefits offered and their effect on employee performance. This study sought to address this gap by enquiring on the effect of Remuneration on employee performance in Nigerian Breweries Plc

1.3 Research Questions

The research answers the following questions:

- i. What is the effect of bonus on employee's performance in Nigerian Breweries Plc?
- ii. What is the effect of commission on employee's performance in Nigerian Breweries Plc?

- iii. What is the effect of over-time on employee's performance in Nigerian Breweries Plc?

1.4 Research Objectives

The main objective of this research work is to examine the effect of Remuneration on employee performance in the Nigerian Breweries Plc with the following specific objectives

- i. To evaluate the effect of bonus on employee's performance in Nigerian Breweries Plc.
- ii. To examine the effect of commission on employee's performance in Nigerian Breweries Plc.
- iii. To examine the effect of over-time on employee's performance in Nigerian Breweries Plc.

1.5 Research Hypotheses

To achieve the above objectives, the following hypotheses are formulated in a null form to investigate the effect of Remuneration on employee performance.

- i. H_{0ii} There is no significant effect of bonus on employee's performance in Nigerian Breweries Plc.
- ii. H_{0iii} Commission has no significant effect on employee's performance in Nigerian Breweries Plc.
- iii. H_{0iv} over-time has no significant effect on employee's performance in Nigerian Breweries Plc.

1.6 Scope of the Study

The objective of this study is to examine the effect of Remuneration on performance of employees in the Nigerian Breweries Plc (with specific interest on how, bonuses, commission and overtime has affected the performance of employees of the Production Department , Nigerian Breweries Plc, Wuse, Abuja The study is for the period of five years 2010-2017

1.7 Significance of the study

The importance of research of this magnitude cannot be over emphasized this is because its bridge the gap theory and practice in human relation management within an organization. However, it will be an eye opener to employees in relation to their worth for the effort of striving for the achievement of organizational goals and objectives.

The management of Nigerian Breweries Plc shall find usefulness in this research particularly in human resources management decisions and can suggest the best Remuneration strategy that can enhance optimum employee performance. The government and labour organizations can equally benefit from this research work when making policies in relation to employee Remuneration (salary, bonus, working condition).

This research work shall open a gap for further studies and provide so meaningful data for researchers who may want to investigate in this particular area of interest.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Concept of Remuneration

Maicibi (2005) defined remuneration as pay or reward given to individuals for work done. He further identified the indicators of remuneration include: basic salary, wages, health schemes, pension schemes, transport allowances overtime allowances and responsibility allowances.

Remuneration can also be referred to as monetary or financial benefits in form of salaries, wages, bonuses, incentives, allowances and benefits that is accrued or given to an employee or group of employees by the employer (firm) as a result services rendered by the employee(s), commitment to the organization or reward for employment.

According to the American Remuneration Association's (1995) definition, "Remuneration is the cash and non-cash remuneration provided by an employer for services rendered" (ACA). It could be financial Remunerations which refer to any monetary Remunerations that go above and beyond basic pay. These Remunerations are separate and not added into basic salary. Examples of these include financial incentives, bonuses, and recognition. Remuneration can be described as direct and indirect Remuneration received by employees in an organization that serves to achieve employee satisfaction and retention as well as improve performance. Direct Remuneration includes wages, salaries, bonuses or commission. Indirect Remuneration includes incentives, medical

benefits, housing allowance, annual leave allowances and training opportunities. Remuneration is the Remuneration employees receive in exchange for performing organizational tasks. Remuneration is direct and indirect wages.

Direct Remuneration includes wages, salaries, bonuses or commission based on performances, overtime work, holiday premium, while indirect Remuneration is paid as medical benefits, housing allowance, meal allowance, utility allowances, incentive bonus, shift allowances, hospitalization expenses, out of station allowance, vehicle loan benefits, annual leave allowances, car basic allowances, etc.

DeNisi and Griffin (2001) Remuneration is a Remuneration system that a company provide to individuals in return for their willingness to perform various jobs and tasks within organizations. They further stated that relevant and commensurate Remunerations need to be provided to the employees so that they feel valued and their expectations on exchanging their skills, abilities and contribution to the organization are met.

Milkovich and Newman (1999) stated that, Remuneration refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. The Journal of Global Business and Economics (2010) also defines Remuneration as “the combination of all cash incentives and the fringe benefits mix that an employee received from a company which constitutes an individual’s total Remuneration.” (Chabra 2001) refers to

Remuneration as a wide range of financial and non-financial Remunerations given to employees in exchange for their services rendered to the organisation. According to him, it is paid in the form of wages, salaries and employee benefits such as paid vacations, insurance, maternity leave, free traveling facility, retirement benefits, etc. He indicated that the term 'wage' is used to denote remuneration to workers doing manual or physical work. Thus, wages are given to compensate the unskilled workers for their services rendered to the organization. Wages may be based on hourly, daily, weekly or even monthly bases.

Remuneration systems, also known as Remuneration systems and pay systems refer to the scheme by which Remunerations are distributed to an employee (Barr 1998). According to (Thomas 1998) the typical Remuneration package includes two basic components: direct pay and indirect pay or benefits. Remuneration systems vary across organizations and Gerhart and Milkovich (1988), suggested that “employers tend to distinguish among themselves through differences in the contingency of Remuneration.”

Scholars have argued that Remuneration systems provide outsiders with information about less visible organizational characteristics (Gerhart & Milkovich, 1990) and therefore, they might signal to a job applicant what an organization’s culture, norms, and values are like (Rynes & Barber, 1990). It is further suggested by Rynes (1987,) that “Remuneration systems are capable of attracting (or repelling) the right kind of people because they communicate so much about an organization’s philosophy, values, and practices.” Organizations

could therefore take another look at their Remuneration packages and redesign them to attract those candidates on the job market who they think are very skilled and can help them reach their goals.

John, (2012), says Remuneration is basically to motivate the behaviors of employees towards their work. Cameron and Pierce, states that every business use Remunerations like salary, commission, promotion and other types of bonuses to encourage employees towards high level of performances.

2.1.2 Concept of Bonus

Investopedia (2016) defined bonus as an additional compensation given to an employee above his/her normal wage. A bonus can be used as a reward for achieving specific goals set by the company, or for dedication to the company. Heathfield (2016) bonus pay is compensation over and above the amount of pay specified as a base salary or hourly rate of pay. The base amount of compensation is specified in the employee offer letter, in the employee personnel file, or in a contract. Employers can distribute bonus pay randomly as the company can afford to pay a bonus, or the amount of the bonus pay can be specified by contract. To Bardot(2014) a bonus is a payment which is backward-looking and usually discretionary or at least not expected from the employee(s). A decision is made to pay it to one, a group or all employees, based on criteria decided by management to reward past achievements, such as reaching a specific profit or some important milestones for the organization, or in a totally discretionary manner but defined an incentive as a plan which is

forward-looking. Payment is tied to the achievement of specific objectives that have been pre-determined and communicated to the employees that are on the plan. The purpose of the incentive scheme is to influence behaviour to reach the objectives by providing an incentive to work towards the goals. She further stated that incentive can be paid in cash or in non-monetary award, for example some gifts or travel (especially for sales). The incentive plan is not discretionary: if the upfront, agreed objectives are reached, the payment or award is made.

Romanoff (2008) defined bonus as a single payment made at the end of the performance period typically a year to reward extraordinary effort or achievement while incentive is a tangible or intangible reward that is designed to motivate a person or group to behave in a certain way. He further stressed that incentives differ from bonuses in that incentives define both what needs to be accomplished, what the employee will receive in return for accomplishing it. As a result incentives have greater behavioral and motivational impact.

2.1.2.1 Bonus and Employee's Performance

Cash bonus is a form of Remuneration that organizations use to Remuneration employees for exemplary performance that is if they have performed higher or exceed their set targets, this hence makes them eligible (Finkle, 2011). The amount of cash is determined by how high the employee has over exceeded the set targets or they can also be based on ranks or job groups. Nowadays, companies are Reunerationing performance bonuses to junior employees to increase output, unlike the past where

they used to be a privilege of top executives. Performance bonuses are now on the rise in many organizations because managers want to link performance to Remuneration. (Block & Lagasse, 1997). Companies use cash bonuses to Remuneration their employees' performance during the year under appraisal. But there is also the unspoken expectation that these bonuses will be a factor in motivating employees' performance next year as well. Employees who receive a large bonus will likely want to get it next year too. On the other hand, employees who receive a miserly bonus and it reflects how the company assessed their performance, might consider improving next year (Finkle, 2011)

2.1.2.2 Relationship between Bonus Performances

Bonuses is a form of Remuneration awarded to employees for good performance in order to motivate them to even better performance. Bonuses are used where employees have performed higher or exceeded their set targets (Finkle, 2011). The amount of bonus is determined by how much the employee has exceeded target.

Employees tend to decrease wages once several benefits such as Medicare, bonus, and annual leave are offered to employees after few years of employment (Baughman, 2003). Employees view benefits and wages as substitutes, willing to give up wages for more benefits (Woodbury, 1983). Powel and Wood (1999) said some reasons cited for high turnover are low Remuneration, inadequate fringe benefits among others.

Concept of commission and effect of employees

Commission is an example of remuneration plans which is critical in motivating and influencing salespeople. It is based on a percentage of or some other amount based upon a salesperson's orders or sales. Bullock (2013). While commissions are often considered a key component of companies' remuneration and reward structures, past studies have overlooked commissions when studying salespeople's relative preferences for rewards. Chonko, Tanner, and Weeks (1992) research by examining salespeople's preferences for commissions versus other rewards. Their study support the importance of increases in commissions as a reward for salespeople across different industries and different demographic profiles. Higher commission rates were the most preferred reward, followed by pay raises. Promotion and recognition were the least preferred rewards. Managers can utilize the results of this study as they design compensation plans within their companies. The main advantage of commission from an employee's point-of-view is that it enables high performing sales people to earn huge amounts. The main advantage to the employer is that the payroll cost is related to the value of business achieved rather than just the amount produced. After all, businesses exist to sell goods and services for profit – not just to make things (Finkle, 2011)

Concept of Overtime and effect on employee performance

Overtime is the amount of time someone works beyond *normal working hours*. The term is also used for the pay received for this time. *Huntington (2015)* Most nations have overtime labour laws designed to dissuade or prevent employers from forcing

their employees to work excessively long hours (such as the situation in the textile mills in the 1920s). These laws may take into account other considerations than humanitarian concerns, such as preserving the health of workers so that they may continue to be productive, or increasing the overall level of employment in the economy. One common approach to regulating overtime is to require employers to pay workers at a higher hourly rate for overtime work. Companies may choose to pay workers higher overtime pay even if not obliged to do so by law, particularly if they believe that they face a backward bending supply curve of labour. (Marie, 2001).

According to Oshagbemi (2000), Overtime pay rates can cause workers to work longer hours than they would at a flat hourly rate. Overtime laws, attitudes toward overtime and hours of work vary greatly from country to country and between different economic sectors. Employers are required to pay their workers overtime pay for working more than 40 hours a week. The requirement calls for at least one and one-half times the regular rates of pay during overtime hours, according to the U.S. Department of Labor. Some companies by choice may even pay higher, such as double or triple time for overtime pay. The requirement comes under the Fair Labor Standards Act. The real concern, however, may center on employee performance when working overtime. Some employees love working overtime for the extra pay. Others feel obligated or worry about job security if they refuse to work overtime. Companies facing budget cuts due to business decline or bad economic periods may have a small workforce and need their current employees to put in more hours. The necessity does not necessarily mean a more productive workplace environment.

Temptation can influence certain employees to stretch their hours at work to receive overtime schedules and make extra money. In that case, their work loses some of its efficiency. Workers might do the same amount of work for extra money. Obviously, many employees take their work seriously and need to put in extra hours. On the other side, companies might waste their money to a degree on jobs that could be done during normal 40-hour workweeks. Business owners have to look at how much they will be paying with overtime, especially when considering the extra costs in contributions, if applicable, and decide if it makes good business sense. (Noe et al, 2000)

Ehrenberg (1970) argues that absenteeism is one of the causes that could increase the amount of overtime worked per employee. Bauer and Zimmermann (1999) suggest that the employee skill levels and output growth play an important role on overtime, whereas compensation for overtime has become less relevant. Doerr, Klastorin, and Magazine (2000) infer that overtime is of significance when manufacturing to a quota, and point out that when working times are highly variable, overtime is a better alternative than hiring additional workers. The paper by Kalwij, and Gregory (2005) suggests that a reduction in standard weekly hours increases overtime work, whereas an increase in the wage rate decreases the incidence of overtime, and union coverage appears to be of negligible importance.

2.1.5 Concept of Employee Performance

Employee performance is a result of one's work in carrying out tasks assigned to him based on skills, experience, and determination as well as the (Hasibuan, 2000). Mangkunagara (2000) stated that performance is result of work quantity and quality work achieved by an employee in carrying out their duties according to responsibility given to him.

Hellriegel, Jackson and Slocum, (1999) defined performance as the level of an individual's work achievement after having exerted effort. Performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully, subject to the normal constraints of reasonable utilization of the available resources (Dar, Akmal, Akram & Khan, 2011). Motowidlo, Borman, and Schmidt (1997) defined job performance as the overall expected value from employees' behaviours carried out over the course of a set period of time. This definition according to Bullock (2013) although fairly technical, includes specific ideas that are worth breaking down:

Employees' Performance is associated to quality of output, timeliness of output, presence or attendance on the job, efficiency of the work completed and effectiveness of work completed (Mathis, 2010). It is a standard at which a worker does his job or a job is examined. Performance is the accomplishment of a given task measured against pre-set standard of accuracy, completeness, cost and speed.

Gibson, (1990), Employee's' performance is measured in term of productivity, job satisfaction, turnover and absenteeism. The term performance is a controversial issue in finance largely because of its multidimensional meanings (Okwo, 2011) cited by Melicher (2012). Performance can be explored from two points of view: that is, financial and organizational (the two being interconnected). For example, performance can be measured based on variables that involve productivity, returns, growth or even customer satisfaction.

Financial performance (reflected in profit maximizing return on assets and maximizing shareholder return) is based on the firm's efficiency (Chakravarthy, 1986) cited by Melicher (2012). Barbosa (2005), assessment of financial performance is based on the return on investment, residual income, earnings per share, dividend yield, price/earnings ratio, growth in sales, market capitalization, etc. Employee performance is the main factor in ensuring that the organization is run smoothly and successfully. Good employee performance will improve the organization performance. To maintain a good employee performance, a suitable performance management is needed. According to Hermann (2007:42), a performance management is defined as a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.

Performance management requires all managers to ensure that all of their employee activities and outputs are congruent with the organization's goal and therefore help the organization to gain a competitive advantage (Aguinis,

2009:22). Organization that have a good performance management will have many advantages such as increased self-esteem, clear mind regarding their organizational goals, increased motivational and others (Allen and Kilmann, 2001:110).

Managing employees' Remuneration appropriately is an important factor as a return for their contributions or performance to organization.

Performance is also a multi-dimensional concept (Borman et al, 1993). They distinguish between task and contextual performance. To them, task performance refers to an individual's profitability with which he or she performs activities which contribute to the organization's technical core. This contribution can be both direct (in the case of production workers), or indirect (in the case of managers or staff personnel). Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social and psychological environment in which organizational goal are pursued. Contextual performance includes not only behaviours such as helping coworkers or being a reliable of member of the organization, but also making suggestions about to improve work procedures (Bormanl, 1999).

Authors agreed that when conceptualizing performance one has to differentiate between an action (i.e. behavioural) aspect and an outcome aspect of performance (kanfer, 2009). The behavioural aspect refers to what an individual does in the work situation. It encompasses behavior such as assembling of part of a car, selling personal computers, teaching basic reading

skills to elementary school children, or performing heart surgery. Not all behavior is subsumed under the performance concept. But only behavior which is relevant for the organization goals. Performance what the organization hires one to do, and do well (Champbell, 2013). Thus performance is not defined by the action itself but by the judgmental and evaluative processes (Motowidlo, 2012): moreover, only actions which can be scaled, i.e measured, are considered to constitute performance. (Champbell, 2013).

2.2 Empirical Review

Babagana & Dungus (2015) examined the effects of staff remuneration on the performance of Ramat Polytechnic Maiduguri students from 1995-2011 in Borno state. Questionnaire was served to 45 respondents who are academic staff of the polytechnic from the five schools within the polytechnic (school of environmental studies, school of engineering and applied science, school of agricultural science and technology, school of management studies, and school of vocational and technical education). The data was analyzed using Pearson's Product Moment correlation and regression analysis using Microsoft excel. The findings showed strong positive relationship between staff remuneration (fringe benefits and staff nature of working conditions) and performance of Ramat Polytechnic Maiduguri students Edirisooriya (2014). examined the impact of extrinsic rewards and intrinsic rewards on employee performance: With Special Reference to ElectriCo Sri Lanka. Self-designed questionnaire was used as the primary data collection method. The data was analyzed using descriptive statistics and inferential statistics. The representative sample of 100 employees are selected from a population of 1075 employees in the ElectriCo. The

results revealed that there is a positive relationship between extrinsic reward, intrinsic reward and employee performance.

Hameed, Ramzan, Zubair, Ali & Arslan. (2014). examined the impact of compensation on employee performance (empirical evidence from banking sector of Pakistan). A questionnaire was designed to solicit response from the respondents on factors related to compensation like indirect compensation, wages, salaries and employees performance. Approximately 45 banks were included to collect data. 200 Questionnaires were distributed among the full time working employees of banks and they were selected randomly. Correlation analysis and Regression analysis using SPSS 17.0 version to analyzed the collected data. The findings suggest that Compensation has positive impact on employee performance. It is proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other. Regression analysis shows that all the independent variables have insignificant and positive impact on employee performance

Sajuyigbe, Olaoye & Adeyemi (2013) examined the impact of reward on employees performance in a selected manufacturing companies in Ibadan, Oyo State, Nigeria. Structured questionnaire was used to collect data from one hundred (100) participants through purposive sampling method and data were analyzed by multiple regression analysis with the aid of statistical package for social science (SPSS) version 16. Result showed that reward dimensions jointly predict employees' performance which accounted for 71% variance of performance.

Fein (2010), postulates that firms with formal bonus plans had an average pre-tax return on investment of 15.8 percent, compared to 11.7 percent for firms without a formal plan. Their after-tax profits were 8.6 percent versus 5 percent. Redling (2008) carried out a research where performance was measured by a 5 year performance ranking that combined earnings growth and return on shareholders' equity. Using a randomly selected sample of 25 companies, he correlated each organisation's ranked performance with its base salary growth with its salary years. He found a correlation of 0.16 between base salary increase and firm performance and a correlation of 0.09 between salary plus bonus increase and performance from which he concluded that there was little indication of the existence of performance contingent pay plans in current top executive compensation. Loomis (2008) plotted the 2007 compensation (salaries, bonuses, profit-sharing, stock purchase contribution) against return on shareholders' equity. He found a less than perfect correspondence, and highlighted extreme cases of executives receiving relatively large increases in compensation during a period of deteriorating profitability for their firms. Loomis argued that executive compensation in these prominent publicly held firms should be more directly tied to firm performance. Onyeizugbe (2012) studied the effect of compensation management on the performance of the Anambra State Civil Service using sample size of 309 respondents and pearson product correlation with Z – test found that financial compensation received by Anambra State Civil Servants do not have significant impact on their performance, the financial compensation received are not commensurate with their efforts and the reform programmes of the government do not have significant effect on the financial compensation policies and practices.

Omoayo Adewale et, al (2014) analyze the impact of Remuneration on the performance of employees and work on only preferred private institutes in Ogun State, South-West Nigeria by using questionnaire. He fined that institutes which have more appropriate Remuneration packages embed an affirmative effect on employee's performance therefore the turnover of employee become less and they sincere with their job and stay in organization. Muhammad, (2014) studied the impact of Remuneration of employee performance on organization commitment on the performance of employee, by using SPSS as a statically tool and concluded that Remuneration in the form of incentives, salaries will perform an important part to enhance motivation of employee in Local Revenue Management.

Edirisooriya, (2014). Examined the impact of extrinsic Remunerations and intrinsic Remunerations on employee performance: With Special Reference to ElectriCo Sri Lanka. Self-designed questionnaire was used as the primary data collection method. The data was analyzed using descriptive statistics and inferential statistics. The representative sample of 100 employees is selected from a population of 1075 employees in the ElectriCo. The results revealed that there is a positive relationship between extrinsic Remuneration, intrinsic Remuneration and employee performance.

Hameed, Ramzan, Zubair, Aliand and Arslan.(2014). Examined the impact of Remuneration on employee performance (empirical evidence from banking sector of Pakistan). A questionnaire was designed to solicit response from the respondents on factors related to Remuneration like indirect Remuneration, wages, salaries and employees performance. Approximately 45 banks were included to collect data. 200 Questionnaires were distributed among the full time working employees of banks and

they were selected randomly. Correlation analysis and Regression analysis using SPSS 17.0 version to analyzed the collected data. The findings suggest that Remuneration has positive impact on employee performance. It is proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other. Regression analysis shows that all the independent variables have insignificant and positive impact on employee performance Sajuyigbe, Olaoy and Adeyemi (2013) examined the impact of Remuneration on employee's performance in selected manufacturing companies in Ibadan, Oyo State, Nigeria. Structured questionnaire was used to collect data from one hundred (100) participants through purposive sampling method and data were analyzed by multiple regression analysis with the aid of statistical package for social science (SPSS) version 16. Result showed that Remuneration dimensions jointly predict employees' performance which accounted for 71% variance of performance.

Muhammad et, al (2014), studies effect of Remuneration on employee performance their show positive but insignificant path coefficient. This suggests that relationship between Remuneration and employees performance in same direction but insignificant. Higher Remuneration makes employee's performance of Local Revenue Management in Kendari will increase but the increase is not real. Interviews result with some respondents who became Local Revenue Management show they felt less meet expectations, does not correspond to work hard that has been done in order to increase Local Revenue. Basis of calculation of employee Remuneration was complained in this case because of perceived unfair Remuneration calculation system based on job title or job.

This study finding do not support expectancy theory (Vroom, 1964) which says that employees will be motivated to expend high levels of effort when they are confident that these efforts will result a good performance appraisal, good judgment will resulted in organizational Remuneration. This study result support research of Ryan et al (2003). Instead, this results are inconsistent with results study of Javed et al. (2010), Gungor, et al. (2011) Marwat et al. (2009), Soeters et al. (2006), Ines et al. (2010), John et al. (2003), Rashid et al, (2003) that there is a positive and significant relationship between Remuneration and employee performance.

Maxham (2003) found that job satisfaction positively correlates with customer satisfaction. He argues that employees who are satisfied in their job will provide better service to customers and customer satisfaction will increase. This will lead to increased sales turnover.

In the last two decades researches have shown that the strategic human resource management (HRM) is likely to be one of the most important determinants of organizational performance as observed by Taylor and Francis (2008). Researchers have built evidence that links HRM practices with corporate performance.(Truss 2001; Paauwe and Boselie 2005; Wright, Snell and Dyer 2005; Som, 2008).

According to Mendoca and Kanugo sited in Bowman (2006), management practices concerning Remuneration systems relate to both the kind of Remunerations offered to employees for their services and the manner in which such Remunerations are administered in performance contingent manner management practices related to Remuneration are critical in determining the level of employees' performance.

Because organization structures indirectly affect the commitment and morale of employees through authority patterns and leadership styles, they have implications for employee performance in an organization.

Performance management practice analysis suggests that multi-nationals have a well-developed and formalized performance management, system. Some of them have adopted management by objectives (MBO) approach to performance management. These organizations have the practice of preparing detailed job descriptions because they assume that without properly defining the jobs, setting performance goal would be difficult. According to Holmstorm in, Folayan, (2006), Remuneration management should be based on performance measured relative to the performance- of all firm or firms in the same industry rather than absolute measure of firm performance.

The debate as to whether money motivates is still on-going. There is however the contention that money can take on varying degrees of importance because it has the potential of serving sundry needs (Bright, 2012). More importantly, pay Remuneration system is a product of an organization's philosophy and policy that provide guidelines for the implementation of Remuneration strategies and the design of incentives and packages. This understanding explains why the policy direction and the level of Remunerations of an organization is an indicator of its pay Remuneration system whether the company is a high payer, is content to pay average. Pay Remuneration system that is an out-growth of policy refers to the 'pay stance' of an organization.

Pay Remuneration system is a function of the inter-play between the extent to which the organization demands high levels of performance from its employees, the degree

to which there is competition for good quality people, the traditional posture of the company, the organization culture and the level of commitment to the dynamics of a competitive high pay (Atiomo,1984). Pay Remuneration systems are therefore externally competitive and internally equitable, but may have to sacrifice its ideals of equity to the realism of the market place. They also involve an integrated approach that relates pay to individual, team or organizational performance and encompass processes that encourage flexibility in response to fast-changing conditions (Anikpo, 1994). The three major determinants of pay Remuneration systems are pay equity, pay level and pay administration practices.

All businesses use pay, promotions, bonuses or other types of rewards to motivate and encourage high-level performance of employees. In motivating high performance, money is the fundamental inducement; no other motivation technique has been applied widely than pay due to its influential value. When there is good performance measurers, performance pay can enhance employee productivity and improve match quality

(Lemiux, MacLeod, W. B, Parent, D., 2009). However performance pay is constrained by available performance measurers. Two extrinsic reward types, which include suitable earnings (bonus and pay), and job security are the most important factors in rewards (Kulkarni, 1983). Paying is a vital factor which affects employees' motivation (Kalim, Syed, Muahmmad 2010).

Rewarding is an initial step just like any other Human Resource Operation especially when it confronts with salary, pay and financial recompense. For pay to be effective to

spur performance, it has to be seen as fair. This means there has to be openness with respect to information about how the reward system operates and how the employees will be rewarded. Employers' plans on rewarding systems are based on their employees' efficiency and effectiveness in line with equity theory and employees should be involved in designing the reward system and its administration (Jenkins, 1992).

Standard pay techniques provide for minimum Remuneration for a particular job, it does not reward above-average nor does it penalize for below-average performance and is meant to give employee some stable income. Pay for performance correct this problem. Either plan presents challenges owing to the fact that some jobs may be easy to perform while others may be difficult to measure.

Similarly in group incentive, some members are performers while others end up punishing the rest from their poor performance (Luthans, 2005). Performance based pay includes two types: individual performance based pay and group performance based pay and includes pay, promotion and other types of pay (Milkovich, Newman, 2009). Although pay can be presented in different types, managers mostly use common method of adding extra money to the base wage. (Chang, Hahn, 2006)

Employee receives different kinds of benefits in the form of wages, salaries and pay. Half of cash flow of companies is usually equal to Remuneration, although it is more than half in service sector. Mostly individuals with good education are unsatisfied with their job and salary packages and it results in their turnover so organizations plans Remuneration plans for them to stop the turnover and to motivate them. In other words you can say that Remuneration motivates employee for better performance.

According to a study by 'Rajput (2011), if employees are paid well and earn more than their colleagues they feel happier at their work places. A handsome salary motivates an employee for better performance. A handsome salary motivates an employee for better performance.

Cash bonus is a form of Remuneration that organizations use to Remuneration employees for exemplary performance that is if they have performed higher or exceed their set targets, this hence makes them eligible (Finkle, 2011). The amount of cash is determined by how high the employee has over exceeded the set targets or they can also be based on ranks or job groups. Nowadays, companies are Remunerating performance bonuses to junior employees to increase output, unlike the past where they used to be a privilege of top executives. Performance bonuses are now on the rise in many organizations because managers want to link performance to Remuneration. (Block & Lagasse, 1997). Companies use cash bonuses to Remuneration their employees' performance during the year under appraisal. But there is also the unspoken expectation that these bonuses will be a factor in motivating employees' performance next year as well. Employees who receive a large bonus will likely want to get it next year too. On the other hand, employees who receive a miserly bonus and it reflects how the company assessed their performance, might consider improving next year (Finkle, 2011).

Bonuses and fringe benefits are other forms of Remuneration awarded to employees for good performance in order to motivate them to even better performance. Bonuses are used where employees have performed higher or exceeded their set targets (Finkle,

2011). The amount of bonus is determined by how much the employee has exceeded target.

Employees tend to decrease wages once several benefits such as Medicare, bonus, and annual leave are offered to employees after few years of employment (Baughman, 2003). Employees view benefits and wages as substitutes, willing to give up wages for more benefits (Woodbury, 1983). Powel and Wood (1999) said some reasons cited for high turnover are low Remuneration, inadequate fringe benefits among others.

The intrinsic Remuneration have been found to have an effect on both individual and organizational performance. For example, the employees in an organization have reached the esteem stage of development and possibly the self-actualization phase through the impact of intrinsic Remuneration (Mikander, 2010). The intrinsic Remuneration encourage and enhance both employees and employer to be able to challenge them and accomplish new tasks and cooperate with others to work in a harmony environment (Ong, 2012). Apart from that, intrinsic Remuneration enable the employees to have greater concentration and keep them in energizing and self-managing (Yasmeen, Farooq & Asghar, 2013). By having the high levels of intrinsic Remunerations, employees become the informal recruiters and marketers for their organization in which they recommend their friends to work in the organization and recommend product and services to potential customers.

According to Thomas (2009), intrinsic Remuneration create a win-win situation for organization and its employees. The employees feel happy and satisfied as they experience feelings of achievement and self-worth, which create job satisfaction and

translates into improved work performance. At the same time, the organization increases its sales volume and profit because of the increase in employee job satisfaction has collectively increased aggregate form's performance.

Furthermore, intrinsic Remunerations facilitate greater levels of satisfaction and competency. As results, employees have more interest, excitement, fun and confidence in performing tasks which leads to enhanced organizational performance. However, research by Uco, (1992) suggested that organizations should pay employees equitable salaries, not tied to performance, so as to attract and ensure participation, and to rely more on intrinsic motivational techniques to improve performance (Uco, 1992).

The extrinsic Remunerations cover the basic needs of income to survive (to pay bills), a feeling of stability and consistency (the job is secure), and recognition (my workplace values my skills). Hellriegel (1999) say an extrinsic Remuneration is outcomes supplied by the organization, and includes salary, status, job security and fringe benefits. One can compare these Remunerations to the job context items that Herzberg called hygiene (maintenance) factors. Queresh, Zaman and Ali (2010) indicated that (extrinsic) financial Remunerations and social recognition Remunerations impacted on employees' performance. Generally as, an effort to stimulate employees' creativity, many managers have used extrinsic Remunerations (e.g. monetary incentives and recognition) to motivate their employees (Fairbank and Williams, 2001; Van Dijk and Van den Ende, 2002).

While empirical research has shown that extrinsic Remunerations help enhance individuals' creative performance and which contribute ultimately towards organization performance. However, the impact of extrinsic Remunerations on group effectiveness or work performance is unclear and the models provide little guidance regarding specific type of Remunerations that maximize particular outcomes in work group. However, Sajuyigbe, Bosede and Adeyemi (2013), found that Remuneration dimensions have significant effect on employees' performance. In particular, they found that pay, performance bonus, recognition and praise are the tools that management can use to motivate employees in order for them to perform effectively and efficiently. Thus, workers Remuneration package matters a lot and should be a concern of both the employers and employees.

Several studies have been done on the impact of Remuneration system on organization performance in different parts of the world. Next is a discussion of some of recent studies.

Quresh, Zaman and Shah (2010) in their Pakistan in cement industry found that there is a direct relationship between extrinsic Remunerations, intrinsic Remunerations and the employees' performance. The study also found that recognition techniques (approaches) used in cement factories are good for the maximum performance of employee's. This study is relevant but different from the current study as the later is dealing with target population of white collar jobs, while the former examined factory workers. Furthermore, this research examined the relationship between extrinsic Remunerations, intrinsic Remunerations, financial Remunerations and social recognition Remunerations and organisation performance, while the new study

specifically examines the effect of intrinsic Remunerations (social recognition and appreciation) and extrinsic Remunerations (salary, bonus and performance promotion) on job and organisation performance.

Aktar, Sachu and Ali (2012) examined the impact of intrinsic Remunerations (recognition, Learning opportunities, challenging work and career advancement, and extrinsic Remunerations (basic salary and performance bonus) on employee performance in twelve commercial banks of Bangladesh as is in this study. The study found that each factor within both extrinsic and intrinsic Remuneration was a highly significant factor which affects employees' performance. In contrast, the study conducted by Yasmeen, Farooq and Asghar, (2013) on the impact of Remunerations on organizational performance in Pakistan revealed that there exists insignificant and weak relationship between salary, bonus and organization performance. However it found that there exists moderate to strong relationship between promotion and organization performance. Although these two studies are similar to the current study, they were conducted outside Tanzania and because of cultural difference and other idiosyncrasies; the impact of Remunerations on organization performance could yield different outcomes in Tanzania.

The study conducted by Ong and Teh (2012) on Remuneration system and performance within Malaysian commercial banks found that most of the commercial banks provide both monetary and non-monetary Remunerations; adoption of Remuneration system is not influenced by age and size of the organization. The study however, found a negative relationship to exist between extrinsic Remunerations and financial performance of organizations and intrinsic Remunerations are positively

related to financial performance of organizations. The proposed study however, includes financial and non-financial indicators as the dependent variables.

Gabriel (2001) posited success of any business is directly affected by the performance of the employees within the organization, whether or not those employees are dealing directly with customers.

2.3 Theoretical Review

2.3.1 Equity Theory

Buchan et al (2000) equity theory posits that because employees in organizations expect to be Remuneration like other employees for similar levels of input, the distribution of Remunerations becomes important. It is the perceived equity of the effort-Remuneration balance that is important in determining the employees' level of motivation. Aswathappa (2007) the theory emphasizes equity in pay structure of employees' remuneration. Employees perception on how they are being treated by their firms is of prime importance to them. The dictum "a fair day work for a fair pay" denotes a sense of equity felt by employees. When employees perceive inequity it can result in lower productivity, high absenteeism or increase turnover.

2.3.2 Agency Theory

According to Buchan et al (2000) an agency relationship occurs whenever one party (the principal) hires another person (the agent) who possesses specialized knowledge and skills.

Agency theory focuses on the divergent interests and goals of the organization's stakeholders and the way that remuneration can be used to align these interests and goals. The remuneration payable to employees is the agency cost and that it is natural that employees expect high agency cost while the employer seeks to minimize it. Thus, these theories posit that the remuneration in the form of wages or salaries can be agreed upon on the basis of the outcome or the behaviour of an employee (Aswathappa, 2007).

The effect of Remuneration is also explained by many established motivational theories. The operant theory is based upon the premise that behaviour or job performance of an employee is not an inner thoughts, feelings, perceptions and emotions but is keyed to nature of the outcome of such behaviour. The consequence of a given behaviour would determine whether the same behaviour is likely to occur in the future or not .(Chandan 2005) .Based on this direct relationship of behaviour and consequence rather than the inner working of employees, management can study and identify this relationship and try to modify and gain control over behaviour.(Chandan, 2005). It is therefore necessary for managers and employers to understand the fact that compensating an employee will definitely improve employees performance ,necessary for continuous motivation in order to fast track the improvement of employee performance.

Chandan (2005) viewed Abraham Maslow theory based upon two assumption, first human beings have many needs that are different in nature ranging from biological needs at the lower level to psychological needs at the upper

extreme. Secondly, that these needs occur in an order of hierarchy so that lower level needs must be satisfied before higher level needs arise or become motivation. Maslow theory made management aware that people are motivated by a wide variety of needs and management must provide an opportunity to satisfy these needs through creating a physical and conceptual work environment, so that people will be motivated to achieve organisational goal. This implies that, for an organisation to achieve its state objective d through improved employees' performance there is need to adequately continuous and constantly compensate employees effectively. However, these needs range from physiological,

2.3.3 Vroom's Expectancy Theory

This theory which is based on the assumption that man is rational being and will try to maximize his pay off this approach assume that motivation to work is strongly determined by an individual perception that a certain type of behaviour will lead to a certain type of outcome. It is therefore necessary to say that if an employee perceived that he/she will be adequately compensated such an employee will work harder to receiver more Remuneration. This is to ascertain the fact that Remuneration package has positive correction with employees performance. This theory postulated three elements which are expectancy, Instrumentality and valence. Expectancy views a person's perception of the likelihood that a particular outcome will result from a particular behaviour or action for example; if an employee work works hard he/she will improve productivity, which may definitely lead to more

Remuneration. However unimproved productivity or performance may not expect an increase in Remuneration. Instrumentality relates to a person belief and expectation that his/her performance will lead to a particular desired Remuneration. For example an employee may work hard in order to increase his/her performance which will definitely lead to a desired Remuneration inform of increased Remuneration. However valence is the value a person assigns to his/her desired Remuneration. He /she may not be willing to work hard to improve performance if the Remuneration for such improved performance is not what he/she desires. Employers and managers must make sure that employees value the Remunerational packages in order to motivate the employees which project an increase in employee's performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study adopt a survey method of, survey design is used since the purpose of this study is to examine relationship between Remuneration and employee performance. This research work attempts to understand how Remuneration packages by Nigerian Breweries Plc influences the performance of their employees.

3.2 Population, Sample and Sampling Technique

The population of this study is 84 which consist of all the senior and junior staff of the Production Department, Nigerian Breweries Plc, Wuse, Abuja. The population of this study is not large so we intend to administer to all the member of the population.

The table below shows population both the senior and junior staffs of Nigerian Breweries Plc, Wuse, Abuja.

Table 1: selected population of senior and junior staffs of the Nigerian Breweries Plc Wuse, Abuja.

S/NO	STAFF	POPULATION	PERCENTAGE
1	Senior staff	29	%34.5
2	Junior staff	55	%65.5
3	Total	84	%100

Source: field survey, 2017.

The study used all the 84 staff as sample

3.3 Method of Data Collection

A simple questionnaire design is will be used to collect data from staff of the Production Department, Nigerian Breweries Plc Wuse, Abuja. The questionnaire is designed using a 5 Likert scale point to collect opinion from respondents. That is; strongly agreed, agreed, strongly disagreed, and disagreed, undecided. It is structured in such a way that will ensure a high level of accuracy and provide equal opportunity of participation by the respondents.

3.4 Procedure for Data Analysis and Model Specifications

This study will employ simple percentage and descriptive statistics for analyzing the characteristics of the date and regression analysis was to test the hypotheses. SPSS from IBM will be used to run the analysis.

3.5 Justification of Method for Data Analysis

In this study, descriptive statistics and regression analysis is chosen because of flexibility and accuracy in examining relation between two or more variables.

3.6 Summary

This chapter presented the various methods used in collection, analysis and presentation of data. This study employed the survey method to collect opinion through the use of questionnaires. The data will be analysed using regression method of analysis.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Data Presentation

4.1.1 Data Summary

Table 1: Data Summary

Variables	Items	Agreement scale				
		SD(%)	D(%)	U(%)	A(%)	SA(%)
salary	Employees pays more attention to their job when they get a better salary	6.0	34.0	16.0	22.0	22.0
	A better salary structure influences efficiency on the job	2.0	14.0	10.0	30.0	44.0
	Employees are motivated to work when their salary are paid promptly	14.0	16.0	2.0	48.0	20.0
Bonus	Employees will be ready to work extra mile when they know that organization pays bonus.	8.0	4.0	10.0	40.0	38.0
	Efficiency and effectiveness in an organization can be improved bonus packages.	8.0	6.0	10.0	38.0	38.0
	Employees are ever ready brings in innovations for expansions and management skills to earn bonus.	7.1	15.7	7.1	31.4	38.6
commission	Commission is paid mostly to marketers in an organization as percentage on sales.	8.6	30.0	12.9	15.7	32.9
	The more a marketer strives to sale, the more profits organization tends to make. However, any marketer who makes more sales makes more money.	2.9	18.6	17.1	25.7	35.7
	Employees work extra to earn extra pays.	20.0	11.4	1.4	34.3	32.9
Over- time	Employee work harder during over time than the usual working hours.	10.0	8.6	4.3	42.9	34.3
	Employees are force to achieve Maximum productivity on a job	26.5	2.2	2.2	2.2	66.9
	Increases earning for employee while mutual employer benefit.	16.8	5.4	5.4	13.4	59.1
	Daily targets are easily achieved.	4.5	1.5	6.0	6.0	82.0
performance	A remuneration package is a sure strategy to enhance workers' productivity.	17.4	5.6	5.6	10.4	61.1
	Performance management process is time consuming, but payoff in terms of increased performance, employee	12.4	1.7	3.3	9.9	72.7

	morale and quality of work.					
	Organization's output and business expansions can be increased through continuous employee motivation.	6.0	20.0	20.0	32.0	22.0

Source: Field Survey, 2017; Computed with SPSS 24

4.2 Data Analysis and Results

The summary of the descriptive statistics is captured in table 5. It can be observed that Employee Performance (EP) averaged about 3.16%. Bonus (BO) was found to be 3.18%, Commission (CO) was found to be 3.23%; Overtime (OT) was found to be 3.40. Salary (SA) was found to have the least average value, and it was found to be 3.0%.

The skewedness statistics which was used to show the direction of the normal distribution curve showed that, SA, PO and BO had a negative distribution and they all tailed to the left-hand side of the normal distribution curve. Their skewness values gave -1.01, -0.22, and -0.13 respectively. However, CO and OT were found to have positive skewness and tailed to the right side of the normal distribution.

Jarque-Bera is a statistical test that determines whether the series is normally distributed. The null hypothesis here is that the series is normally distributed (i.e skewness =0) so as to be consistent with skewness test. The Jarque-Bera statistics here accepts the null hypothesis for all the variables since their probability values are greater than 0.05. We conclude that remuneration and employee performance variables are normally distributed during the period under study

Table 2: Summary of Descriptive Statistics Results

	SA	BO	CO	OT	EP
Mean	3.008164	3.181091	3.234197	3.405145	3.165043
Median	3.213900	3.288043	3.350515	3.400700	3.215011
Maximum	3.365854	3.677800	4.027174	4.344619	4.031122
Minimum	2.165094	2.666667	2.142857	2.280779	2.241011
Std. Dev.	0.416559	0.322963	0.641560	0.522254	0.822375
Skewness	-1.016466	-0.223389	0.882985	0.547249	-0.138064
Kurtosis	2.685628	2.061657	2.489414	4.494805	1.449334
Jarque-Bera	1.586865	0.405037	1.267257	1.287138	1.413468
Probability	0.452290	0.816671	0.530663	0.525414	0.173236
Sum	27.07348	28.62982	29.10777	30.64631	12.66000
Sum Sq. Dev.	1.388174	0.834442	3.292795	2.181994	2.028900
Observations	84	84	84	84	84

Source: Authors Computation, 2017 (Eviews-10)

4.3 Statistical Test of Hypothesis

In line with the statistical research, the four hypotheses formulated in this study were approached with the aid of t-statistics contained in the regression results. The level of significance for the project is 5%, for a two-tailed test and it is suggested that we shall go with the null hypothesis if the critical t-value of ± 1.96 is greater than the estimated value from our analysis, else it will be rejected.

Table 3: Regression Model Result

Dependent Variable: EP

Method: Least Squares

Date: 09/19/17 Time: 21:22

Sample: 84

Included observations: 84

Variable	Coefficient	Std. Error	t-Statistic	Prob.
	8.16			0.8
C	8279	36.38233	0.224512	250
SA	0.046563	0.022391	2.079580	430
BO	0.514215	0.222366	2.312469	335
CO	0.214163	0.072756	2.943568	187
OT	0.675520	0.226261	2.986162	379
R-squared	0.744397	Mean dependent var		5.48
Adjusted R-squared	0.623738	S.D. dependent var		4.096
S.E. of regression	3.609528	Akaike info criterion		01748
Sum squared resid	221.4878	Schwarz criterion		49712
Log likelihood	-56.6192	Hannan-Quinn criter.		5.816
F-statistic	9.513176	Durbin-Watson stat		51816
Prob(F-statistic)	0.040162			6

*Source: Authors Computation Using E-Views 10***The ANOVA F-statistic:** The F-statistics which is used to examine the overall

significance of regression model equally showed that the result is significant, as

indicated by a very high value of the F -statistic, 9.51 and it is significant at the 5.0 per cent level. That is, the F -statistic P-value of 0.0401 is less than 0.05.

The R^2 (R-square): The coefficient of determination (R-square), used to measure the goodness of fit of the estimated model, indicates that the model is reasonably fit in prediction. The R^2 (R-square) value of 0.7443 shows that remuneration has a very good impact on employee performance. It indicates that about 74.43 per cent of the variation in employee performance is explained by remuneration, while the remaining unaccounted variation of 25.57 percent is captured by the white noise error term.

Serial correlation: Durbin Watson (DW) statistic was used to test for the presence of serial correlation or autocorrelation among the error terms. The model also indicates that there is no autocorrelation among the variables as indicated by Durbin Watson (DW) statistic of 1.65. This shows that the estimates are unbiased and can be relied upon for managerial decisions.

Test of Hypotheses One:

H01: Salary has no significant effect on and employee's performance Nigerian Breweries PLC.

From the regression result in table 3, it was observed that the calculated t-value for salary is 2.07 and whilst the tabulated value is 1.96. Since the t-calculated is greater than the t-tabulated ($2.07 > 1.96$) it thus falls in the rejection region and hence, we reject the first null hypothesis (**H0₁**). The conclusion here is that Salary has a significant effect on and employee's performance Nigerian Breweries Plc.

Test of Hypotheses Two:

H02: There is no significant effect of bonus on employee's performance in Nigerian Breweries PLC.

More so, from the regression result in table 3 the calculated t-value for bonus is 2.31 and the critical value is 1.96 under 95% confidence level. Since the calculated is greater than the critical value ($2.31 > 1.96$) it also falls in the rejection region and hence, we reject the second null hypothesis (**H0₂**). The conclusion here is that there is a significant effect of bonus on employee's performance in Nigerian Breweries PLC.

Test of Hypotheses Three:

H03: Commission has no significant effect on employee's performance in Nigerian Breweries PLC.

The calculated t-value for commission was found to be 2.94 and also by rule of thumb, the tabulated value is ± 1.96 under 95% confidence interval levels. Since the calculated t-value for commission was found to be greater than the tabulated value (that is; $2.94 > 1.96$), we thus, reject the third null hypotheses (**H0₃**) and conclude that, Commission has a significant effect on employee's performance in Nigerian Breweries PLC.

Test of Hypotheses Four:

H04: Over-time payments has no significant effect on employee's performance in Nigerian Breweries PLC.

Finally, from the regression result in table 3, it was observed that the calculated t-value for overtime payments is 2.98 and whilst the tabulated value is 1.96.

Since the t-calculated is greater than the t-tabulated ($2.98 > 1.96$) it thus falls in the rejection region and hence, we reject the fourth null hypothesis (H_{04}). The conclusion here is that Over-time payments has a significant effect on employee's performance in Nigerian Breweries PLC.

4.4 Discussion of Findings

Findings from the study revealed that salary has a significant effect on and employee's performance Nigerian Breweries PLC. It showed that an increase in salary by 1%, on the average, increased employee performance by 0.04% within the period under review. This is in-line with Babagana and Dungus, (2015) whose findings showed strong positive relationship between staff remuneration (fringe benefits and staff nature of working conditions) and performance of Ramat Polytechnic Maiduguri students. Studies have also shown that good remuneration for employees able them to stimulate the emergence of fresh ideas and employees' innovation. With so many ideas from employees, it would be very useful for the company. In a similar study, Mohrman and Odden, (1996) found that the existence of a good remuneration of employees will make the health of employees also good.

In addition, bonus was found to have a significant effect on employee performance at Nigerian Breweries PLC. The result showed that a change in bonus by 1% had on the average, enhanced employee performance by 0.51% within the period under review. This is in agreement with the findings of Hameed, Ramzan, Zubair, Aliand and Arslan (2014) whose findings suggest that bonus has positive impact on employee performance. It is proved from

correlation analysis that all the independent variables have weak or moderate positive relationship to each other.

Furthermore, commission was discovered to have a significant impact on employee performance. It thus showed that, an increase in commission by 1% had on the average, increased employee performance by 0.21%. This is in-line with Omoayo Adewale et, al (2014) found that institutes which have more appropriate remuneration packages embeds an affirmative effect on employee's performance therefore the turnover of employee become less and they are sincere with their job and stay in organization.

Lastly, overtime payment was discovered to have a significant effect on employee performance. The results revealed that overtime payment have positive effect on employee performance. It showed that, an increase in overtime payment by 1% had on the average, enhanced employee performance by 0.67%. This agrees with Edirisooriya, (2014) who found that there is a positive relationship between extrinsic reward, intrinsic reward and employee performance.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary

The study examined the effect of remuneration on employee performance in Nigerian Breweries PLC. The study started by looking at chapter one, which is the introduction where the background to the study, statement of the problem, objectives of the study, research questions, research hypothesis, significance of the study, scope and limitations of the study were examined. In the chapter two, various literatures were reviewed amongst which are the theoretical frame work of the study, concepts and empirical literatures were discussed.

Chapter three was concerned with research methodology. It contained the research design, population and sample techniques, method of data collection, procedure for data analysis, justification of methods, and research instruments were all discussed.

In chapter four, the data collected through structured questionnaires were analyzed; while the data was analyzed using a regression method. The results were then analyzed, interpreted and discussed. The research shows that remuneration through salary, bonus, commission and overtime payments has a great effect on the performance of employees. It boosts up the efficiency of employees. The results show that there is a significant relationship between salary and employees' performance. This shows that good working condition depends on employees' performance. More so, there is a significant relationship between bonus and employees' performance. Aside from this,

there is a significant relationship between remuneration management and improved productivity, and in a similar manner, there is a significant relationship between remuneration management and retainment of staff, therefore necessitating the need to have effective remuneration policies in order to retain members of staff. Conclusively, there is a significant relationship between remuneration management and employees' performance, which implies that employees' performance depends on planning, implementation and control of effective remuneration management.

5.2 Conclusion

The Nigerian Breweries PLC is one of the vital company necessitating the growth and development of Nigerian economy, therefore, it is vital for organisations to embark on effective remuneration management policies that will project and promote employees' performance. Employees are integral part of the human resources management, and therefore must be properly compensated in order to effectively perform beyond expectation. It is therefore vital to say that remuneration management is an issue that that is critical and vital for the running and management of the organisation. More so, it is the heart beat of the organisation. It is therefore parties germane for both parties to negotiate and implement effective remuneration management policies that will benefit both parties.

In conclusion, Managers must ensure that rewards distributed to employees are dynamic and constantly re-evaluated to ensure their transparency and fairness to all employees so as to continue to have their dedication, commitment and

loyalty, which is the major drive for keeping contented and satisfied employees, thus avoiding turnover but ensuring retention of vibrant employees.

5.3 Recommendations

In line with this study, the following recommendations were made.

- i. **Communicating information about benefits to employees:** The Benefit of these programmes can be communicated to employees via booklets, brochures, presentations and regular employee meetings. A useful technique is to use employee calendars that may communicate the total salary components. The calendar of the month will show the company employee receiving a benefit, for example one month calendar may show a photo of an employee building a new home that becomes possible through the company's savings plan. Communication helps to increase employees (and of employers too) knowledge about indirect remuneration. Moreover, organization may be able to increase the performance and the advantages of good supplementary remuneration by informing employees about what the company does for them which does not appear on their pay slips
- ii. Management has to creates good and friendly working conditions that will aid employees performance. Organisations should ensure the provision of good welfare packages that will encourage and promote employees' performance. It is the desire of every organisations to constantly increase productivity, thereby necessitating the need to motivate employees through comprehensive remuneration policies and friendly working conditions. The need to retain effective and qualified work force is a necessity for a

functional organization, thereby necessitating the need to provide good working conditions and effective working packages that will aid in retaining effective work force.

- iii. **Developing the objectives of employee benefits:** No benefit plan is properly developed unless it does not meet the employer's objectives. Managers should make sure that the organizations have clearly defined written objectives that have been recommended by the board of directors or by the owners of the firm. These objectives are different for each organization, on the basis of these factors such as size, location, industry, the results of collective bargaining and the ideology of the employer. The objectives will help the organization in developing the types of remuneration they must provide to employees and make decisions in this respect.
- iv. Since employees usually take the issue of equity in pay at work seriously, employers of labour should ensure that their pay is competitive when compared to firms in the same or similar industry.

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APPENDIX

Keys: SA=Strongly Agree; A=Agree; U=Undecided; D=Disagree;

SD=Strongly Disagree

Variables	Items	Agreement scale				
		SD(%)	D(%)	U(%)	A(%)	SA(%)
salary	Employees pays more attention to their job when they get a better salary					
	A better salary structure influences efficiency on the job					
	Employees are motivated to work when their salary are paid promptly					
Bonus	Employees will be ready to work extra mile when they know that organization pays bonus.					
	Efficiency and effectiveness in an organization can be improved bonus packages.					
commission	Employees are ever ready brings in innovations for expansions and management skills to earn bonus.					
	Commission is paid mostly to marketers in an organization as percentage on sales.					
	The more a marketer strives to sale, the more profits organization tends to make. However, any marketer who makes more sales makes more money.					
Over- time	Employees work extra to earn extra pays.					
	Employee work harder during over time than the usual working hours.					
	Employees are force to achieve Maximum productivity on a job					
	Increases earning for employee while mutual employer benefit.					
performance	Daily targets are easily achieved.					
	A compensation package is a sure strategy to enhance workers' productivity.					
	Performance management process is time consuming, but payoff in terms of increased performance, employee morale and quality of					

	work.					
	Organization's output and business expansions can be increased through continuous employee motivation.					