



The Impact Of Remuneration/Compensation And Its Benefits On Employee's Performance And Productivity In Telecom Industry-With Reference To Saudi Arabia (City Jazan)

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Abstract

Employee Remuneration refers to the reward or compensation given to the employees for their work performances. Remuneration provides basic attraction to a employee to perform job efficiently and effectively. Remuneration leads to employee motivation. Salaries constitute an important source of income for employees and determine their standard of living. Salaries affect the employee's productivity and work performance. Thus the amount and method of remuneration are very important for both management and employees. Remuneration/compensation is an orderly way to deal with giving money related to an incentive to employees in return for work performed. Pay may accomplish a few purposes aiding enrollment, work execution, and occupation fulfillment. A perfect pay framework will help you essentially support the presentation of your employees and make an increasingly connected with workforce that will go the additional mile for your organization. Such a framework ought to be all around characterized and uniform and ought to apply to all levels of the company as a general framework. In this article the importance of compensation is considered in any organization. A case study is taken in (STC) one of the telecommunication company in Kingdom of Saudi Arabia. Also you'll appreciate more clear perceivability into singular worker execution when it comes time to

settle on basic remuneration arranging choices. With powerful remuneration the employees you'll additionally appreciate more clear picture into singular employee work execution when it comes time to settle on basic pay arranging choices. The deciding remuneration and benefits, however they are likewise instrumental in distinguishing approaches to assist people with improving their present positions and get ready for future chances. In this paper the telecom sector of KSA is taken in to consideration. Human Resource is the most fundamental asset for any association. It is liable for every single choice taken, every single work done and every single outcome. Workers ought to be overseen appropriately and roused by giving best compensation and remuneration according to the business measures. The worthwhile remuneration will likewise serve the requirement for pulling in and holding the best workers.

Keywords: Human resource, remuneration/Compensation, Organization, Management, Compensation benefits, organization productivity.

1. Introduction:

Employee Remuneration refers to the reward or compensation given to the employees for their work performances. Remuneration provides basic attraction to a employee to perform job efficiently and effectively. Remuneration leads to employee motivation. Salaries constitutes an important source of income for employees and determine their standard of living. Salaries effect the employees productivity and work performance. Thus the amount and method of remuneration are very important for both management and employees. Remuneration/compensation is an orderly way to deal with giving money related to an incentive to employees in return for work performed. Pay may accomplish a few purposes aiding enrollment, work execution, and occupation fulfillment. A perfect pay framework will help you essentially support the presentation of your employees and make an increasingly connected with workforce that will go the additional mile for your organization.

Methods of Employee Remuneration

There are mainly two types of Employee Remuneration

- 1) Time Rate Method
- 2) Piece Rate Method

Time Rate Method: Under time rate system, remuneration is directly linked with the time spent or devoted by an employee on the job. The employees are paid a fixed pre-decided amount hourly, daily, weekly or monthly irrespective of their output. It is a very simple method of remuneration. It leads to minimum wastage of resources and lesser chances of accidents. Time Rate method leads to quality output and this method is very beneficial to new employees as they can learn their work without any reduction in their salaries. This method encourages employees unity as employees of a particular group/cadre get equal salaries. There are some

drawbacks of Time Rate Method, such as, it leads to tight supervision, indefinite employee cost, lesser efficiency of employees as there is no distinction made between efficient and inefficient employees, and lesser morale of employees. Time rate system is more suitable where the work is non-repetitive in nature and emphasis is more on quality output rather than quantity output.

Piece Rate Method: It is a method of compensation in which remuneration is paid on the basis of units or pieces produced by an employee. In this system emphasis is more on quantity output rather than quality output. Under this system the determination of employee cost per unit is not difficult because salaries differ with output. There is less supervision required under this method and hence the per unit cost of production is low. This system improves the morale of the employees as the salaries are directly related with their work efforts. There is greater work-efficiency in this method. There are some drawbacks of this method, such as, it is not easily computable, leads to deterioration in work quality, wastage of resources, lesser unity of employees, higher cost of production and insecurity among the employees. Piece rate system is more suitable where the nature of work is repetitive and quantity is emphasized more than quality. The tempestuous administration work emergency regarding constant disturbance for expanded compensation in the open administrations everywhere throughout the world is provoking open area associations to use their representatives all the more viably to improve hierarchical execution. Pay has become the main thrust for looking for work in the business. It along these lines becomes basic that associations set up and receive a remuneration framework that can inspire representatives to work while simultaneously not eating excessively profound into the association's assets. Compensation doesn't just repay representatives methods that will achieve most extreme profit for Naira spent in Compensation is installment as time-based compensations or yearly pay joined with advantages, for example, protection, excursion, investment opportunities, and so on that can decidedly or adversely influence a worker's work execution. Pay is the compensation gotten by a worker as an end-result of his/her commitment to the association. It is a sorted out training that includes adjusting the work-representative connection by giving fiscal and non-financial advantages to representatives. Pay is a vital piece of human asset the executive which helps in rousing the representatives and improving hierarchical adequacy.

2. Objectives of the research:

1) To know the impact of remuneration/compensation and its benefits on employee's performance and productivity.

3. Research Methodology:

Secondary data is used to do the present research. The data is prepared by the help of publications, books, documentaries, articles, reports, and with reference to annual reports.

4. Review of Literature:

1. Anyebe (2003) this work however is limited to financial compensation in Anambra State Civil Service as a recent study has shown that pay is the driving force for seeking employment in the Civil Service.
2. Anyebe (2003) the task in compensation administration is to develop policies and the terms of attracting, satisfying, retaining and perhaps motivating employees.
3. Armstrong (2005) stated that compensation management is an integral part of human resources management approach to productivity improvement in the organization. It deals with the design, implementation and maintenance of compensation system that are geared to the improvement of organizational, team and individual performance.
4. Armstrong (2005) Compensation Management is concerned with the formulation and implementation of strategies and Policies that aim to compensate people fairly, equitably and consistently in accordance with their value to the organization.
5. Harrison and Liska (2008) in their study posit that reward is the centre piece of the employment contract-after all it is the main reason why people work. This includes all types of rewards, both intrinsic and extrinsic, that are received as a result of employment by the organization.
6. Bob (2011) This constitutes measuring job values, designing and maintaining pay structures, paying for performance, competence and skill, and providing employee benefits. However, compensation management is not just about money. It is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation.

5. Remuneration/Compensation Management and Its Benefits over Employees and Organization:

Remuneration suggests having a pay structure in which the representatives who perform preferred are paid progressively over the normal performing workers. Remuneration Management as the name recommends, suggests having a pay structure in which the representatives who perform preferable are paid progressively over the normal performing workers. This urges top-entertainers to work more earnestly and assists with building a serious air in the company. remuneration the board is a fundamental piece of HRM way to deal with overseeing individuals and all things considered it underpins the accomplishment of business targets and it is vital as in it tends to longer term issues identifying with how individuals ought to be esteemed for what they need to accomplish; It is in this manner incorporated with other HRM capacities, particularly those worried about HR advancement. Remuneration the executives is tied in with building up a constructive business relationship and mental agreement that receives a complete pay approach which perceives that there are various manners by which individuals can be redressed. pay the executives as being founded on an all around verbalized way of thinking a lot of convictions and core values that are reliable with the estimations of the association which perceives the way that if HRM is tied in with putting resources into human capital from which a sensible return

is required, at that point it is legitimate to the aptitudes and skills of workers so as to build the asset based ability of the association. Pay as an arrival in return between their representatives and themselves as a qualification for being a worker of the association, or as an award for an occupation all around done. Representatives' compensation doesn't rely entirely upon the employments they hold. Rather associations fluctuate the sum paid by contrasts in execution of the individual, gathering, or entire association just as contrasts in representative characteristics, for example, position, instructive levels and aptitudes. The thought that pay arrangements are key, along these lines influencing the missions of the association, has impressive cash. This is a piece of the present prominence of everything key. While some may discount it as another prevailing fashion, a less skeptical view is that a key point of view on remuneration is a piece of a developing acknowledgment that large scale authoritative issues are a significant piece of the investigation of human asset the board.

6. Conclusions and Suggestions:

The significance of a vital point of view on remuneration lays on three essential fundamentals. The first is that remuneration strategies and practices vary generally across associations and across worker bunches inside associations. To certain understudies of associations this might act naturally clear. Be that as it may, to other people, for example, financial analysts utilizing human capital models to inspect pay differentials, contrasts in associations' pay strategies and practices are treated as irregular commotion with little significance. Episodic proof and sporadic reviews of explicit approaches or practices these three levels have been conveyed into the key human asset the executives writing. Since such an assortment of definitions, typologies, and measures of strategies exists at each level, just those utilized in examine legitimately identified with remuneration are talked about here. The two intermediaries for corporate methodology utilized in the exploration on pay technique are expansion and life cycles. The absence of lucidity in the significance of these intermediaries is nevertheless one of the restriction inborn right now. Expansion is the most generally utilized. With it, associations are named to whether they display a solitary, predominant, related, or inconsequential item enhancement procedure. As per association hypothesis, more prominent expansion offers ascend to the requirement for components to incorporate and control the partnership's different specialty units predictable with corporate destinations. The pay framework fills in as a key reconciliation and control instrument accessible to the executives. A few investigations of corporate broadening likewise analyzed remuneration issues. two combinations and one vertically coordinated firm. The combinations utilized progressively formalized methods with foreordained lists dependent on division results; administrators' boosts in salary were attached to target recipes and the aggregates utilized monetary final products criteria. The coordinated firm utilized a less conventional framework dependent on corporate outcomes, joining some middle of the road gauges just as final products measures, which were not connected to pay increments by a recipe.

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