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INVESTIGATING THE RELATIONSHIP BETWEEN REWARD AND PERFORMANCE AMONG EMPLOYEES – THE CASE OF ABDUL LATIF JAMEEL COMPANY

¹Enas Bahaj, ²Abdulquddus Mohammad

¹College Of Business, Effat University, Qasr Khuzam St., Kilo. 2, Old Mecca Road. P.O.Box
34689, Jeddah 21478, Saudi Arabia.

²College Of Business, Effat University, Qasr Khuzam St., Kilo. 2, Old Mecca Road. P.O.Box
34689, Jeddah 21478, Saudi Arabia.

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ABSTRACT:

The performance of an employee is influence by several factors, in which rewards seem to be the most important one. Thus, this study was conducted to examine the relationship between rewards and employee performance at Abdul Latif Jameel (ALJ) Company. This study was carried based on quantitative method. Random sampling method was used to select the sample. The sample populations of this work were 50 employees from the sales and service department. Data collection was done using survey questionnaire. The findings of this work have shown that 95% of the respondents have agreed that they feel pride in working for ALJ. The result shows that there are certain factors that do contribute to the relationship between rewarding employees and result in better performance of employees. Furthermore, the finding this study has shown that AJL Company needs to improve its organization policies in few areas such as development and career opportunities, good benefits, basic pay and incentives. This is needed to further enhance the work performance of its employees.

INTRODUCTION:

In the era of globalization, it is essential for organizations to fulfill and implement fresh motivational instruments for employees in attempt to ensure that they are engaged and execute well at job [1]. It is essential for senior

leadership to implement fresh methods for creating a powerful and sustainable connection between the organization and staff in order to meet the organizational objectives [2]. Therefore, organizations have made tremendous strides by completely complying with their business model through excellently-balanced award and appreciation initiatives for employees [3].

Rewards are significant aspects that encourage staff to make the most of their efforts to develop creative thoughts that contribute to stronger company features and enhance the overall performance of the organization [4]. According to Malik et al. [5] there are other ways of rewarding staff. Some of these include the recognition that staff obtain from their supervisors, the chance to carry on significant initiatives or assignments, and even management opportunities. Employees will operate at their greatest capacity when they understand that their hard work and attempts will eventually be commended and rewarded [6].

Herhausen et al. [7] stated that there are many variables that influence the performance of employees, such as operating circumstances, worker-employer relationships, learning and growth possibilities, job security, general company strategies and rewarding employee processes. Between all the variables that influence the efficiency of staff, the encouragement that goes with bonuses is of the utmost significance to the employees [8]. Rewards may be extrinsic or intrinsic, where extrinsic benefits are concrete benefits and are external to the work or tasks conducted by the worker [8]. External benefits may be in terms of remuneration, raises, incentives, benefits and job stability. Intrinsic benefits are intangible benefits such as recognition, facing fresh challenges, job promotion and job continuity after the objective has been achieved [8]. According to Ajmal et al. [9], there are two key types of incentives, which are monetary and non-monetary. These incentives have favorably been used to improve the efficiency of staff. According to Ibrar and Khan [10], optimal efficiency can only be accomplished efficiently if staffs have a feeling of shared benefit from the organization. An institution must set up a reward system to evaluate the efficiency of staff at all stages and reward them with noticeable gains in order to achieve the desired work performance in the organization [10]. Ndungu [11] found that training and development are needed by employees in order to achieve the defined objectives. This training or development needs to be assessed by employees, giving them an inner motivation to fulfill the job requirement and attain the desired rewards. Furthermore, Sattar et al. [12] found that total reward can be used to motivate employees to improve their work performance. Total reward is a mixture of monetary and non-monetary rewards rendered accessible to employees. In addition, Nnaji-Ihedinmah and Egbunike [13] found that implementing an overall reward strategy for employees is feasible approach that would enhance the work performance of an employee. Saudi Arabia is among the fastest growing nations in the world in terms working destination. Saudi Arabia's efforts to increase employment have focused on the non-oil industries [14]. These industries require the full commitment of employees to attain it work objective. Likewise, Abdul Latif Jameel Company (ALJ) is Transportation

Company in Saudi Arabia and it has several branches. The development of this company is also due to the performances of its employee. Therefore, this work was done to analyze the relationship between rewards and employee performance at ALJ Company.

METHODOLOGY

For this study, quantitative method has been used. The sample population of this work was sales and service employees of ALJ Company in Jeddah, Saudi Arabia. The samples were selected randomly and the sample size was 50 employees. The primary data were collected through survey questionnaire. The collected data were analyzed in terms of basic statistics. The data were analyzed and presented in graphical form.

RESULT AND DISCUSSION

Questionnaire Analysis

The respondents were asked several question related to rewards and employee performance. The outcome for each question is discussed and presented accordingly in this section. The respondents were asked “Do you feel pride in working for ALJ?” Based on Figure 1, 95% of the respondents stated yes and 5% stated no.

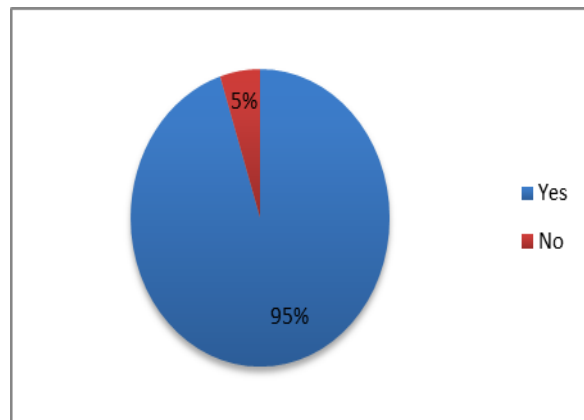


Figure 1: Feel pride in working for ALJ?

The respondents were asked “How long have you been working with ALJ?”. Based on Figure 2, 5% of the respondents have been working for less than 1 year, 25% of the respondents have been working for 1 to 3 years, 20% of the respondents have been working for 3 to 5 years, 35% of the respondents have been working from 5 to 10 years and 15% of the respondents have been working for 10 years and more.

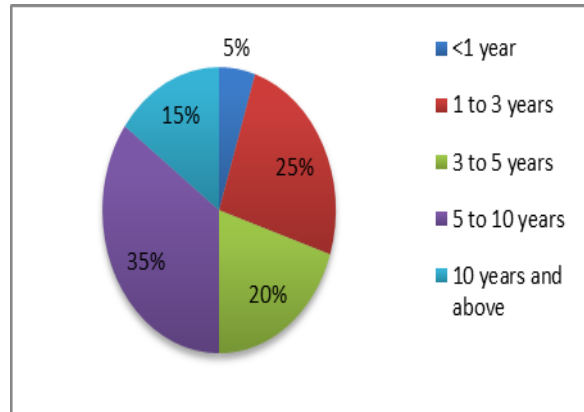


Figure 2: Working years for ALJ

The respondents were asked “Would you like to change your job?”. Based on Figure 3, 95% of the respondents stated no and only 5% of the respondents stated yes. Hence, the respondents were further questions “If yes, where would you like to move to?”. Based on Figure 4, 95% of the respondents stated that they would like to work in another department within ALJ, while 5% of the respondents stated that they would like to work for another company.

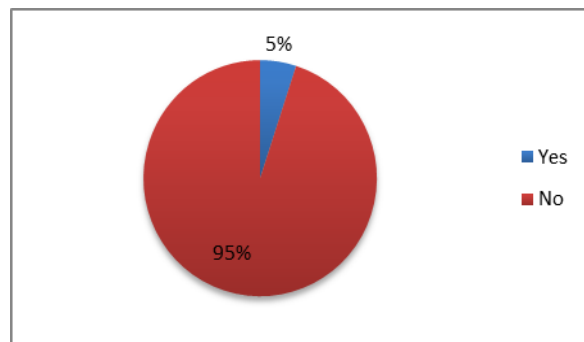


Figure 3: Like to change job

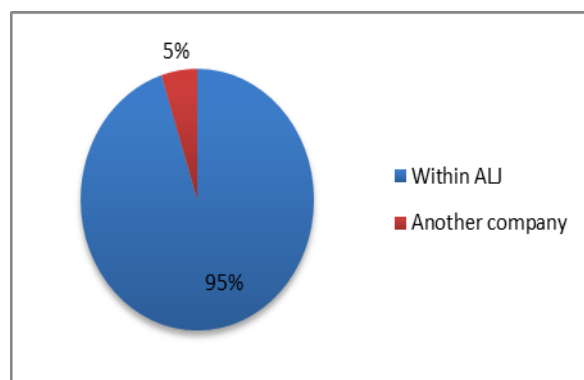


Figure 4: Destination to change job

The respondents were asked “Does ALJ have a good working life?”. Based on Figure 5, 30% of the respondents strongly agree, 30% of the respondents agree, 5% of the respondents were neutral, 15% of the respondents disagree and 20% of the respondents strongly disagree.

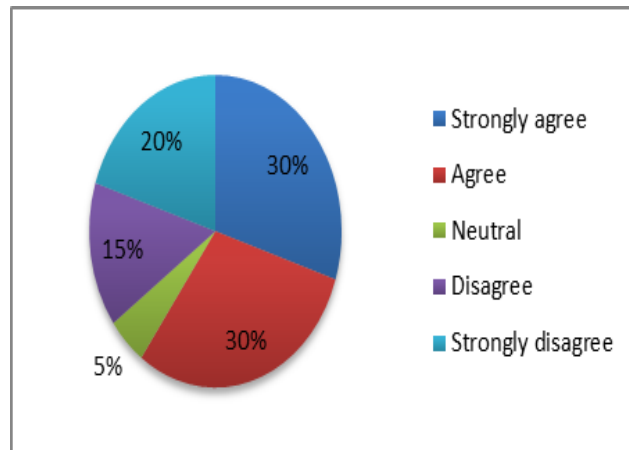


Figure 5: ALJ has a good working life

The respondents were asked “Does ALJ have a good development and career opportunities?” Based on Figure 6, 20% of the respondents strongly agree, 20% of the respondents agree, 10% of the respondents were neutral, 40% of the respondents disagree and 10% of the respondents strongly disagree.

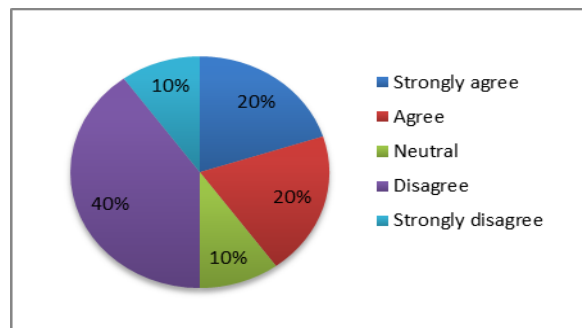


Figure 6: ALJ has a good development and career opportunities

The respondents were asked “Does ALJ have good benefits?”. Based on Figure 7, 20% of the respondents strongly agree, 15% of the respondents agree, 5% of the respondents were neutral, 40% of the respondents disagree and 20% of the respondents strongly disagree.

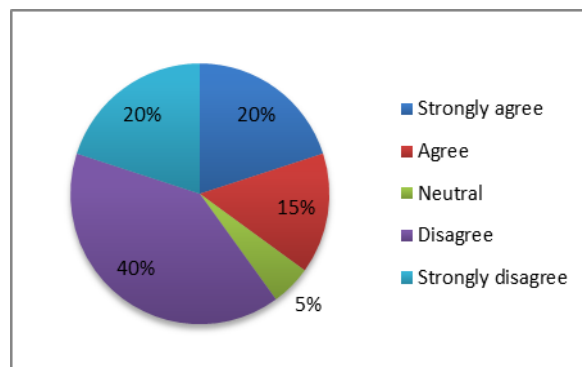


Figure 7: ALJ has good benefits

The respondents were asked “Does ALJ have a good employee training and development?”. Based on Figure 8, 40% of the respondents strongly agree, 20% of the respondents agree, 2% of the respondents were neutral, 30% of the respondents disagree and 8% of the respondents strongly disagree.

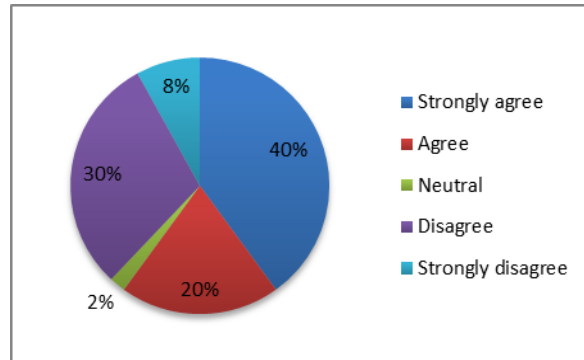


Figure 8: ALJ has a good employee training and development

The respondents were asked “Does ALJ have a good basic pay and incentives. Based on Figure 9, 35% of the respondents strongly agree, 10% of the respondents agree, 5% of the respondents were neutral, 40% of the respondents disagree and 10% of the respondents strongly disagree. The respondents were asked “Is your manager friendly and helpful”. Based on Figure 10, 85% of the respondents stated yes and only 15% of the respondents stated no.

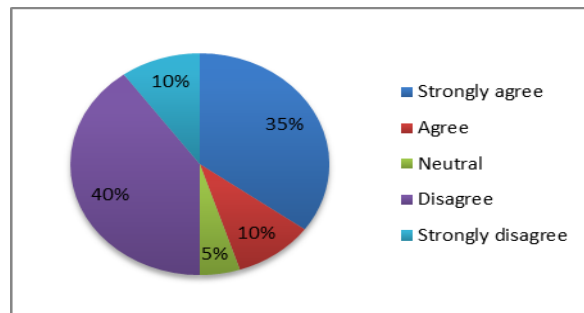


Figure 9: ALJ has a good basic pay and incentives.

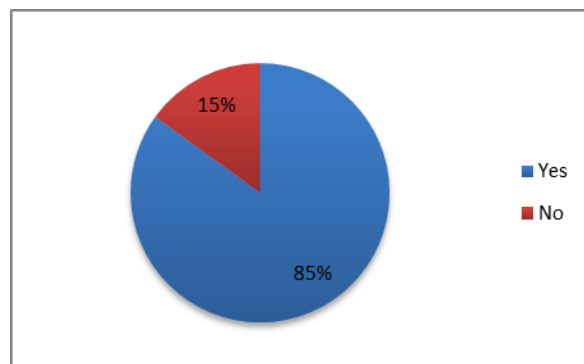


Figure 10: Manager friendly and helpful

The respondents were asked “What would you like to change in your work in order to motivate you more?”. Based on Figure 11, 30% of the respondents stated basic pay, 35% of the respondents stated pay package, 5% of the respondents stated manager, 5% of the respondents stated holidays, 3% of the respondents stated work breaks, 10% of the respondents stated bonuses, 7% of the respondents stated promotion schemes and 5% stated others.

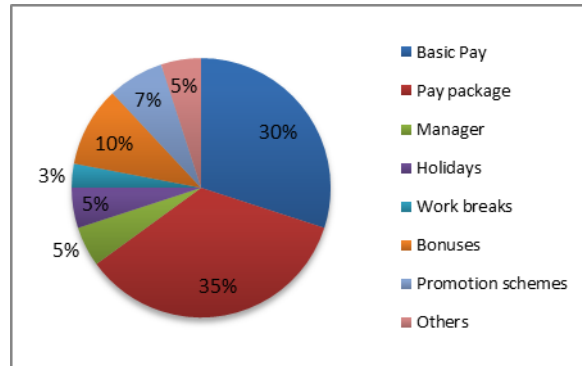


Figure 11: Necessary change for more work motivation

Overall Discussion

The findings of this work have shown that 95% of the respondents have agreed that they feel pride in working for ALJ. Furthermore, majority of the respondents have worked for about 10 years and below for ALJ. In addition, 60% of the respondents have agreed that ALJ has a good working life. However, only 40% of the respondents have agreed that ALJ has a good development and career opportunities. Furthermore, only 35% of the respondents have agreed that ALJ has good benefits for the employees. Likewise, 60% of the respondents have agreed that ALJ has a good employee training and development. Additionally, only 45% of the respondents have agreed that ALJ has a good basic pay and incentives. Besides that, 85% of the respondents have stated that their manager is friendly and helpful. Moreover, 35% of the respondents have stated that they would like to have a better pay package and it will motivate them further to work better. Also, 30% of the respondents stated that increasing their basic pay will be a good source of motivation. Furthermore, 10% stated bonuses as a source of motivation and 7% stated promotion schemes as source of motivation. Thus overall, it is deduced that AJL need to improve its organization schemes such as development and career opportunities, good benefits, basic pay and incentives in order to further enhance the work performance of its employees. The work of De Gieter and Hofmans [15] has confirmed that in order to improve the work performance of established employees, the organization needs to enhance its rewards schemes. This will then motivate the employees to work harder for the organization. Furthermore, the work of Caza et al. [16] found that employee’s performance increases with the constant exposure to rewards and appreciation in an organization. This in the long run will benefit both the employees and also the organization.

CONCLUSION

In this study, the relationship between rewards and employee performance at ALJ Company was analyzed. The findings of this work have shown that AJL needs to improve its organizational systems, such as growth and job prospects, excellent benefits, basic pay and rewards, in order to further enhance the job efficiency of its staff. It can be concluded that the performance of any organization should take into account the level of service that directly affects the policy on employee benefits and the sustainability of the service. The findings of this paper showed that the majority of employees were dissatisfied with the incentive plan. Thus, the authors suggest that the organization needs to introduce performance-based reward for the employees to further enhance the overall work performances.

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Paper ID	Position , Full Name, Working unit & nation	Email address	Research Interests	Personal website (if any)
	Assoc. Prof., Dr.	amohammad@effatuniversity.edu.sa		

	AbdulQuddus Mohammad, Effat University, Saudi Arabia		
	Student, Enas Bahaj, Effat University, Saudi Arabia	eabahaj@effatuniversity.edu.sa	