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## **Examination of the Effect of Remuneration on Performance of Private Sector Employees: A Case Study of Trade Kings Limited**

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### **Abstract**

The study examined the effect of remuneration on employee performance in the private sector, focusing on Trade Kings Limited. The main objective was to investigate how various components of remuneration such as salary, rewards and compensation, and benefits impact employee performance. Using a questionnaire, data was collected from a sample of 50 staff members. A descriptive cross-sectional research design was employed, with a stronger emphasis on quantitative analysis. The findings revealed that competitive basic salaries significantly impact employee performance, with 76% of respondents agreeing that their current salary affects their performance. Additionally, 60% indicated that rewards and compensation motivate them to improve their performance. However, many employees expressed

dissatisfaction with the rewards and compensation practices, suggesting a need for improvement. Notably, 88% agreed that benefits positively influence their job performance. The salary significantly affects employees, impacting the financial stability, well-being and job satisfaction, as well as the ability to meet basic needs and participate in social life. Despite the majority acknowledging the influence of remuneration on performance, the overall organizational performance was rated as fair. The study recommends that Trade Kings Limited establish a competitive salary structure and conduct a comprehensive review of its benefits and rewards compensation package to enhance employee motivation and performance.

**Keywords:** Remuneration, Employees' Performance, Salary, Rewards and Compensation, Benefits

### **1. Introduction**

#### **1.1 Overview**

This chapter aimed to cover the context within which the study was conducted. It explained the background of the study, the statement problem, the purpose of the study, the research objectives, the research question, the conceptual framework, and the significance of the study, the scope of the study, the theoretical and conceptual framework and operational definitions used in the study.

#### **1.2 Background of the Study**

This study sought to examine the effect of remuneration on the performance of employees in the private sector. Effective remuneration refers to the method used to reward or compensate employees for their work and services rendered to an organization. Remuneration should provide basic attraction to employees to perform their jobs efficiently and effectively. Salaries affect the employees' productivity and work performance. Sofa (2008) found that remuneration is a reward, or remuneration is given to workers or employees because of the efforts they put into towards achieving organizational goals. The amount and method of remuneration are very important for both management and employees.

Further, performance refers to accomplishing tasks that make the job done to achieve the objectives of the organization in question. Performance excludes illegal and per immoral behaviour which are contrary to performance ethics (Dingel, 2020). Organizational performance comprises the actual output or results of an organisation measured against its intended outputs. Organisational performance comprises three specific areas of organisation outcomes: Financial performance that is, profits, return on assets and return on investment, Product market performance, which is sales and market share, shareholder return which is total shareholder return, and economic value added. Thus, organisational performance is the most important measure

to evaluate organisation goals, actions, and environments (Heydari, 2020).

Globally, the work environment plays an important role in the performance of employees in any organisation. It is argued that the working environment impacts hugely on the performance of employees either towards positive or negative outcomes. In the current competitive environment, large organisations are facing significant challenges in internal and external work environments. For this reason, organisations cannot maintain institutional performance without providing incentives to their employees based on their efficient and effective work. Linking pay to performance is something employers increasingly seek to achieve. It is believed that remuneration strategy accounts for one of the greatest investments an organisation makes (Anwar, 2021).

According to Nguyen *et al* (2020), remuneration has a significant impact on workers' attitudes and performances in an organisation because it is the most effective motivational technique. Good remuneration improves productivity while poor remuneration affects productivity adversely. Remuneration accounts for one of the greatest investments an organisation makes. Although a fair wage is the cornerstone of the contractual and implied agreement between employees and employers, the underlying assumption is that money can directly influence behaviour.

For any organisation to completion its goals and achieve a competitive advantage, needs highly performing individuals. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride by employees. Therefore, human resources are the greatest asset any organisation can have and should be given the highest priority (Ojeleye and Okoro, 2016). According to Frisk (2020), in Europe, organisations remunerate employees informs of basic pay or wages, basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Therefore, organisations offering good basic pay and higher employee wages higher than the market rate record increased rates of employee job satisfaction, have lower employee turnover rates, have the most productive employees, and have good employee relations (Anwar, 2020). It is common knowledge that most employees agitate for better conditions of service, while employers complain of low productivity. Therefore, this study was carried out primary research amongst employees in the private sector. It is important whether labour performance can be improved through remuneration which can be in terms of financial and non-financial remuneration or reward in the Zambian working environment. Hence, research into reward and motivation has become necessary to alert Zambian employers on the need for adequate motivation, both financial and non-financial to ensure commensurate employee performance (Eziokwu, 2021). The purpose of this research was to highlight the effect of employee remuneration on employee performance at Trade Kings Limited in Zambia. It was aimed at identifying the attitudes of the management of Trade Kings Limited towards its employees that enable the company to achieve its corporate goals.

### 1.3 Statement of the problem

Ideally, remuneration leads to enhanced motivation, and effort, and retains employees in an organization to enhance

better performance (Hassan, 2022). Therefore, any slight alteration in the wage and salary plays a significant role in determining whether they will be committed to their workstations. The lack of effective remuneration structures has led to most employees leaving for greener pastures. Many believe that simply increasing what people are paid will make them more motivated, productive, and loyal. The influence of remuneration strategy is an important ingredient in every organization and employee performance is a critical issue for many businesses, because of the need to attract, motivate and retain the right talent pool for a business to succeed (Hongal, 2020).

However, in many private organizations in Zambia, remuneration systems continue to be a major problem resulting in divided organizational performance (Kabisa, 2022). The problem therefore is how to maintain an equitable remuneration package that fulfils the aspiration of both the employee and employers in such a way that an equilibrium social interaction is maintained. This also poses a management challenge when evaluating performance due to the laxity of employees in maintaining the set standards of performance. Furthermore, most studies on employee performance have either concentrated on motivation or job satisfaction and they are hardly in the private sector. The study was conducted to address the gap in knowledge by assessing the current remuneration for employees in the private sector and how this affects the performance of the employees. Based on this study the researcher sought to investigate the effects of remuneration on employee performance.

### 1.4 General Objectives

The general objective of the study was to investigate the effects of remuneration on employee performance, a case study of Trade Kings Limited.

### 1.5 Specific Objectives

1. To identify the remuneration structure at Trade Kings.
2. To examine the effect of rewards and compensation on employee performance at Trade Kings Limited.
3. To establish strategies for improving employee remuneration at Trade Kings Limited.

### 1.6 Research Questions

1. What is the remuneration structure used at Trade Kings Limited?
2. How do rewards and compensation affect employee performance at Trade Kings Limited?
3. What are the strategies for improving employee performance at Trade Kings Limited?

### 1.7 Significance of the Study

This investigation into the impact of remuneration on employee performance within the private sector holds significant promise for economic development. By delving into this area, the study aimed to equip managers with enhanced skills conceptual, human, and technical that enable them to better assess and improve the efficiency of their employees, ultimately contributing to the attainment of both personal and organizational objectives. Particularly relevant to companies operating in Zambia, this research offered valuable insights to management, fostering a deeper understanding of the importance of employing effective motivational strategies. Such strategies, when appropriately

applied, have the potential to cultivate industrial harmony and foster growth within these organizations, fostering peace, commitment, and positive interpersonal relationships among employees. The importance of this research study lies in its objectives, which include making recommendations geared towards aligning organizational objectives with employee performance through the implementation of effective remuneration packages, exploring the various types of remuneration packages along with their respective advantages and disadvantages, and investigating the extent to which remuneration influences employee performance within the private sector.

### 1.8 Scope of the Study

The scope of this study encompassed the examination of the Trade Kings Limited in Zambia, it investigated different aspects of remuneration, including salaries, bonuses, incentives, benefits, and non-financial rewards, while assessing employee performance using metrics such as productivity, job satisfaction, commitment, and interpersonal relationships. The study was done in Lusaka at Trade Kings Limited. The target population were the employees who work at Trade Kings Limited.

### 1.9 Theoretical framework

This study utilised the Expectancy Theory (ET) to further understand how employees' remuneration influences their motivation and performance. Expectancy Theory developed by Victor Vroom in 1964, provides a valuable framework for understanding how employees' expectations about remuneration influence their motivation and performance within the context of the study on the effect of remuneration on employee performance in the private sector (Mamun, 2020).

The theory identifies three core elements:

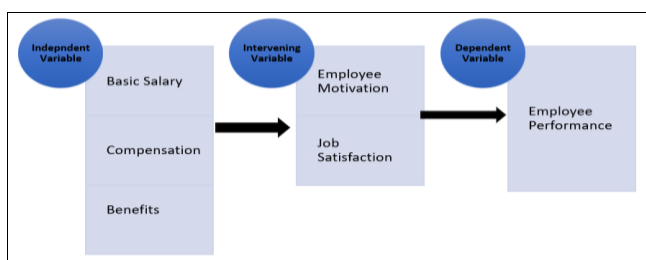
**Expectancy:** Employees' belief that their efforts will lead to performance and, ultimately, rewards. Factors influencing this include clarity of performance expectations, fairness of the pay system, and employees' confidence in their abilities.

**Instrumentality:** The perception that high performance will result in tangible rewards like bonuses or salary increases. This depends on transparent, fair evaluation and reward processes, along with effective communication from the organisation.

**Valence:** The value and attractiveness of the rewards to employees. It involves perceptions of fairness, alignment with personal values, and job security. When rewards are perceived as fair, desirable, and stable, employee motivation increases.

Understanding these components enables organisations to create remuneration systems that motivate employees, enhance performance, and contribute to overall organisational success.

#### 1.9.1 Conceptual framework



Source: Researcher, 2024.

These are the main forms of reward expected to influence employee performance. Firstly, basic salary is a core financial motivator. According to Armstrong (2006), competitive pay is essential for attracting and retaining talent. High salaries are associated with higher levels of job satisfaction and commitment, which can lead to improved performance. Secondly, compensation based on results can increase motivation and productivity. Vroom's Expectancy Theory supports this by suggesting that individuals are motivated when they believe their effort will lead to desired performance and reward (Vroom, 1964). Thirdly, benefits include flexible working hours, recognition programs, health insurance, and wellness initiatives. While financial rewards are important, non-financial benefits often contribute to intrinsic motivation. Herzberg's Two-Factor Theory highlights that recognition and achievement significantly influence job satisfaction and performance. Rewards may not directly lead to performance unless they translate into job satisfaction. Spector (1997) noted that job satisfaction mediates the effect of rewards on performance. Rewards (salary, compensation, benefits) enhance motivation, which in turn boosts performance. This is central to many motivation theories, such as Maslow's Hierarchy of Needs and Self-Determination Theory.

### 1.10 Operational definitions

#### Remuneration

Remuneration refers to the total compensation package provided to employees in the private sector, including but not limited to salaries, bonuses, incentives, benefits, and non-financial rewards. It encompasses all forms of compensation received by employees for their work and services rendered to the organization.

#### Employee Performance

Employee performance refers to the effectiveness, productivity, and outcomes of employees' work within the organization. It encompasses various dimensions, including task performance, goal achievement, job satisfaction, commitment, interpersonal relationships, and overall contribution to organizational objectives.

#### Employee rewards and Compensation

This is the total remuneration, including wages or salary, bonuses, benefits and any other monetary or non-monetary perks provided by the employer to an employee in exchange for their work or service to the organisation (Peretomode and Peretomode, 2001). On the other hand, compensation is not just about money, it is also concerned with non-financial compensation which provides intrinsic or extrinsic motivation (Abera and Manamno, 2021).

## 2. Literature Review

### 2.1 Overview

This study sought to investigate the impact of remuneration on employee performance within the private sector, with a specific focus on Trade Kings Limited. The study was guided by the Expectancy Theory developed by Victor Vroom in 1964 which provides a valuable framework for understanding how employees' expectations about remuneration influence their motivation. The objectives include analysing the existing remuneration structure, assessing how rewards and compensation influence employee performance, and identifying strategies to enhance

the remuneration system at Trade Kings Limited. This chapter provided a review of relevant literature to explore the current body of knowledge, highlight existing gaps and areas of debate, and demonstrate how the present study aimed to contribute to this field.

## 2.2 Remuneration Structure

This section explores the concept of remuneration and its influence on employee performance. The relationship between remuneration and employee performance can be explained using Vroom's Expectancy Theory. According to Vroom (1964), motivation is determined by three key components: expectancy (belief that effort leads to performance), instrumentality (belief that performance leads to rewards), and valence (value placed on the rewards). In the context of remuneration, employees are more likely to exert effort when they believe their performance will be fairly rewarded with desirable compensation.

Remuneration encompasses both financial and non-financial rewards, including wages, salaries, bonuses, fringe benefits, recognition, and career development opportunities (Armstrong, 1996). These components directly influence employees' perceptions of instrumentality and valence. Remuneration is a part of the reward received by employees because of their tasks in the organisation, including gifts, awards, or promotions. Performance cannot be achieved optimally if remuneration is not given correspondingly. In addition, the employee's attitude towards work is the key to the performance and profitability of the organisation. The use of remuneration in return for educators in the university environment, as well as being a form of independence, is also the responsibility of management in improving job fulfilment and work motivation. Mainly, the existence of these benefits has fulfilled the expectations of the teaching staff at work. Someone can act on something that tends to be due to the expectation of the results to be achieved. The statement explains the nature of the employee's work because there is hoped to get a reply that can be in the form of remuneration. So, when the needs and expectations of employees are fulfilled, performance can be achieved, which in turn affects work motivation (Pratama and Arik, 2017).

According to Armstrong (1996), remuneration is composed of financial and non-financial rewards, to be specific, the typical remuneration of an employee comprises wages and salary, incentives, fringe benefits, perquisites and non-monetary benefits for instance recognition of merit, comfortable working conditions, career development. Financial compensation can be either direct or indirect. Nthambi (2014) investigated the effects of rewards on employee performance among operational staff at the Kenya Bureau of Standards. The study discussed various aspects of rewards such as employee services, salary reviews, health benefits and training programs and how they impact employee performance. The study found a link between compensation components like salary reviews and health benefits and employee performance (Kassim, 2013).

Direct financial compensation consists of the pay an employee receives in the form of wages, salaries, bonuses or commissions. Indirect financial compensation, or benefits consists of all rewards that are not included in direct financial compensation this may include vacations, various kinds of insurance, services like childcare or elder care and so forth. In the words of Burack and Smith, remuneration can be anything that attracts an employee's attention and

stimulates him to work. An incentive scheme is a plan or program to motivate individual or group performance. An incentive program is most frequently built on monetary rewards (incentive pay or monetary bonus) but may also include a variety of non-monetary rewards or prizes (Armstrong, 1996).

Benefits encompass a wide range of offerings, including healthcare, retirement plans, paid time off, flexible work arrangements, and professional development opportunities and these benefits motivate employees to perform well. When employees feel that their needs are being met and their efforts are recognised and rewarded, they are more likely to develop a sense of loyalty and commitment to the organisation. Motivation and engagement are critical components of employee performance, directly impacting productivity, creativity, and overall organisational success. Comprehensive benefits packages play a pivotal role in fostering motivation and engagement by addressing employees' needs, demonstrating organisational support, and aligning incentives with performance outcomes. One of the primary ways in which benefits contribute to motivation and engagement is by signalling to employees that their well-being and contributions are valued by the organisation (Baker, 2023).

Motivation is a product of the individual's expectancy that a certain effort will lead to the intended performance, the instrumentality of this performance to achieve a certain result, and the desirability of this result for the individual, known as valence (Montana and Charnov, 2008). Vroom's expectancy theory addresses motivation and management. The theory suggests that an individual's perceived view of an outcome will determine the level of motivation (Miner, 2005). It assumes that the choices being made are to maximize pleasure and minimize pain, as also seen in the Law of Effect, one of the principles of reinforcement theory which states that people engage in behaviours that have pleasant outcomes and avoid behaviours that have unpleasant outcomes.

According to Droar (2006), Vroom theorized that the source of motivation in expectancy theory is a multiplicative function of valence, instrumentality, and expectancy. He suggested that people consciously choose a course of action, based upon perceptions, attitudes, and beliefs because of their desires to enhance pleasure and avoid pain. Expectancy theory is applicable in this study as people change their level of effort according to the value, they place on the remuneration they receive from the process and on their perception of the strength of the links between effort and outcome.

Furthermore, remuneration is a part of the reward received by employees because of their tasks in the organization, including gifts, awards, or promotions. Performance cannot be achieved optimally if remuneration is not given correspondingly. In addition, the employee's accessory to work is the key to the performance and profitability of the organization. The use of remuneration in return for educators in the university environment as well as being a form of independence is also the responsibility of the management in improving job fulfilment and work motivation. Mainly, the existence of these benefits has fulfilled the expectations of the teaching staff at work. Someone can act on something that tends to be due to the expectation of the results to be achieved. The statement explains that the nature of the employee works because there

is hoped to get a reply that can be in the form of remuneration. So, when the needs and expectations of employees are fulfilled, performance can be achieved which in turn affects work motivation (Pratama and Arik, 2017).

According to Wael and Farouk (2017) financial rewards contain pay, bonuses, transportation facility, health insurance, and pensions. As a result, employees receive financial payments from their employers in the form of salaries or commissions. A bonus can be defined as an additional benefit given to an employee as an influence or a reward for his/her hard work. It is given to employees due to their performance. These performances might comprise, producing more deals, increasing sales, or inspiring new production shapes. Therefore, leaders utilize bonuses to inspire their employees toward specific aims. Pay is a remuneration package in which a helping of an employee's pay is at risk. It can be considered a bonus or standard preference. Good motivation pays packages provide an optimal challenge. Also, employees are offered a financial reward for their services called to pay. Pay must be closely linked to performance. Employees who work their best want reasonable to pay that satisfies their needs (Wael and Farouk, 2017).

Non-financial awards empower in development of inspiration amongst the employees of an organization reason being. When employees are mindful that they will get gifts that are of nonmonetary value, they tend to put more effort to increase above the limits as opposed to just fulfilling organizational instructions and requirements (Agwu, 2013). This happens because competition among the employees is customarily restricted so that every employee can work to better his career life as well as to achieve the goals of the organization that he/she works for. For example, when employees become well-versed that they may get a gift, they tend to put more effort to give an unexpected result in each task that they are given. This has the implication that non-financial remuneration influences employees to perform in the organization, from the management up to the lower-level employees (Agwu, 2013).

### 2.3 Effect of rewards and compensation on employee performance

Compensation and rewards refer to the rewards that employees receive for their work in an Organisation. Compensation typically includes monetary payments such as salaries, bonuses, and incentives, while benefits include non-monetary rewards such as health insurance, retirement plans, paid time off, and employee perks. The concept of rewards and compensation is essential in attracting and retaining talented employees, motivating them to perform at their best, and ensuring their well-being and job satisfaction. This is supported by the Expectancy Theory which provides a valuable framework for understanding how rewards and compensation influence employee motivation and performance. Organisations design compensation and benefits packages to be competitive in the market, fair and equitable within the organisation, and aligned with the overall business strategy (Beardwell and Claydon, 2007).

According to Vroom's Expectancy Theory, motivation is determined by three components: Expectancy: The belief that effort will lead to performance. Instrumentality: The belief that performance will lead to rewards. Valence: The value placed on those rewards by the individual. When employees perceive that their efforts will result in high

performance and that such performance will be fairly rewarded with desirable compensation, their motivation increases. This theory is particularly relevant in understanding how structured reward systems can drive performance in the private sector.

Furthermore, previous motivation theories, such as Social Exchange Theory, support this view by suggesting that compensation functions as a major stimulus in the exchange between employer and employee (Gerhart *et al.*, 1992). Similarly, Reinforcement Theory emphasizes that behaviours followed by positive outcomes such as bonuses or recognition are more likely to be repeated. Additionally, Herzberg's Two-Factor Theory distinguishes between hygiene factors (for example, salary, working conditions) and motivators (for example, recognition, achievement). While compensation alone may not guarantee motivation, its absence can lead to dissatisfaction. This theory complements Expectancy Theory by highlighting the importance of both the presence and perception of rewards in influencing employee attitudes and performance. Maslow's Hierarchy of Needs also supports the role of compensation in satisfying basic physiological and safety needs. Competitive salaries and comprehensive benefits contribute to employees' sense of security and well-being, enabling them to focus on higher-order needs such as esteem and self-actualization, which are linked to performance and creativity.

Reward and Compensation processes are based on compensation philosophies and strategies contained in the form of policies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation. This constitutes measuring job values, designing and maintaining pay structure, paying for performance, competence, and skill, and providing employee benefit. However, compensation management is not just about money, it is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation (Darroch, 2015).

Effective rewards and compensation strategies can help organisations attract top talent, reduce turnover, increase employee engagement and productivity, and create a positive employer brand. It is crucial for Organisations to regularly review and adjust their compensation and rewards programs to remain competitive and meet the changing needs and expectations of their workforce. The level of compensation (the set wage or pay) that makes up the work rate is known as the basic salary. It might give you a way to decide on additional income based on your performance, talent, and competency. Often the base pay for a position is the pay for a competent or skilled worker in that position. Depending on the person's talents or competence, a skill-based or competency-based system may vary this rate (Armstrong, 1996).

Incentives are a dynamic factor for employees to successfully perform their duties so that performance in the organisation increases. Relatively, compensation and incentives have an actual close association, where incentives are an element of compensation and both are essential in achieving the overall objectives and aims of the business. The resolution of giving incentives is to satisfy the welfare of the organisation by keeping the skilled employees, increasing employee determination, improving the standard of living, and developing employee motivation to inspire

them to perform at a high level (Wahna, 2018).

The compensation and benefits offered to potential employees affect both recruitment and selection. Performance reviews and compensation are closely related. This is especially true when "paying by outcomes" programs are in place. Payment for incentives is based on employee performance, which must be properly evaluated. The importance of employee compensation in determining union-management relations does not need to be emphasised. The compensation of an organisation's employees should be based on its overall business plan. When a company's objective is to grow quickly, compensation should be more than what its rivals are offering. When the goal is to protect and preserve current earnings due to the company's decreasing fortunes, compensation levels must be average or even below average (Armstrong, 1996).

Furthermore, the effects of benefits on employee performance are multifaceted, extending beyond mere compensation to influence motivation, job satisfaction, and overall well-being (Bai, 2023). Benefits encompass a wide range of offerings, including healthcare, retirement plans, paid time off, flexible work arrangements, and professional development opportunities. Understanding how these benefits impact employee performance requires a nuanced examination of their various dimensions.

Motivation and engagement are critical components of employee performance, directly impacting productivity, creativity, and overall organizational success. Comprehensive benefits packages play a pivotal role in fostering motivation and engagement by addressing employees' needs, demonstrating organizational support, and aligning incentives with performance outcomes. One of the primary ways in which benefits contribute to motivation and engagement is by signalling to employees that their well-being and contributions are valued by the organization (Baker, 2023). Benefits such as health insurance, retirement plans, and performance bonuses provide tangible evidence of the organization's commitment to supporting employees' financial security and future success. When employees feel that their needs are being met and their efforts are recognized and rewarded, they are more likely to develop a sense of loyalty and commitment to the organization.

Moreover, benefits can serve as powerful motivators by providing employees with incentives to perform at their best. Performance-based bonuses, for example, reward employees for achieving specific goals or outcomes, encouraging them to set ambitious targets and strive for excellence in their work. The prospect of earning additional compensation through performance bonuses can fuel employees' intrinsic motivation to succeed, leading to increased effort, creativity, and initiative in pursuit of organizational objectives (Ji, 2022). Additionally, benefits contribute to motivation and engagement by enhancing employees' sense of security and well-being. Health insurance coverage, for instance, provides employees with access to medical care and treatment, reducing anxiety and stress related to healthcare costs and concerns. Retirement plans offer employees peace of mind about their financial future, allowing them to focus more fully on their work and career development without worrying about retirement savings (Kabisa, 2022).

When employees feel supported and secure in their personal and financial lives, they are better able to invest themselves

fully in their work and contribute positively to the organization. Furthermore, benefits can strengthen employee engagement by fostering a sense of belonging and community within the organization. Wellness programs, employee assistance programs, and other benefits aimed at promoting work-life balance and well-being create opportunities for employees to connect with colleagues, share experiences, and support one another. This sense of camaraderie and mutual support enhances employees' satisfaction with their jobs and their commitment to the organization's mission and goals (Kabisa, 2022).

Work-life balance has become a critical consideration for employees in today's fast-paced work environments, where demands for productivity and performance often blur the boundaries between work and personal life (Britz, 2022). Comprehensive benefits packages that support work-life balance play a vital role in helping employees manage their competing priorities, maintain well-being, and achieve optimal performance. Flexible work arrangements, such as remote work options, flexible hours, and compressed workweeks, are key benefits that enable employees to balance their professional and personal commitments more effectively. By providing flexibility in when and where work is performed, these benefits empower employees to tailor their work schedules to suit their individual needs and preferences (Bai, 2023). For example, remote work options allow employees to avoid lengthy commutes, spend more time with family, and better manage personal obligations without sacrificing productivity or job performance.

Generous paid time off (PTO) policies, including vacation days, sick leave, and parental leave, are another essential component of benefits packages that support work-life balance. Paid time off allows employees to recharge, relax, and rejuvenate, helping to prevent burnout and promote overall well-being (Hampongo, 2020). Encouraging employees to take regular breaks and prioritize self-care, these benefits contribute to a healthier, more sustainable approach to work, ultimately enhancing performance and productivity in the long term. Moreover, benefits that support work-life balance can have a positive impact on employee morale, job satisfaction, and retention. When employees feel that their employer values their well-being and respects their need for personal time, they are more likely to feel satisfied and engaged in their work (Prust, 2019). This sense of appreciation and support fosters loyalty and commitment to the organization, reducing turnover and associated costs while improving overall organizational performance.

In addition to enhancing individual performance, benefits that support work-life balance can also contribute to a positive organizational culture. When employees see their colleagues and leaders prioritizing self-care and maintaining a healthy work-life balance, it creates a culture of mutual respect and support. This culture, in turn, attracts top talent, fosters collaboration and teamwork, and strengthens employee morale and satisfaction, all of which contribute to organizational success and competitiveness (Park, 2022). Career development and growth opportunities are integral components of a comprehensive benefits package that can have a profound impact on employee performance, job satisfaction, and organizational success. Benefits aimed at professional development, such as tuition reimbursement, training programs, and mentorship initiatives, empower employees to expand their skills, knowledge, and expertise,

leading to enhanced performance in their current roles and greater potential for future success (Ojo, 2019).

One of the primary ways in which benefits related to career development and growth contribute to employee performance is by providing employees with access to resources and opportunities to enhance their skills and knowledge. Tuition reimbursement programs, for example, enable employees to pursue further education or certifications relevant to their roles, allowing them to deepen their expertise and stay abreast of industry trends and best practices. Similarly, training programs offer employees the chance to acquire new skills, learn new technologies, and develop competencies that are essential for success in their current roles and beyond. Moreover, benefits that support career development and growth can have a positive impact on employee motivation, engagement, and job satisfaction (Prust, 2019). When employees feel supported in their professional growth and advancement, they are more likely to be engaged in their work and committed to the organization's mission and goals. The opportunity to develop new skills and pursue career aspirations enhances employees' sense of purpose and fulfilment in their roles, leading to increased motivation and productivity.

Additionally, career development benefits contribute to employee retention and loyalty by signalling to employees that their employer is invested in their long-term success and professional growth. Employees who have access to opportunities for advancement and skill development are more likely to remain with the organization, reducing turnover and associated costs while fostering continuity and stability within the workforce. This continuity and stability are essential for maintaining productivity, knowledge retention, and organizational effectiveness over time (Owens, 2020). Furthermore, benefits related to career development and growth enable organizations to cultivate a pipeline of talent capable of driving innovation and success in the future. By investing in employees' growth and advancement, organizations not only enhance performance in their current roles but also prepare employees for future leadership positions and responsibilities. Employees who receive training, mentorship, and support in their professional development are better equipped to take on new challenges, adapt to evolving business needs, and drive organizational growth and innovation (Park, 2022).

Employee benefits can be termed as the various extra benefits provided to employees, in addition to the compensation paid in the form of wage or salary. Aswathappa (2003) They comprise elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remuneration, such as annual holidays. The common types of employee benefits include health and life insurance; deferred income plans, often known as retirement or pension plans; and miscellaneous benefits, which may range from the provision of a company car to the purchase of club memberships. Bratton and Gold (2007) The term remuneration has evolved over the years to 'reward' or 'compensation'. The problem with 'compensation' is that it implies that employee reward is only about making amends for the distasteful fact that people have to work for a living.

It is by Robert Elliot's (1991) proposition that: 'for most people work is, in the main, a source of disutility and they, therefore, require pay to compensate them for the time they devote to it.' This may well be true in many cases, but it

provides an unsatisfactory basis for the philosophy which can and should adopt the stance that people ought to be rewarded according to their contribution and competence. It is almost certainly true that money can motivate when the prospective payment is large, relative to a person's income. Koontz (1996) argued that the trouble with many wages and salary increases and even bonus payments is that they are not large enough to motivate the receiver. They may keep the individual from being dissatisfied and from looking for another job, but unless they are large enough to be felt.

Employee remuneration is not just about pay, i.e. wages and salaries. It is also concerned with non-pay benefits, or 'benefits-in-kind'. These non-pay benefits are usually known as 'employee benefits', and sometimes as 'fringe' benefits or 'perks'. On balance, the former refers to the more important benefits, such as pensions, and includes those which are widely applied in the organization. The latter refers either to less significant benefits, such as private health insurance or to benefits provided primarily as a privilege. Benefits are usually provided as a package of items, for example, pensions, subsidized meals, discounts on company products, etc. an older employee will value a pension scheme higher than a young employee. Most benefit plans do not permit an employee to choose his or her preferred range of benefits on a so-called 'cafeteria' basis, i.e. where an employee may select those benefits which are most valuable personally up to a certain cost limit (Cole, 2002).

The theory states that an individual's behaviour is a function of its consequences (Management Study Guide, 2013). Behaviourism evolved out of frustration with the introspective techniques of humanism and psychoanalysis, as some researchers were dissatisfied with the lack of directly observable phenomena that could be measured and experimented with. In their opinion, it would make the discipline of Psychology more "scientific" and on par with the core sciences. These researchers turned to exploring only the behaviours that could be observed and measured, and away from the mysterious workings of the mind (Funder, 2010). The science of psychology that is often associated with the current era may be considered inadmissible to those who follow Skinner's beliefs. Psychology has frequently been associated with the human mind and the evolution of cognitive awareness, causing Skinner to move in a different direction. By applying his thoughts on adjusting motivation through various stimuli, industries such as business, government, education, prisons, and mental institutions can gain a broader understanding of human behaviour.

In understanding why any organism behaves the way it does, Skinner saw no place for dwelling on a person's intentions or goals (Banaji, 2011). For him, it was outward behaviour and its environment that mattered. His most important contribution to psychological science was the concept of reinforcement, formalized in his principles of operant conditioning. This contrasted with Ivan Pavlov's principles of classical conditioning, which along with J.B. Watson's extreme environmentalism strongly influenced his thinking. Reinforcement theory has been used in many areas of study to include animal training, raising children, and motivating employees in the workplace (Griffin and Moorehead, 2010).

Reinforcement theories focus on observable behaviour rather than needs theories that focus on personal states. Reinforcement theory is a form of operant conditioning and focuses on the environmental factors that contribute to

shaping behaviour. Simply put, reinforcement theory claims that stimuli are used to shape behaviours. Griffin and Moorehead (2010), there are four primary approaches to reinforcement theory: positive reinforcement, negative reinforcement, positive punishment, and negative punishment. By analysing the various components of the law of effect and the primary approaches, people can achieve desired results, otherwise known as consequences, through its application within the workplace. Reinforcement theory is applicable in this study as environmental consequences are powerful tools that managers can use to shape behaviour. Rewarding desired behaviour helps employees develop positive habits and is less likely to foster resentment than a more punitive approach.

The expectancy theory of motivation was suggested by Victor H. Vroom, an international expert on leadership and decision-making (Redmond, 2014). Vroom defines motivation as a process governing choice among alternative forms of voluntary activities, a process controlled by the individual. The individual makes choices based on estimates of how well the expected results of a given behaviour are going to match up with or eventually lead to the desired results.

Equity theory was introduced by John Stacey Adams in 1963 (Guerrero *et al*, 2014). Equity theory suggests that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others. The perception of individuals about the fairness of their rewards relative to others influences their level of motivation. Equity exists when individuals perceive that the ratio of efforts to rewards is the same for them as it is for others to whom they compare themselves. Inequity exists when individuals perceive that the ratio of efforts to rewards is different (usually negatively so) for them than it is for others to whom they compare themselves.

There are two types of inequity- "under-reward" and "over-reward" (Gill and Stone, 2010). Under reward occurs when a person believes that he/she either puts in more effort than another, yet receives the same reward, or puts in the same effort as another for a lesser reward. For instance, if an employee works longer hours than her co-worker, yet receives the same salary, the employee will perceive inequity in the form of under-reward.

Conversely, with over-reward, a person will feel that his efforts to rewards ratio is higher than another person's, such that he is getting more for putting in the same effort or getting the same reward even with less effort. While research suggests that under-reward motivates individuals to resolve the inequity, research also indicates that the same is not true for over-reward. Individuals who are over-rewarded often engage in cognitive dissonance, convincing themselves that their efforts and rewards are equal to another's (Gill and Stone, 2010).

According to the equity theory, individuals are motivated to reduce perceived inequity (Spector, 2008). Individuals may attempt to reduce inequity in various ways. A person may change his or her level of effort; an employee who feels under-rewarded is likely to work less hard. A person may also try to change his or her rewards, such as by asking for a raise. Another option is to change the behaviour of the reference person, perhaps by encouraging that person to put forth more effort.

Payment, however, is the main concern and therefore the cause of equity or inequity in most cases (Walster and

Berscheid, 1978). In any position, an employee wants to feel that their contributions and work performance are being rewarded with their pay. According to equity theory, if an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore. It's the subtle variables that also play an important role in the feeling of equity. Just the idea of recognition for job performance and the mere act of thanking the employee will cause a feeling of satisfaction and therefore help the employee feel worthwhile and have more outcomes. Equity theory is relevant to this study. Employees receive remuneration because of their work in the organizations. Underpayment of health workers may make such workers put less effort into curtailing their performance. This has a negative effect on the overall performance of the public health sector.

Agency theory focuses on the divergent interests and goals of the organization's stakeholders and the way that employee remuneration can be used to align these interests and goals (Rutherford *et al*, 2005). This theory talks about two important stakeholders that is, employer and employee. The employer plays the role of principal whereas the employee plays the role of agent. Remuneration paid to the employee (agent) is called agency cost. Agent wants high agency cost whereas principals want to minimize it.

Agency theory says that the principal must choose a contracting scheme that helps align the interest of the agent with the principal's interest. If the organization does not align its interests with those of the employee, the results will be low productivity. This is because as the organization advances its interests, those of the worker (in the form of remuneration) are left unattended hence de-motivation of the employees leading to poor performance (Eisenhardt, 1989). If an organization prioritizes the interests of the workers, the obvious results will be motivation hence high performance. Remuneration is a key contributor to employee performance. Workers who view themselves as poorly paid are less likely to contribute fully towards the goal of the organization and vice versa (Laffont and Martimort, 2002). This means that agency theory applies to this study with the health workers being agents and the county government being the principal. When the county government cuts the agent's cost through failure to pay health workers, the performance of such workers goes down.

#### **2.4 Strategies for improving employee remuneration**

The strategy used to enhance worker performance is by giving incentives (rewards) to employees who perform their duties well, thereby instilling in them a greater eagerness to increase organisational performance, which in turn leads to improved output and performance. Giving incentives in an organization acts a significant important because it brings good inspirations to workers that make them to feel they are favourable and some problems of them become resolved, in other side lack of incentives in employment can unconditionally develop the complex that result low performance due to workers interest which can be produced but with absence of employee motivation, employee status and there are no additional profits for employees other than salary (Wahna, 2018).

This can be further explained using Vroom's Expectancy Theory, which provides a valuable framework for understanding how remuneration strategies influence

employee motivation. When organisations implement performance-based incentives, recognition programs, and career development opportunities, they strengthen the expectancy-instrumentality-valence chain, thereby enhancing employee motivation and performance. The strategies may include basic salary increment, holistic compensation strategy, merit-based salary progression, bonuses, and non-financial rewards to implement strategies on how to motivate and reward employees through incentives.

While basic salary remains a foundational component of remuneration, its motivational impact may diminish over time, especially if employees perceive disparities between their salary and their contributions (Alam, 2020). Stagnant or infrequent salary increases can erode motivation, leading to disengagement and reduced commitment. To address this, organisations must adopt a holistic compensation strategy that goes beyond fixed pay and incorporates dynamic elements such as merit-based salary progression, bonuses, and non-financial rewards (Tamsah, 2021). Maslow's Hierarchy of Needs also reinforces the importance of adequate remuneration. Basic salaries help employees meet physiological and safety needs, while incentives and career development address esteem and self-actualization needs. When these needs are met, employees are more likely to be productive, creative, and committed.

In cases where employees feel that their basic salary does not adequately reflect their skills, expertise, or level of responsibility, it can undermine their motivation and engagement, leading to feelings of disengagement, resentment, and apathy. Moreover, stagnant or infrequent salary increases may erode employees' motivation over time, as they perceive limited opportunities for career advancement and financial growth within the organisation (Alam, 2020).

To mitigate these challenges and sustain employee motivation, organisations must adopt a holistic approach to compensation management that goes beyond basic salary. This may involve implementing performance-based incentives, recognition programs, and career development opportunities that provide employees with additional avenues for growth, advancement, and fulfilment (Tamsah, 2021). Moreover, fostering open communication channels and soliciting employee feedback on compensation practices can enhance transparency, trust, and perceived fairness, bolstering employees' motivation and commitment to organizational goals. Job satisfaction and engagement are essential components of employee well-being and organizational success, with basic salary emerging as a critical factor in shaping employees' overall satisfaction and commitment to their work.

Extensive research has underscored the profound impact of basic salary on employees' job satisfaction, highlighting its role in fostering a positive work environment characterized by high levels of engagement, loyalty, and productivity. Employees who receive competitive and equitable basic salaries are more likely to experience heightened levels of job satisfaction and engagement (Zhang, 2021). When employees perceive their basic salary as fair and commensurate with their qualifications, skills, and contributions, it validates their sense of worth and recognition within the organization. Moreover, a competitive basic salary signals to employees that their efforts and performance are valued, fostering a sense of

reciprocity and mutual respect between the organization and its employees. Consequently, employees are more likely to feel satisfied with their work and committed to achieving organizational goals, leading to higher levels of job satisfaction, morale, and retention.

Conversely, disparities or perceived inequities in basic salary can have detrimental effects on employees' job satisfaction, motivation, and retention. When employees perceive discrepancies between their salary and the value of their work contributions or the salaries of their peers, it can breed feelings of resentment, demotivation, and disengagement (Hasana, 2022). Such perceptions of unfairness or inequality erode employees' trust and confidence in the organization, leading to decreased job satisfaction and increased turnover intentions. Furthermore, employees may become disillusioned with their work and less invested in achieving organizational objectives, resulting in diminished performance and productivity. The impact of basic salary on job satisfaction and engagement extends beyond individual employees to influence broader organizational dynamics and outcomes. Organizations that prioritize fair and competitive basic salary practices tend to cultivate a positive work culture characterized by mutual respect, trust, and collaboration among employees (Tamsah, 2021). In such environments, employees are more likely to feel valued, respected, and motivated to contribute their best efforts towards organizational success. Consequently, these organizations experience higher levels of employee satisfaction, engagement, and retention, leading to improved performance, productivity, and profitability in the long run.

To enhance job satisfaction and engagement among employees, organizations must adopt strategic approaches to compensation management that prioritize fairness, transparency, and equity in basic salary practices (Li, 2021). This may involve conducting regular salary reviews to ensure alignment with industry standards and employees' contributions, providing opportunities for salary progression and advancement based on merit and performance, and fostering open communication channels for addressing employees' concerns and feedback regarding compensation practices.

Financial security and well-being are foundational pillars of employee satisfaction and organizational effectiveness, with basic salary serving as a key determinant of employees' financial stability and overall quality of life (Oehler-Şincal, 2023). Adequate basic salaries play a pivotal role in enabling employees to meet their basic needs, fulfil financial obligations, and pursue personal and professional aspirations, thereby fostering a sense of security and confidence in their financial future. Employees who receive sufficient and equitable basic salaries are better equipped to maintain a stable and comfortable standard of living (Allam, 2020). With their financial needs adequately met, they can afford necessities such as housing, food, healthcare, and transportation, thereby alleviate financial stressors and enhance their overall well-being. Moreover, adequate basic salaries provide employees with a sense of financial autonomy and empowerment, enabling them to make informed decisions about their finances and plan with greater confidence and peace of mind.

Furthermore, adequate basic salaries contribute to employees' work-life balance by reducing financial strain and enabling them to allocate time and resources to pursuits outside of work. Employees with sufficient financial

resources are better able to afford leisure activities, pursue hobbies, and spend quality time with family and loved ones, thereby enhancing their overall happiness and satisfaction with life. Additionally, financial security enables employees to invest in personal and professional development opportunities, such as further education or skills training, which can enhance their career prospects and long-term earning potential (Allam, 2020). Conversely, inadequate or insufficient basic salaries can have detrimental effects on employees' financial security, well-being, and overall morale. When employees struggle to make ends meet or face financial uncertainty due to low salaries, it can create feelings of stress, anxiety, and dissatisfaction, leading to decreased motivation, engagement, and productivity in the workplace. Financial stressors can also spill over into other areas of employees' lives, affecting their mental health, relationships, and overall quality of life (Li, 2021).

Merit-based basic salary allocation reinforces employees' belief in the link between their efforts, contributions, and rewards. When employees perceive that their salary reflects their skills, qualifications, and performance, it validates their sense of worth and recognition within the organization (Ahmad, 2021). Moreover, merit-based salary practices provide employees with a clear understanding of the expectations and criteria for salary advancement, motivating them to invest effort and energy into their work endeavours. Consequently, employees are more likely to demonstrate higher levels of engagement, commitment, and organizational citizenship behaviours, such as helping co-workers, volunteering for additional responsibilities, and contributing innovative ideas to the organization (Mamun, 2020).

Alignment of basic salary with employees' contributions and performance is crucial for fostering a sense of fairness and equity within the organization. When employees perceive that their salary is commensurate with their level of effort, skill, and responsibility, it enhances their satisfaction and commitment to the organization. Conversely, disparities or perceived inequities in basic salary allocation can erode employees' trust and confidence in the organization, leading to decreased morale, motivation, and performance (Misroame, 2021). Therefore, organizations must ensure that basic salary decisions are based on objective criteria, such as performance evaluations, market benchmarks, and organizational values, to promote fairness and equity in salary allocation. Moreover, organizations can enhance perceptions of fairness and equity by providing opportunities for employees to participate in salary discussions and decision-making processes. By soliciting employee feedback and input on compensation practices, organizations demonstrate their commitment to transparency, accountability, and employee voice, thereby fostering a culture of fairness and trust (Madhu, 2021). Additionally, organizations can implement mechanisms for addressing employees' concerns and grievances regarding salary decisions, such as mediation processes or appeals mechanisms, to ensure that employees' voices are heard and their rights are protected.

Employee retention and turnover are critical considerations for organizational success, with basic salary emerging as a key determinant of employees' decisions to stay with or leave an organization. Competitive basic salaries play a crucial role in attracting and retaining top talent, fostering a stable and productive workforce, and minimizing turnover

costs (Mamun, 2020). When organizations offer competitive basic salaries that align with industry standards and employees' expectations, it signals to employees that their contributions are valued and recognized, creating a sense of loyalty and commitment to the organization. Competitive basic salaries are essential for attracting and retaining top talent, particularly in industries or sectors where skilled workers are in high demand. When organizations offer competitive salaries that reflect employees' skills, qualifications, and market value, it enhances their attractiveness as employers of choice, attracting high-calibre candidates and reducing the risk of talent drain to competitors (Misroame, 2023). Moreover, competitive basic salaries enable organizations to retain their existing talent pool, reducing turnover rates and the associated costs of recruiting, hiring, and training new employees.

Furthermore, competitive basic salaries contribute to organizational stability and continuity by fostering a sense of job security and financial stability among employees. When employees feel adequately compensated for their work and confident in their financial future, they are more likely to remain committed to the organization and invest in their long-term career development within the company (Park, 2020). This continuity of talent enables organizations to maintain operational efficiency, preserve institutional knowledge, and sustain a positive organizational culture, thereby enhancing overall performance and effectiveness. Conversely, low basic salaries or disparities in salary levels may contribute to increased turnover rates and talent drain within organizations. When employees perceive their basic salary as inadequate or below market standards, it can create feelings of dissatisfaction, demotivation, and disengagement, leading them to seek employment opportunities elsewhere. Moreover, disparities in salary levels between employees performing similar roles or possessing similar qualifications can breed perceptions of unfairness and inequity, further eroding employee morale and loyalty to the organization (Schwarzer, 2020).

High turnover rates pose significant challenges to organizational performance and effectiveness, including increased recruitment and training costs, loss of productivity, disruption of workflow, and erosion of employee morale and organizational culture (Ukandu, 2022). Moreover, frequent turnover can damage an organization's reputation as an employer, making it difficult to attract and retain top talent in the future. Therefore, organizations must prioritize competitive basic salary practices as part of their overall talent management strategy to mitigate turnover risks and promote employee retention and engagement.

The level of compensation (the set wage or pay) that makes up the work rate is known as the basic salary. It might give you a way to decide on additional income based on your performance, talent, and competency. Often the base pay for a position is the pay for a competent or skilled worker in that position. Depending on the person's talents or competence, a skill-based or competency-based system may vary this rate. Armstrong (1996). (1996). Basic pay is the job's unbridgeable minimum wage. It tends to represent the worth of the job itself as judged by some type of job appraisal because it is determined by the time worked rather than the results achieved.

In many businesses, base pay serves as the foundation upon

which earnings are generated by combining it with one or more additional types of compensation. A skilled machine operator's base salary, for instance, might be \$9.85 per hour over 35 weeks, but due to additional incentives and overtime pay, operators might make more. Golden and Bratton (2007) The most basic interpretation of the marginal revenue product theory in labour economics is that a person's labour is worth whatever someone is willing to pay for it. A variety of variables interact to influence pay levels. The state of the labour market, laws, collective bargaining, managerial attitudes, and an organization's financial stability are some of those that have the most impact. The main goal of creating pay systems is to give each job in the organization a monetary value (a base rate) and to provide a systematic process for raising the base rate (e.g. based on merit, inflation, or some combination of the two).

The formal process of determining the relative merit of distinct jobs within an organization for compensation purposes is known as job evaluation. A wage or salary hierarchy specific to the organization is finally created by a methodical comparison of the value of one job to that of another employment. Job evaluation essentially links the compensation for each position to how much that work contributes to organizational effectiveness. Lvancevich, John (2001) The job description, which analyses the work process to identify the fundamental abilities necessary to meet business objectives, also determines the basic compensation.

The incumbent's credentials, abilities, and experience play a critical role in determining whether they possess the essential capabilities. They measure how well an employee performs in achieving goals and objectives. Basic pay considers the relevant job experience and extra traits that benefit the organization's overall objective. Employees will anticipate that these relationships will persist in the future if they perceive that the company values and rewards effort and excellence. As a result, they will set higher standards for their performance and anticipate bigger amounts of rewards. Herzberg's Two-Factor Theory supports this approach by distinguishing between hygiene factors (e.g., salary, working conditions) and motivators (e.g., recognition, achievement). While salary alone may not drive motivation, its absence can cause dissatisfaction. Therefore, combining fair pay with recognition and growth opportunities is essential for sustained engagement. Maslow's Hierarchy of Needs also reinforces the importance of adequate remuneration. Basic salaries help employees meet physiological and safety needs, while incentives and career development address esteem and self-actualization needs. When these needs are met, employees are more likely to be productive, creative, and committed.

In summary, improving employee remuneration requires a strategic and theory-informed approach. By aligning compensation practices with Expectancy Theory and supporting frameworks such as Herzberg's Two-Factor Theory, Maslow's Hierarchy of Needs, and Reinforcement Theory, organizations can foster a motivated, satisfied, and high-performing workforce.

### Empirical Review

A study was conducted by Balkin and Gomez-Mejia in 1987, cited by Gulzar (2017) on compensation. It was revealed that incentive-based reward systems were more effective in the growth stage and high-tech companies.

Jackson, Schuler and Rivero in 1989 worked on the variation in performance appraisal, compensation, and training and development programs within different strategic settings. Results revealed from the survey responses showed Organisations utilizing an innovation strategy as a means of differentiation versus other Organisations were less likely to use incentive compensation, more likely to offer employment security, likely to provide more total hours of training and more likely to offer employees training related to both skills needed currently and skills required in the future (Gulzar, 2017).

The literature has given insight into the effect of remuneration on employee performance. It has also brought to the understanding of compensation in employees' satisfaction, which leads to organisational productivity. However, the studies only focused on the effect of compensation on effective growth and employee security, which did not show the direct relationship between the effects of remuneration on employee performance. Therefore, it was imperative to examine the influence of remuneration on employee performance to understand the remuneration in an organisation as well as the relationship between remuneration and organisational performance in Zambia.

A study was conducted by Attia *et al* (2020) to assess the impact of compensation on employee retention and turnover intentions among healthcare employees. The study also tested the mediation role of job satisfaction in the relationship. In the present study, self-administered questionnaires were distributed among 600 doctors working in public hospitals of Pakistan, following stratified sampling. The data analysis was conducted through SPSS and SmartPLS. Results of the present study supported all the hypotheses (H1–H7), such as the significant relationship of compensation with employee retention and turnover intentions. Results further confirmed the mediation effect of job satisfaction between compensation and employee retention as well as compensation and turnover intentions.

This study sheds light on the relationship between compensation, together with employee retention and turnover intentions, through the mediating role of job satisfaction in the healthcare context. Nevertheless, the research concentrated on the influence of compensation on employee retention and turnover intentions, through the mediating role of job satisfaction in the healthcare context, which did not demonstrate a direct correlation between remuneration and employee performance. Hence, it is crucial to investigate the effect of remuneration, such as remuneration structure, rewards and compensation and benefits on employee performance to comprehend the policies and procedures within an organisation in Zambia.

In Buraydah Community College-Qassim University, Saudi Arabia, Mohammed (2017) explored whether remuneration improves employee performance through altering employee attitudes. A total of 200 respondents from Amman stock market listed firms were surveyed. When structural equation modeling was used, it was discovered that in industrial companies, compensation had a considerable impact on employees' attitudes, which in turn affected their productivity. As a result, compensation has a substantial impact on employees' performance, as well as their attitude about their work.

The above literature has shed light on the influence of

remuneration on employee performance. This study had a context and analytical difference in that it was done in Saudi Arabia and employed structural equation modeling, whereas the present data was collected in Zambia and would employ a descriptive study strategy.

A study was conducted by Hong and Jang (2024) to examine the effect of employee compensation on restaurant performance from both short-term and long-term perspectives. The results of this study showed that increasing employee compensation immediately enhances (decreases) restaurant revenue growth (profitability) but decreases (improves) restaurant revenue growth (profitability) after one year. The results suggested that restaurant firms can utilise employee compensation as a management tool to enhance performance in terms of both short-term revenue growth and long-term profitability gains. The results further implied that restaurant firms could consider making small but continuous increases in employee compensation to maintain higher performance outcomes. However, such increases should be implemented with appropriate initiatives to reduce shirking behaviours by overpaid employees.

The above literature has shed light on the influence of reward and compensation on performance. It has underscored the importance of establishing clear long-term compensation to enhance employee retention. However, the current study was conducted within Zambian contexts. Conducting this study in Zambia was crucial for obtaining precise insights on the subject, as the research by Hong and Jang (2024) was carried out in a different country with distinct demographics, legal frameworks, and work environments.

A study was conducted by Syengo (2013) on the relationship between pay, job satisfaction and organisational commitment in Kenya state corporations. Data was collected by use of a questionnaire administered by the "Drop and Pick later" approach from a sample of 40 State Corporations that was drawn by use of a stratified sampling method from a population of 142 corporations. The data collected was analysed using SPSS and EViews Statistical package, where descriptive statistics such as mean, standard deviations, frequencies and percentages were generated. From the data analysis, it was found that the salary paid to the employees was not attractive vis-à-vis what was on offer in the market. As well the pay on offer in most of the organisations was not commensurate with qualifications, skills, and experience. No significant relationship was found to exist between pay type and job satisfaction and between pay type and organisational commitment (Syengo, 2013). It can also be concluded that even though in the bulk of the State Corporations, the employees were satisfied with their jobs and were committed to their organisations, the only limiting factor was pay levels, which most of the employees were not satisfied with.

The above literature has shed light on the influence of remuneration on employee performance. Like the research conducted by Syengo (2013), the present study has utilised a questionnaire to collect data and has used SPSS to analyse quantitative data. Although remuneration was a variable in this study, the study mainly concentrated on organisational commitment. The current study assessed how remuneration impacts employee performance in the private sector in Zambia.

Mukhtar *et al.* (2023) conducted a study on the effect of remuneration on employee job satisfaction: descriptive research of a public sector organisation. This study determined the effect of remuneration on job satisfaction among library staff of Bayero University Kano, Nigeria, through a quantitative research technique. The population taken was 171 employees with a sample size of 119 employees, through a simple random sampling technique. The data analysis technique employed was Spearman correlation. The results indicate a positive relationship between remuneration and job satisfaction in nature with the goodness of fit measured at .0642. Additionally, job satisfaction has a significant effect on employee salary and recognition; nevertheless, allowance and feedback were not found to be significant.

The above literature has shed light on the influence of remuneration on employee performance. Like the research conducted by Mukhtar *et al.* (2023), the present study intends to gather data through a questionnaire and compile information from primary sources, targeting a specific population. However, the current study assessed how remuneration impacts employee performance in private sector within Zambian contexts. Conducting this study in Zambia is crucial for obtaining precise insights on the subject, as the research by Mukhtar *et al.* (2023) was carried out in a different country with distinct demographics, legal frameworks, and work environments.

Ohando (2014) did a study on determinants of employee morale and satisfaction among public servants in Kenya. The study was based on primary data collected that gave each respondent an equal chance of selection from the population that represented staff at the Public Service Commission. Data was analysed using descriptive and inferential statistics that provided information on estimations, association description, relationship of data and prediction. The descriptive survey method targeted the population of 209 respondents, where a sample of 63 was drawn, and a self-administered questionnaire was used to gather data. A 5-point Likert scale was used to measure respondents' morale and satisfaction. Responses were grouped into categorical variables for analysis purposes using descriptive and inferential statistics. The researcher then used inferential statistics to estimate the numerical characteristics of data and described associations within data using regression analysis to communicate research findings. Ohando (2014), the study found that the factors that affected morale and satisfaction included leadership, management, salary structure, policies on reward, training, and work environment. It concluded that when structures like organisation and salary are undertaken, ownership from both parties needs to be agreed upon as a strategy for building high morale and satisfaction in the organisation. The study was on morale and satisfaction, and pay was just one of the variables studied.

The above literature has shed light on the influence of remuneration on employee performance. Like the research conducted by Ohando (2014), the present study data was analysed using descriptive and inferential statistics that provided information on estimations, association description, relationship of data and prediction. However, this study was done in the public sector. The results may therefore not be generalised to the private sector. The current study assessed how remuneration impacts employee

performance in the private sector in Zambia.

Motshegwa (2014) did a study on a comparative analysis of teachers' perceptions of equity, pay satisfaction, affective commitment, and turnover in Botswana. A total of 232 usable responses were received. The results of the study indicated that even though the studied teachers were at different levels of schools, there were no major differences in the way they perceived the variables studied. The relationship between equity and pay satisfaction was strong and significant for both junior and senior secondary school teachers. The relationship between equity and affective commitment, pay satisfaction and intention to turnover, and affective commitment and intention were all significant at  $p < .001$ . Another study by Kelil (2015) examined the perception of employees regarding the compensation and benefits policy in government higher education institutions found in Addis Ababa. One hundred and fifty employees from three institutes participated in this study, and 96 questionnaires were returned that giving a response rate of 64%. Data was collected using a set of questionnaires. Data analysis was done using descriptive statistics. Findings showed that employees perceived the current compensation and benefits as inadequate and unsatisfactory; employees did not participate in compensation and benefits decisions, and it was not periodically updated and communicated to employees.

The above literature has shed light on the influence of remuneration on employee performance. Moreover, it was perceived that the effectiveness of compensation and benefits was not evaluated, and the policy was not revised. Nonetheless, the study was done in the education sector. It was imperative to carry this study to close that gap.

Mutinda (2011) conducted a study of factors influencing employee perception of equity in compensation among medium-sized commercial banks in Nairobi. The population of this study consisted of all the employees in the 13 commercial medium-sized banks in Nairobi. This was a cross-sectional descriptive survey design since data was collected and provided insight into the research problem by describing the variables of interest among the units of study. The study found that the perception of fairness in compensation affects the relationship with colleagues, as well as the perception of fairness in compensation influences employees' motivation to work, and external equity influences wages over internal equity.

The above literature has shed light on the influence of remuneration on employee performance. Like the current study, it was done in the private sector but in commercial banks. The results may therefore not be generalised to the private sector like manufacturing industries. It was imperative to conduct the study to close the identified gap.

Chitimwango (2017) conducted a study about reward systems and their effects on the performance of teachers in secondary schools of Kasama district. The theory underpinning the study was premised on Adam Stacy's Equity theory of motivation which states that employees expect fairness when being rewarded. This implies that if employees are rewarded according to their in-put without any interference, such would motivate employees to work hard due to that fairness. The main objective of this study was to assess the effect of rewards system on the performance of teachers in secondary schools in Kasama district; while the specific objectives were to identify the types of reward system used in Secondary schools and to

establish the effect of reward system on the performance of teachers in those schools.

The study was based mainly on primary data in form of questionnaires, interviews and document reviews of the selected literature. The study employed both qualitative and quantitative techniques of data collection and data was analysed using descriptive analysis. In terms of preferred types of reward system, the study revealed that, monetary incentive that is performance-based ranked the highest (51%), followed by monetary monthly incentive (32%) and social care 15%. The study further revealed that none of the teacher respondents felt that promotion as a reward had no effect on their performance. This contrasted with headteachers perception of promotion being the major reward that motivate teacher performance. It was also established that reward system had a positive impact on the performance of management and teachers in the following areas: less supervision by school managers, reduced absenteeism and completion of syllabi in good time.

Other effects included self-motivation, enforcement of remedial work for slow learners, adherence to lesson plan preparation and general improvement in work culture demonstrated through teachers' passion to teach. Despite the positive effect of reward system, the study also revealed that inconsistencies in the implementation of reward systems in some secondary schools resulted in non-achievement of the intended effects of reward system on teacher performance. Therefore, this study recommends that reward system be based on performance considerations after a fair and accurate evaluation of its effects on the beneficiary. Furthermore, the nature of reward systems in schools should be based on the essence of ensuring that teachers are looked at as the prime components in the success of any school administratively and academically.

The above literature has shed light on the influence of remuneration on employee performance. Like the current study, the study was based mainly on primary data in form of questionnaires, and it employed both qualitative and quantitative techniques of data collection and data was analysed using descriptive analysis. However, the study was conducted in education sector, and the result cannot be generalised to private sector like manufacture industry. It is imperative to conduct the study to close the identified gap.

A study was conducted by Chiwele (2017) to determine the public sector remuneration systems adopted by Zambia High Commission and how they impact on service delivery at the Zambia High Commission in Kenya. The study utilized in depth theoretical approaches, mainly, equity theory, expectancy theory and reinforcement theory by providing their relevance for this study. The study adopted a descriptive research design and conducted a census of Zambia High Commission employees. The study used an interview schedule for primary data. A content analysis was conducted on the collected data. The results and findings were illustrated on graphs and charts and findings were discussed in depth. The study findings indicated allowances ranked high as components of the remuneration system, and additional allowances were considered for specific senior staff at the High Commission.

The results also revealed that the cost of living and the service rank were considered as determinants for adapting a remuneration system. Benchmarking and appraisal system were revealed as the effective service delivery measurements and that measuring service delivery would be

done through a duo feedback system on clients and MOFA Headquarters and assessment of achievable work plans. Further, the study revealed incidents of employee concerns based on the amount of work, salary scales and inadequacy of resources that enable effective service delivery.

Therefore, the study concludes that allowances contained in the adopted remuneration system that match the area of service and amount of deliverable work influence the service delivery at the Zambia High Commission. In addition, the study infers that employee concerns and amount of pay greatly influenced the motivation to deliver high standard of service delivery. Further, the service delivery policy, manual or code relevant for guiding delivery of services was available at the Zambia High Commission. Considering these conclusions, the study generally infers that the perceived effectiveness of the public sector remuneration system on enhancing service delivery as adopted at the Zambia High Commission was incorrect.

The above literature has shed light on the influence of remuneration system on employee performance. Like the research conducted above study, the present study will utilise a primary data. However, the study mainly concentrated on the effectiveness of the remuneration on service delivery. The current study will assess how remuneration impacts employee performance in Zambia.

A study done in Ghana by Joyce Essel Mc Forson (2012), looked at establishing the relationship between motivation and higher productivity among workers, finding out any relationship between motivational factors and work of staff and to determining how incentives influence workers approach to work and their performance. She collected data through questionnaires designed based on the objectives of her study. The completed questionnaires were processed and analysed using the Simple Percentage and Chi-Square. The findings of this study revealed that alongside monetary incentives, another key factor in motivating employees is to involve them in the process aimed at attaining organizational effectiveness because without their co-operation and support a great deal of managerial energy may be wasted. The study concluded that efforts should be aimed at motivating staff of all levels to increase productivity for higher returns. The study further revealed that the workers' motivational processes in GT Bank have undergone tremendous changes since the organization was established.

The above literature has shed light on the relationship between motivation and productivity among workers. Like the research conducted by Joyce Essel Mc Forson (2012), the present study will collect primary data through questionnaires and analyse using descriptive statistics. However, this study was conducted in Ghana's banking sector, and its findings may not be generalized to Zambia's private sector context. The current study assessed how remuneration impacts employee performance in Zambia, with a particular focus on performance outcomes.

Another study done by James R Lindner (2004), focused on Understanding Employee Motivation. The study examined the ranked importance of motivational factors of employees at The Ohio State University's Piketon Research and Extension Centre and Enterprise Centre. The hand-delivered descriptive survey addressed ten motivating factors in the context of employee motivation theory. Findings from the study revealed that interesting work and good pay are key to higher employee motivation. Carefully designed reward

systems that include job enlargement, job enrichment, promotions, internal and external stipends, monetary, and non-monetary compensation should be considered.

The above literature has shed light on the ranked importance of motivational factors among employees. Like the research conducted by James R. Lindner (2004), the present study will examine the role of rewards and compensation in employee motivation and performance. However, this study was conducted in the United States within a university research centre, and therefore its findings may not be generalised to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia, thereby addressing the contextual gap.

A study by Dr. Samuel Ajayi (2015) which looked at the Effects of Motivation on Employee Productivity: A Case study of First Bank of Nigeria had the following findings. The study made use of simple percentage mean and chi-square ( $X^2$ ). A chi square ( $X^2$ ) statistic was used to investigate whether distributions of the observed categorical variables differ from one another. The Chi Square statistics compared the tallies or counts of categorical responses between two (or more) independent groups. The study showed that more than half of the sampled respondents say that they are very unsatisfactory with 56%, followed by 18% that say satisfactory, and 14% say unsatisfactory. This means that most of the respondents are unsatisfactory largely regarding the fringe benefits as a motivating factor. The research further discovered that there was a positive relationship between the quality of supervision and employee motivation to work; this implies that workers being conscious of the management supervisory role put in their best to work. Most of the respondents used in this study expressed satisfaction with their boss leadership style. This shows that there is a cordial relationship between the leaders and most of their subordinates in the organization.

It was also discovered that during this study many of the workers in the company were not happy with the fringe benefits which they get from the company. In fact, many of the workers interviewed express their views that the fringe benefits enjoyed by them in the company are not in line with present day realities. Finally, another important finding of this study is that many workers were somehow satisfied with the training policy of the company. But they advocated for more training with regularity and richer contents than cover both work and personal development areas. However, interviews with some of the managements have shown that the company was considering using the e-learning platform to deliver some of the learning interventions to save cost and take advantage of benefits of using e-learning.

The above literature has shed light on the effects of motivation on employee productivity. Like the research conducted by Samuel Ajayi (2015), the present study will employ statistical analysis such to examine relationships between remuneration and performance. However, this study was conducted in Nigeria's banking sector, and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia, with emphasis on employee performance.

Another study on the effect of employees' motivation on organizational performance by Osabiya, Joseph (2015), tried to unravel the factors that affect construction workers' motivation and the corresponding effect of the identified motivational factors on workers' performance and overall

productivity. The survey revealed that, among the top ten critical factors (teamwork, work based on contract, supervision based on leadership by example and provision of equipment) had great effect on motivation as well as impact on productivity. More so communication, love and belonging, opportunity to undertake challenging tasks, identification with goal and overtime were among the critical factors.

The study further recommended that a hired staff should be given a job he has been trained for and is best suited for so that he can enjoy doing what he knows best. Subordinates are also well motivated when granted responsibility and some form of authority. Hard-working, talented and ambitious staff members should be given room to develop their full potential. His findings also revealed that there is obvious difference between properly motivated workers and those who are not. This means that workers who are motivated have a sense of belonging, recognition and achievement. If employees are encouraged by motivation, they can strive to make sure that they identify with the organisation. Since they are highly motivated, they will perform their functions with all sense of responsibility, humility and efficiency. All motivated workers are pampered in their effort to perform creditably well in their functions. The needs and wants of the employees should be investigated.

The employees should be exposed to seminars and workshops as they play significant role in reviewing their pasts with criticisms and providing solutions and remedies to current problems and issues in the best interest of the employees and the organization itself. The use of periodic performance reviews, basing recognition upon systematic evaluation would also help motivate workers. According to a survey which was conducted to compare rankings by employees and supervisors on employee motivation factors which influence on productivity the ranked factors from supervisors are: High wages, Job security, Promotion in the organization, Good working conditions, Interesting work, Personal loyalty of supervisor, Tactful discipline, Full appreciation of work done, Help on personal problems, Feeling of being in on things. But according to the employees the list of factors is ranked as: Full appreciation of work done, feeling of being in on things, Help on personal problems, Job security, High wages, interesting work, Promotion in the organization, Personal Loyalty of supervisor, good working conditions, Tactful discipline. Here we can see the difference between employee and supervisors' mentality because the top three employee motivating factors are the last three felt to be important for them by their supervisors.

These top three factors show that employees want to recognize in their workplace Employee motivation is constructive reinforcement which influences an employee's productivity. Positive reinforcements are what construct our self-esteem. Our self-esteem is the approach we observe and consider ourselves also internally, through our own beliefs, or externally through what we admit as the beliefs of others. If we believe well about ourselves and we believe others think well about us, we perform better than we would when we see the opposed side of the coin.

The above literature has shed light on the effect of motivation on organizational performance. Like the research conducted by Osabiya Joseph (2015), the present study will investigate motivational factors such as remuneration and

their impact on employee performance. However, this study was conducted in Nigeria's construction sector, and its findings may not be generalised to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia, focusing on employee performance outcomes.

Employee motivation starts from within. People perform in an approach that is reliable with how they perceive themselves conceptually. So, the key is to help people build their self-esteem. That is the foundation of employee productivity through motivation (Urichuck, 2008). According to Maurer (2001) rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated with organizational achievement. Kallimullah Khan conducted a study in which he examined the relationship between rewards and employee motivation in commercial banks in Parkistan. The study focused on four types of rewards of which one was recognition which he tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Kallimullah *et al.*, 2010).

The above literature has shed light on the relationship between rewards and employee motivation. It has also shed light on the importance of rewards and recognition in enhancing job satisfaction and motivation. Like the research conducted by Maurer (2001) and June *et al.* (2006), the present study recognizes the link between recognition and organizational achievement. However, these studies were conducted in different contexts outside Zambia and did not focus on remuneration's effect on employee performance. The current study assessed how remuneration impacts employee performance in Zambia's private sector.

An empirical study was conducted in Pakistan to measure the impact of reward and recognition on job satisfaction and motivation. 220 questionnaires were distributed and filled out by employees of different sectors. The result showed that there exists significant ( $r=0.13$ , relationship between recognition and employee work motivation (Rizwan *et al.*, 2001). An empirical study was conducted by Reena Ali to examine the impact of reward and recognition programs on employee motivation and satisfaction. A questionnaire was distributed to 80 employees of Unilever and data was analysed through SPSS version 16. The results showed that there is a statistically significant ( $r=0.92$ ), direct and positive relation between recognition and employee motivation (Reena *et al.*, 2009).

The above literature has shed light on the relationship between recognition and employee motivation. Like the research conducted by Rizwan *et al.* (2001), the present study will use questionnaires to measure the impact of recognition on employee outcomes. However, this study was conducted in Pakistan across different sectors, and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

A study was conducted in Pakistan to examine the job satisfaction among bank employees in Punjab. A structured questionnaires survey was used, and data was gathered from 4 banks employees, the value of correlation coefficient for recognition was 0.251 which shows that its relationship with job satisfaction is positive. Job satisfaction is directly associated with internal work motivation of employees that enhances as the satisfaction of employees increases (Salman

*et al.*, 2010). That is why a study says that deficiency of appropriate recognition and rewarding reduces employee work motivation and job satisfaction. Hence, administration of organization and institutions should build up the arrangement for giving that rewards and recognition to enhance employee job satisfaction and motivational level (Reena *et al.*, 2009).

The above literature has shed light on the impact of reward and recognition programs on employee motivation and satisfaction. Like the research conducted by Reena *et al.* (2009), the present study will employ structured questionnaires and statistical analysis. However, this study was conducted in Pakistan's private multinational sector (Unilever), and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

In the study carried out by Jibowo (2007) on the effect of motivators and hygiene on job performance among a group of 75 agricultural extension workers in Nigeria. The study basically adopted the same method as Herzberg *et al.* (1959) and it shows some support for the influence of motivators on job performance. In another study carried out by Centres and Bugental (2007), they also based their research on Herzberg's two-factor theory of motivation, which separated job variables into two groups: hygiene factors and motivators. They made use of samples of 692 subjects to test the validity of two factor theory. And it was discovered that at higher occupational level, "motivators" or intrinsic job factors were more valued, while at lower occupational level, "hygiene factors" or extrinsic job factors were more valued. From this work they concluded that organization that satisfies both extrinsic and intrinsic factors of workers get the best out of them.

The above literature has shed light on the effect of motivators and hygiene factors on job performance. Like the research conducted by Jibowo (2007), the present study will consider both intrinsic and extrinsic motivators. However, this study was conducted in Nigeria's agricultural sector, and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

Bergum and Lehr's (2004) study, which investigated the influence of monetary incentives and its removal on performance, showed that the subjects in the experimental group who receives individual incentives performed better than those in the control group. Daniel and Caryh (1995) study were designed to explore the ability of the investment model to predict job 18 satisfaction and commitment. The results showed that job satisfaction was best predicted by the rewards and cost value of the job and job commitment on the other hand, it was best predicted by a combination of rewards, cost values and investment size. Akerele (2001) observes that poor remuneration is related to profits made by an organization. Wage differential between high- and low-income earners was related to low morale, lack of commitment and low productivity. (Nwachukwu, 2004) blamed the productivity of Nigerian workers on several factors, among them is employers' failure to provide adequate compensation for hard work and indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to working class and consequently reduced their productivity. Judging from all these empirical studies and findings, one may generally conclude that a good remuneration package, which ties financial rewards to

individual performance, can be expected to result in higher productivity.

The above literature has shed light on the influence of monetary incentives on employee performance. Like the research conducted by Bergum and Lehr (2004), the present study recognizes the role of financial rewards in motivating employees. However, this study was experimental and conducted outside Zambia, and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

Another study carried out, which is of importance to this research, is that of Wood (1974). He investigated the correlation between various workers attitudes and job motivation and job performance using 290 skilled and semi-skilled male and female paper workers. The study reveals that highly involved employees who were among intrinsically oriented towards their jobs did not manifest satisfaction commensurate with company evaluation of performance. They depended more on intrinsic rewards as compared to those who were more extrinsic in orientation. The above literature, studies and discussion fully support first hypothesis that recognizing employees' work increases their motivation to accomplish tasks and execute responsibilities towards them by the organisation.

The above literature has shed light on the correlation between workers' attitudes, motivation, and performance. Like the research conducted by Wood (1974), the present study considers the role of intrinsic and extrinsic rewards. However, this study was conducted in a Western industrial context and may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

A study was conducted of some selected firms in Anambra state Nigeria by Muogbo U.S (2013), the following were the finds from the study. Results from the analysis of the socio-demographic characteristics of the respondents indicated that majority of the respondents are male suggesting that most of the management teams of manufacturing firms are male. Moreover, the respondents concentrated within the age bracket of less than 35 years to 45years and above. Most of the respondents were people with secondary school educational qualifications followed by people with First degree. 7.8 % of the respondents have a master's degree and 43.7% have their first degree or equivalent. 19 Those with secondary education constitute about 29.1% of the respondents. This is an indication that the respondents are highly rated employees. It implies that most of the manufacturing firms in Anambra state are managed by people with first degree or its equivalent.

The first hypothesis which stated that there is a significant relationship between employee motivation and workers performance was accepted. This shows that the kind of motivation given to workers in an organization has a significant influence on workers' performance. This is in line with equity theory which emphasizes that fairness in the remuneration package tends to produce higher performance from workers. According to him the findings also agree with the work of Berjum *et al.* (2004) which showed that subjects who received individual incentives performed better than those who did not receive. And workers exhibited productive work behaviour when rewards were made contingent upon performance. The work of Akerele (2001) can also be said to have corroborated the findings of this

work. He observes that poor remuneration in relation to profits made by organization, wage differentials between high- and low-income earners among other things contributed to low morale, lack of commitment and low productivity.

The above literature has shed light on the relationship between employee motivation and performance in manufacturing firms. Like the research conducted by Muogbo U.S (2013), the present study will examine how remuneration influences employee outcomes. However, this study was conducted in Nigeria's manufacturing sector, and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

Another work that these findings can be said to have corroborated is the work of Eze (2009) whose investigation on Nigeria management personnel shows that 90 percent of managers in his sample regarded their work to end. And this end was interpreted to include money, material possessions etc and the reason may be that workers need to take care of themselves, their families and other dependents and provide themselves with other basic needs in life. The second hypothesis which stated that "Increase in motivational tools does not have any significant effect on employee performance" was also accepted. His findings suggest that there is a significant relationship between motivational tools such as wages; remuneration, recommendation, recognition etc. received by workers and their performance. However, this study has demonstrated the importance of rewards like money as a viable predictor of performance. The findings of Egwurudi (2008) have also supported this research work, because his hypothesis that low-income workers will be intrinsically motivated was not confirmed and the expectations that higher income workers will place greater value on intrinsic reward than low-income workers were also not confirmed. This shows clearly the extent of value placed on motivation. Based on the foregoing, it can be said that it is pertinent for employers of labour to know the kind of rewards that they can use to influence their 20 employees to perform well on a job. In other words, the relevance of motivational factors depends not only on its ability to meet the needs of the employees, but also that of the organization as well.

The above literature has shed light on the importance of financial rewards and material possessions in motivating employees. Like the research conducted by Eze (2009), the present study acknowledges the role of remuneration in employee motivation. However, this study was conducted in Nigeria among management personnel, and its findings may not be generalized to Zambia's private sector. The current study assessed how remuneration impacts employee performance in Zambia.

Furthermore, several researchers have contributed to the relationship between remuneration and employee performance. According to Yousaf *et al*, (2014), the financial rewards are pay, bonuses, fringe benefits, transportation facility, medical facility, health and life insurance and benefits like vacation with pay meal facilities. For a very long period, it was normally supposed that financial reward was the furthestmost influential promoter. Employees went to work and perform job to be paid a fair pay. If they work hard and long enough, that pay would increase, giving them bonus pay. It was a full circle perception where money is motivation, motivation is work,

and work is money (Agbenyegah, 2019).

Hence, the employee can be motivated since he or she is supposing a financial reward at the end of his or her performance. This is also supported by Taylor that indeed employees are motivated by financial rewards to be dynamic that is why his theory is often mentioned to payment as a promoter theory. His theory said that employees are encouraged by payment. Financial rewards come under different forms. Merit pay is a method that rewards higher performing workers with extra pay sometimes called financial rewards. Merit pay aid the organization to differentiate the high performance and low performance employees and reward the performance of the high actors. This can support in holding because organization don't like to lose best actors (Agbenyegah, 2019).

Bonuses come in numerous forms and there have been influences as to the motives why most organizations desire to use bonuses to influence the performance of employees. Before discussing the varied reasons why organizations make utilize of bonuses to encourage employees there is the want to detail how the bonuses are given. Agbenyegah (2019) explained that there exist two processes of satisfying employees. Primarily, presence is the dependent satisfier or what he mentioned to as that assures a direct payment if a particular form of an act is achieved. In other words, there is also now that compensations. These types of payments are given in celebration of the job done or considered duty performance. The reason why most employers have a preference the usage of bonuses is that they are the simple way to acknowledge the employees. Bonus can also rise employee optimism and inspire them to achieve objectives. When workers are joyful, the employer is well-informed to accomplish better than ever (Kappel, 2018).

The aims for employee motivation is an additional benefit that are carefully associated to the supposed motivation of supporting the employees. The objective of non-financial through bonuses is also prudently connected to the objective of making the employees' contentment in relation to the employment. Wages and Salaries Motivation of employees come in several ways and salary is a major influential factor to performance. Motivation from pay happens between employees, though may possibly be enthused to agreement or task besides others may perhaps be inspired by rise in enduring job. Employees are often encouraged by wages, so employee is paid by the management can have a good influence on performance in the institute. Employee does not simply view his salary as a dollar amount; he or she sees it as the value his or her employer places on him or her as an employee. The degree of gratitude he feels can have a direct influence on overall performance. An employee is additional likely to be inspired and perform well if he/she is happy about the salary earned. Employee earning a high salary feels encouraged to work and perform at high level (Anggraini; *et al*, 2018).

According to Uzair and Mehmood (2021) Non-financial rewards motivate and include employees in ways that money alone cannot. Non-financial rewards provided by management to employees to meet their wishes for appreciation, career opportunity, responsibility, autonomy, power, and recognition at work. Payments given to the employees so that they feel motivated and satisfied at the workplace because if employees are not motivated that organization cannot accomplish its goals and objectives. Employee motivation is the amount of enthusiasm, energy,

dedication, and innovation that an employee brings to the workplace daily. Sher *et al.*, (2010) said that organization can motivate their employees through non-financial rewards. They showed that effective non-financial reward package could have a significant influence on the employee performance and motivation. They explained that non-monetary motivations empower workers, resulting in job happiness. They go on to say that when employees get non-financial rewards, they are happy and begin to appreciate their jobs. It indicated that employees are motivated when they receive non-financial rewards such as flexible work hours, fun assignments, break time, accountability, appreciation, career opportunity, and paid lunch, (Uzair and Mehmood, 2021).

The non-financial reward plans include the recognition, training and job development, flexible working arrangement and job design were found to have high motivational component to the employees. In fact, the most employees classified these rewards ahead of financial rewards in increasing their performance. For that, employees feel that their efforts are valued and further comprehend the performance which is being reward. Equally, employees are concerned with their career development and able to meet their immediate and future job requirements hence tend to perform exemplary well if the organization is providing training opportunities. Other non-financial factors, which influence employee performance include flexible working arrangement and job design, (Pratama and Arik, 2017).

The strategy used to enhance the performance of workers is by giving incentives (rewards) specified to employees perform well their duties to the extent that in them a greater eagerness stand up to increase organization performance such that output and performance develop. Giving incentives in an organization acts a significant important because it brings good inspirations to workers that make them to feel they are favourable and some problems of them become resolved, in other side lack of incentives in employment can unconditionally develop the complex that result low performance due to workers interest which can be produced but with absence of employee motivation, employee status and there are no additional profits for employees other than salary (Wahna, 2018).

According to Ojeleye (2017), the delivery of motivations is estimated to encourage employees in their work and increase their performance, organization productivity, faithfulness, discipline, a sense of accountability for workplace and create good leadership for workers; with the providing of incentives, they find the occasion to rise productivity. Therefore, it can be argued that incentives are essentials of remuneration that are paid in an asymmetrical or variable way according to the situations of employee success. The current theory indicated that the incentive is the providing of money outside the pay that workers should receive paid by the management of organization in acknowledgement of employee performance (Wahna, 2018). So, the valuable the encouragement of an employee to the organization, the greater the organization should give as a reward to workers. Incentives are payment given by organizations that can be valued with money and tend to be paid frequently. Incentive is described as form of compensation related with employees' performance and profit sharing, as sharing profits for workers due to augmented productivity or cost savings (Whna, 2018).

This method is another system of compensation directly outside salaries and wages which is fixed payment, which is named a pay for performance. Incentives are a dynamic factor for employees to successfully perform their duties so that performance in organization increased. Relatively the Compensation and incentives have an actual close association, where incentives are an element of compensation and both are essential in succeeding the whole objectives and aims of the business. The resolution of giving incentives is to satisfy the welfares of organization by keeping the skilled employees, increase employee determination, improve the standard of living, and develop employee motivation so as to inspire them to perform at high level (Wahna, 2018).

Sound employment relationships are enhanced by the remuneration systems in place (Torrington 2008). Most organisations are concerned with the pay set for their employees which determines their level of commitment to an organisation. Setting remunerations equitably therefore implies that the employees will be willing to stay longer. Okumbe (2001) opines that institutions that retain, attract high performing and talented employees deliberately motivate their employees with expected and equitable remuneration systems. Remuneration must not only target retention of right personnel, motivate the available staff, and facilitate self confidence in organisations, but also increase organisational output as well as equity. Competitive base pay disrupts the retention levels with movement of employees from one end to another (Torrington 2008).

According to Ahmed and Ali (2008) in studying on the effects of reward and recognition programs on motivation and satisfaction for employees discovered a positive correlation between remuneration and service delivery. The study adopted exploratory design and used a structured questionnaire responded by 80 staff members at Unilever companies. The study highlighted factors that affected employee satisfaction and delivery of services to be the environmental conditions, payment plan, promotion of staff and individual issues. The study provided recommendations of gender and disability persons considered by the employers while rewarding.

According to Axelsson and Bokedal (2009) findings on the various rewards and motivation applicable at Volvo Car Corporation, the managers were motivated by monetary rewards as compared to titles that contributed minimal to the delivery of services. Managers who were interviewed responded that they were motivated to deliver great output by the bonuses, commissions and institutional incentives than merely promotions or change of title. The studies recommended in depth look into the motivation and reward systems and how they influence service delivery in manufacturing and private sector firms.

Duberg and Mollen (2010) conducted a study on the reward systems applied in the health sector. The study adopted a qualitative method interviewing six leaders in charge of public and private health centres. The findings indicated that salary paid to the employees is a significant unit of rewards systems. The study added further that bonuses and incentives are significant for improving motivation for employees to delivering high output. Lack of resources and bureaucratic system of recognition contribute to demotivation of employees. The study recommended further studies on motivation and reward systems to be conducted

as well as the public and private assessment to be undertaken to ascertain the influence on delivery of services. According to KIPPRA (2013) study conducted by the Salaries and Remuneration Commission and Kenya Institute for Public Policy Research and Analysis, there is a sizeable wage difference in Kenya in favour of public sector employees, even after accounting for differences in socioeconomic characteristics such as age, education, and experience, among other factors. Spending by county governments increased substantially after the rollout of decentralization. County governments have embarked on an ambitious hiring process, with a cost estimated at about 0.8 per cent of GDP in 2014/15. Second, former local authority staff and members of county assemblies have recently awarded themselves huge wage increase. The current capital spending could-if left unchecked-have negative implications on the general government wage bill and sustainability in the medium term.

The above studies have given insight into the relationship between remuneration and employee performance. The literature review has identified the several gaps in the studies. Firstly, most of the cited studies (Yousaf *et al.*, Agbenyegah, Anggraini, Uzair and Mehmood, Wahna, Ojeleye, Torrington, Okumbe) are based on generalized or international contexts (Pakistan, Indonesia, Nigeria, UK). None of them specifically examine Zambia's socio-economic and organizational environment, where cultural, economic, and institutional factors may shape how remuneration impacts performance. The current study fills this by localizing the analysis to Zambia, offering context-specific insights. Secondly, the literature largely focuses on employee motivation and retention as outcomes of remuneration systems. Very few studies explicitly connect remuneration to service delivery quality (how employees' performance translates into organizational service outcomes). The current study addresses this gap by linking remuneration not just to motivation, but to actual service delivery effectiveness.

Thirdly, the financial rewards (pay, bonuses, incentives) are emphasized as primary motivators (Taylor, Agbenyegah, Wahna). Non-financial rewards (recognition, autonomy, flexible work) are highlighted as equally or more important (Uzair and Mehmood, Pratama and Arik). However, there is limited exploration of how financial and non-financial rewards interact together in shaping performance. The current study will bridge this by assessing holistic remuneration systems (both financial and non-financial) in Zambia. Fourthly, much of the literature is conceptual or secondary, relying on theories and general observations. Few studies employ primary data collection to directly measure the impact of remuneration on employee performance. The current study will use primary data, which strengthens empirical evidence and addresses this methodological gap.

Furthermore, none of the studies directly address employee performance in Zambia's private institutions, where remuneration systems may differ significantly due to resource constraints, structures, and cultural expectations. Limited use of mixed methods or large-scale primary data to capture both employee perceptions and measurable service outcomes. The current study proposes primary data collection in Zambia, which strengthens empirical grounding. Few studies explicitly measure how

remuneration systems directly affect employee performance quality (beyond motivation or satisfaction). The current study addresses this by making performance the central outcome.

## 2.5 Personal critique of literature review

The literature on the influence of benefits on employee performance offers a comprehensive overview of the relationship between employee benefits and organizational outcomes. One strength of the literature is its thorough exploration of various types of benefits, including healthcare, retirement plans, paid time off, and professional development opportunities. The authors effectively highlight the importance of benefits beyond mere compensation, emphasizing their role in fostering motivation, engagement, and overall well-being among employees. Moreover, the literature adeptly demonstrates how benefits contribute to employee performance by addressing their diverse needs and providing tangible evidence of organizational support. However, one potential weakness of the literature is its limited discussion on the potential drawbacks or challenges associated with certain benefits programs. While the positive impact of benefits on employee morale and satisfaction is extensively explored, further examination of potential pitfalls, such as inequities in benefit distribution or unintended consequences of certain incentives, could provide a more nuanced understanding of the topic.

Another strength of the literature is its emphasis on the importance of work-life balance in today's fast-paced work environments. The authors effectively argue that comprehensive benefits packages, including flexible work arrangements and generous paid time off policies, play a vital role in helping employees manage their competing priorities and achieve optimal performance. By highlighting the significance of benefits that support work-life balance, the literature contributes to a broader discussion on employee well-being and organizational effectiveness. However, a potential limitation of the literature is its relatively brief discussion on the role of organizational culture in shaping employees' perceptions of benefits. While the importance of benefits is acknowledged, further exploration of how organizational values, norms, and leadership styles influence employees' attitudes towards benefits could enhance the depth of analysis.

Moreover, the literature effectively integrates theories of motivation, reinforcement, and expectancy to provide a comprehensive framework for understanding the relationship between benefits and employee performance. By drawing on insights from behavioural psychology and organizational behaviour, the authors offer valuable theoretical perspectives that enrich the discussion and provide practical implications for managers and policymakers. However, a potential area for improvement is the need for more empirical research to validate the theoretical assertions made in the literature. While the theoretical framework is robust, empirical evidence is essential to confirm the causal relationships proposed and guide evidence-based decision-making in practice. Overall, the literature on the influence of benefits on employee performance provides a valuable contribution to the field, offering insights that can inform organizational policies and practices aimed at enhancing employee well-being and organizational effectiveness.

## 2.6 Establishment of the Research Gap

On satisfaction with remuneration and employee performance, all the studies reviewed showed that employees were dissatisfied with their remuneration. However, Syengo's (2013) study was on Kenya state corporations and focused on organizational commitment; Mwakio's (2013) study concentrated on the performance of projects and not whole organizations while Ohando's (2014) was on morale and satisfaction and pay was just one of the variables studied. Past studies showed a link between employee's perception of compensation equity and employee performance. However, even though Motshegwa's (2014) study found a link between equity and pay satisfaction, it was done among teachers; Kelil's (2015) study was also done in the education sector and Mutinda's (2011) study was done in the private sector (commercial banks). The results may therefore not be generalised to the public sector like government hospitals.

On remuneration management and employee performance, Lorsch and Khurana (2016) found a link between compensation management and employee performance, but the study was done in America; KIPPRA's (2013) study was done in the public sector in general while Kassim's (2013) study was done in the education sector and not in the health sector. Regarding compensation components and employee performance, Nthambi (2014) found a link between compensation components like salary reviews and health benefits and employee performance: Assava's (2012) study also linked the two variables, but the study was done in Nairobi while Wanjohi's (2013) study was done in the manufacturing industry which has different characteristics compared to the health sector.

On employee performance, Serah's (2013) study was on employee performance, but it was done in the private sector. Chebet's (2015) study focused on other factors affecting employee performance and the only factor related to remuneration was the compensation package Mwanza's (2012) study was conducted in the education sector. While a lot of research linking the independent variables and the dependent variable has been conducted, some of these studies have been done out of Kenya and the ones which have been done locally have been performed in other sectors like education, manufacturing, and hotel industry. Given that the health sector has different characteristics from the other sectors, these findings may not be generalized to the health sector. This leaves a knowledge gap and creates the necessity to carry out a study of this nature.

## 3. Research Methodology

### 3.1 Overview

This chapter highlighted the methodologies that used in the data collection, as well as how the data was analysed. The chapter presents the research design, the target population, the sample size, sampling and data collection procedures, analysis methods, and the instruments that were used.

### 3.2 Research Design

The study employed a descriptive cross-sectional research design and utilized both qualitative and quantitative approach. This approach allowed for the collection of data at a single point in time, offering a snapshot of the variables under investigation. Through the quantitative methodology, the study gathered numerical data and employed statistical

analysis techniques to draw conclusions and establish relationships among variables (Kumar, 2011).

### 3.3 Target Population

This study was conducted in Lusaka at Trade King Private Company and targeted the employees currently working with the company. Trade King was taken as the study population because it's one of the leading Group Corporate private companies in the country that includes both expatriates and nationals. The different nationalities and backgrounds will help the researcher understand the different motivation patterns of the employees; the organization has approximately 328 employees (Trade, 2021) working full time in the main office Lusaka branch. Its office is in plot no. 29381 Nampundwe Road, Lusaka.

### 3.4 Sampling Method

The study employed a purposive sampling technique. Purposive Sampling is defined as, allowing researchers to selectively choose participants who best represent the research topic, providing targeted insights, depth of understanding and rich data. (Campbell *et al.* 2020). This method involved the deliberate selection of specific individuals or groups from the target population at Trade Kings Limited based on predefined criteria that are relevant to the research objectives. Purposive sampling enabled the study to focus on key informants or participants who possess specialized knowledge or experience related to the research topic, ensuring that the data collected is highly relevant to the research objectives and providing valuable insights into the study's subject matter (Taylor *et al.*, 2006).

### 3.5 Sample Size

According to Kothari (2007), define a sample as a subset of a population chosen for study, allowing researchers to draw inference about the larger group without examining every individual. This number (50) had been chosen according to Kothari (2007), using tables to determine the sample size.

The sample consisted of 50 respondents from various departments selected from the population of 328 employees currently working at Trade King Group of Corporate in the main office Lusaka branch. The 50 respondents were distributed as questionnaires randomly in the major departments, because the researchers believed that they were more informed concerning the topic under study, and they had been in the study environment for a long period.

### 3.6 Data Collection Methods

The main research tool which was used in the study was a structured questionnaire consisting of closed-ended questionnaire.

**Primary Data** was collected through structured questionnaires to employees at Trade Kings Limited. This method involved the use of standardized questionnaires to gather data on the research variables (Kumar, 2011).

### 3.7 Data Analysis

Quantitative data was analysed using descriptive statistics. The quantitative data was edited, coded, and fed into the computer using Microsoft Excel 2019 and Statistical Package for the Social Sciences (SPSS) version 26 (Kumar, 2011). Descriptive statistics, including frequencies and percentages were used to summarize the data.

### 3.8 Triangulation

The study employed triangulation as a research strategy to enhance the validity and reliability of the findings. Triangulation involves the use of multiple data sources, data collection methods, and or researchers' perspectives to corroborate and cross-verify research results. In this study, triangulation was achieved by obtaining quantitative data collected through surveys. This approach helped mitigate potential biases and provided a more comprehensive and accurate understanding of the research phenomenon, increasing the overall robustness of the study's conclusions (Taylor *et al.*, 2006).

### 3.9 Ethical Consideration

The study upheld ethical aspects including obtaining informed consent, safeguarding participant confidentiality and privacy, and utilizing acquired information solely for academic reasons. Stringent confidentiality measures were in place. Data were securely stored in a database accessible only to the researcher through a password. Equal and unbiased treatment was given to all participants, who held the choice to participate or decline without any adverse effects. This research carried no risk of physical harm (Saunders *et al.*, 2009).

### 3.10 Study limitations

**Sampling Bias:** The study might have been limited by the potential for sampling bias if the participants selected were not representative of the broader population of project teams.

**Generalizability:** Findings from a specific organization or industry may not be easily generalizable to a wider range of industries or contexts. The study's scope and context need to be clearly defined, and limitations related to generalizability should be acknowledged.

**Time Constraints:** The study was limited by the time frame in which data was collected.

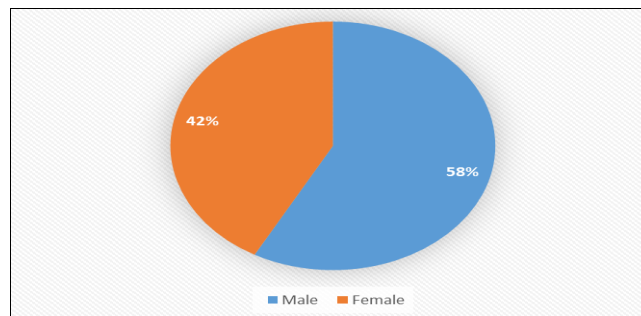
## 4. Research Findings and Discussion

### 4.1 Overview

This chapter presents the output of data analysis following the data collection exercise. The presentations are in the form of tables, charts, graphs, and statements. The chapter gave the results and the research on the investigation into the impact of remuneration on the employee performance of Trade Kings Limited. To collect data relevant to the study, 50 questionnaires were administered to respondents which comprised of staff at Trade Kings Limited. As a result, the study's presentation, analysis, and conclusion were based on 50 respondents. The findings are explained, and inferences are made as well as referring to the available literature. The results are analyzed from responses obtained from the employees at Trade Kings Limited.

### 4.2 Demographic Information of the Respondents

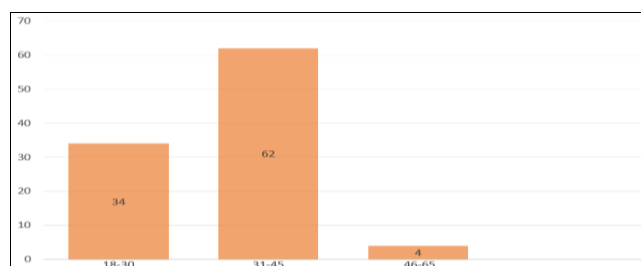
This section deals with the main characteristics of the respondents. The background information of respondents was necessary and important because the ability of the respondents to give satisfactory information on the study variables greatly depended on their demographics. The variables under study were gender, age, education level and occupation.



Source: Primary data 2025

Fig 4.1.1: Gender Distribution of Respondents

From Fig 4.1.1, it can be deduced that most of the respondents 58% were males while only 42% of the respondents were females.



Source: Primary data 2025

Fig 4.2: Age Characteristics of the Respondents

According to the table, 62% were aged between 31 and 45 years. 34% were aged between 18 and 30 years, and only 4% of the respondents were in the range between 46 and 65 years. This indicates that most of the respondents were in the age group between 31 and 45 years.

Table 4.1.1: Education Level of Respondents

Responses	Frequency	Percent
Bachelor's degree	13	26.0
Certificate	18	36.0
Diploma	19	38.0
Total	50	100.0

Source: Primary data 2025

From Table 4.1.1, it can be deduced that most of the respondents representing 38% had a diploma-level of education. This was followed by those who had certificates representing 36%. Further, a few respondents had bachelor's degrees representing 26%.

Table 4.1.2: The Occupation of Respondents

Responses	Frequency	Percent
Boiler Operator	4	8.0
Cashier	9	18.0
CCTV operator	2	4.0
Credit review officer	4	8.0
Customer Care Relations	6	12.0
Driver	3	6.0
Maintenances Technician	2	4.0
Operator Liquid Glucose (Op-Techs)	2	4.0
Sales Representative	18	36.0
Total	50	100.0

Source: Primary data 2025

Results show that most of the respondents were sales representatives representing 36%, followed by cashiers representing 18%, 12% were customer relations and respondents indicated that they were boiler operators and credit review officers an 8% each. Those who were maintenance technicians and operator liquid glucose were a minority with 4% each.

### 4.3 The Remuneration Structure and Employee Performance

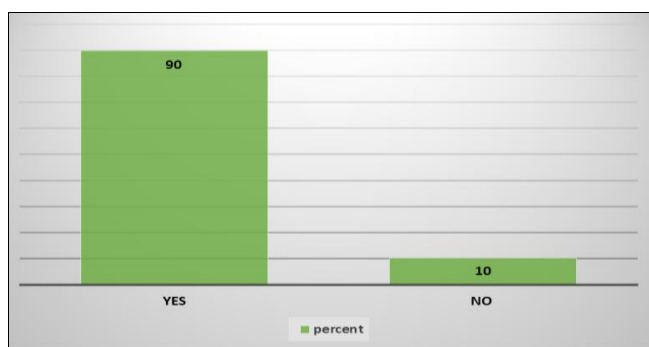
This section presents the results of the findings related to the remuneration structure and its influence on employee performance at Trade Kings Limited in Zambia. To assess this objective, data was gathered from respondents on how employee performance is evaluated, processes and structures used to enhance employee performance, the current basic salary and the impact of basic salary on job performance.

**Table 4.2.3:** The remuneration structure at Trade Kings Limited

Responses	Frequency	Percent
Bonus and overtime rewards	13	26.0
Career Development Opportunities	1	2.0
Job Promotions and Recognitions	11	22.0
No structure or process is used	5	10.0
Performance Appraisal	12	24.0
The structure is uncertain	6	12.0
Training and development	2	4.0
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Primary data 2025

According to Table 4.2.3, most respondents reported that Trade Kings Limited primarily employs bonuses and overtime as part of its remuneration structure, representing 26%. 24% of respondents identified performance appraisal as a method used, while 12% indicated that the system is uncertain, and 10% noted that no formal process or structure is in place. Only a small proportion, representing 4% mentioned that training and development serve as the performance-related processes at Trade Kings Limited. To further, assess the objective, employees were also asked whether there are performance-based bonuses or incentives at work, and the data was collected as shown in fig 4.2.1.

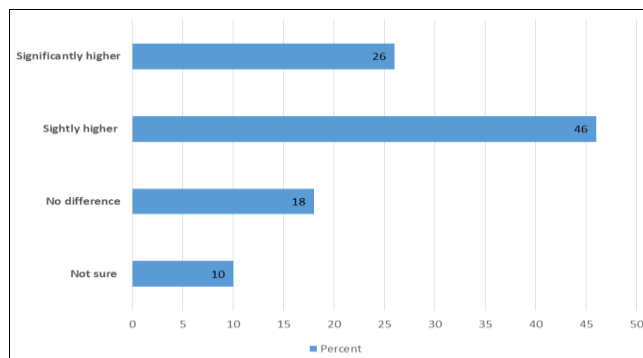


Source: Primary data 2025

**Fig 4.2.2:** The Performance-Based Bonuses or Incentives

According to the fig, 90% of the respondents indicated that yes, there are performance-based bonuses or incentives at Trade Kings Limited while 10% indicated that there are no performance-based bonuses or incentives. This means that most of the respondents agreed that there are performance-based bonuses or incentives at Trade Kings Limited.

Furthermore, respondents were asked to describe how performance-based bonuses or incentives are determined. Below are the responses from the employees at Trade Kings Limited. The Performance ratings in the area of attendance, teamwork, core responsibilities and professional attitude. Sales targets making sure that all employees meet the target sales and customer satisfaction, project completion (achievement of targets), commissions based on performance as well as salary increment based on organization’s overall performance. To further, assess the objective, employees were also asked what extent high-performing employees receive higher remuneration compared to others and the data was collected as shown in fig 4.2.2.



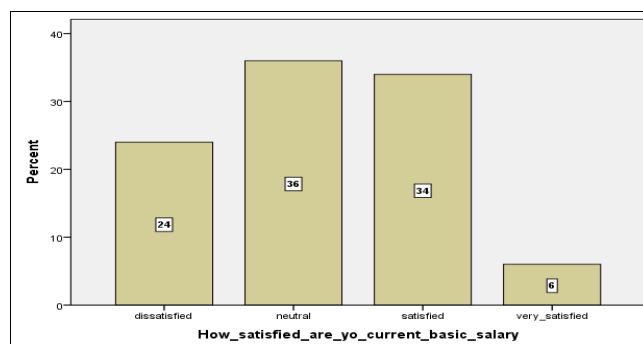
Source: Primary Data 2025

**Fig 4.2.3:** The extent to which high-performing employees receive higher remuneration compared to others

According to the fig, 46% of the respondents indicated that high-performing employees receive slightly higher remuneration compared to others and 26% indicated significantly higher while 18% indicated that there is no difference. This means that most of the respondents indicated that high-performing employees receive higher remuneration compared to others.

Furthermore, respondents were also asked about the aspects of the remuneration they found most motivating. The responses from the employees at Trade Kings Limited were as follows monetary rewards (bonuses, pay increase), recognition and praise, career advancement opportunities, additional responsibilities or projects, base salary and commissions.

The responses in Fig 4.2.3 describe the satisfaction of employees with the current basic salary at Trade Kings Limited.

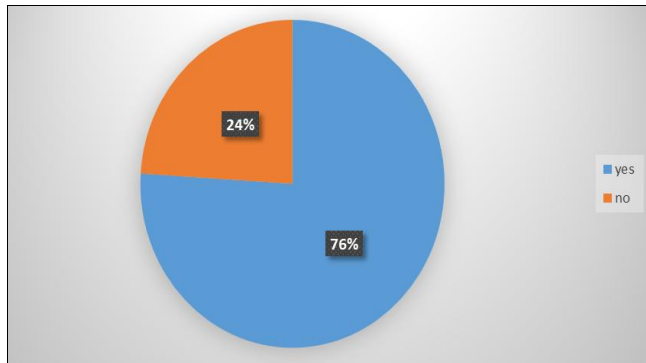


Source: Primary data 2025

**Fig 4.2.4:** The Satisfaction of Respondents with the Current Basic Salary

According to Fig 4.2.4, most of the respondents indicated neutral representing 36% and 34% of the respondents were satisfied with the current basic salary at Trade Kings Limited. 24% of the respondents were dissatisfied while 6% were very satisfied. This means that most of the respondents choose to remain neutral.

To further, asses the objective, employees were also asked whether the current basic salary affects their performance at work and give a reason for their answer, and the data was collected as shown in fig 4.2.4.



Source: Primary data 2025

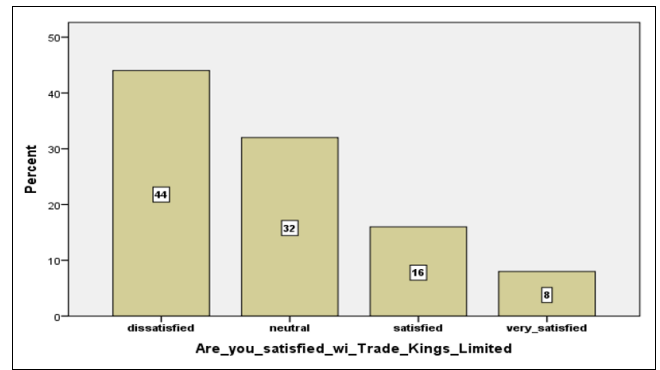
Fig 4.2.5: The Effect of Current Basic Salary on Employee Performance

According to the fig, 76% of the respondents indicated that the current basic salary affects employee performance while 24% indicated that the basic salary did not affect employee performance. This means that most of the respondents agreed that the basic salary affects employee performance.

The respondents were also asked to state a reason for their answer, according to one of those who said yes, “If there is no salary there will be no motivation”. Others who said yes, explained that basic salary has a positive impact on employee morale and motivation which in turn can lead to higher morale and greater motivation to perform well. Further, one of the participants indicated that “a good salary motivates one to even work hard and have less stress to think about other needs.” The other reason is that “salary motivates the employee to stay at work and having an unappreciated salary reduces the motivation to keep going”. Others believe that the salary makes them work more hours over time. Besides, one of the participants believes that a competitive basic salary provides financial stability, which can enhance focus, motivation, and overall job performance. On the other hand, those who said no, feel that the salary does not affect their work performance because they love their work. According to one of the participants who indicated no, “am employed to work” and salary does not affect their performance. Another one adds that basic salary does not affect their performance because they agreed to the terms of employment before accepting the position.

**4.4 The Effect of Employee Rewards and Compensation on Employee Performance**

The second research objective sought to find the impact of employee rewards and compensation and performance in enhancing employee performance of Trade Kings Limited. The assessment feedback is shown below.

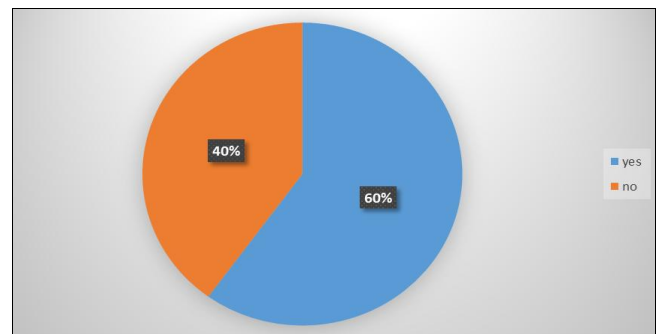


Source: Primary data 2025

Fig 4.2.6: The Satisfaction of Respondents with Rewards and Compensation Package Offered by Trade Kings Limited

According to Fig 4.2.6, 44% of the respondents were very dissatisfied with the rewards and compensation package offered by Trade Kings Limited. Followed by those who chose to be neutral representing 32% of the respondents 16% were satisfied and 8% very were very satisfied. This means that most of the respondents were dissatisfied with the rewards and compensation package offered by Trade Kings Limited.

To further, asses the objective, employees were also asked whether the rewards and compensation at Trade Kings Limited motivate them to continue working and perform better and the data was collected as shown in fig 4.2.6.



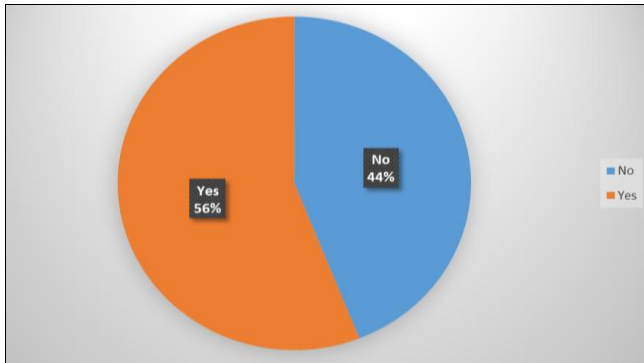
Source: Primary data 2025

Fig 4.2.7: The Rewards and Compensation at Trade Kings Limited Motivate Employees to Continue Working and Perform Better

According to the fig, 60% of the respondents indicated that the rewards and compensation at Trade Kings Limited motivate them to continue working and perform better while 40% indicated that the rewards and compensation at Trade Kings Limited do not motivate them to continue working and perform better. This means that most of the respondents agreed that the rewards and compensation at Trade Kings Limited motivate employees to continue working and perform better.

The respondents were also asked to state a reason for their answer, according to one of those who agreed, rewards and compensation motivate them to work hard. They also believe that everyone would move with one goal and objective, hence creating organizational improvements. Another participant indicated that, “rewards motivate me to work hard and put more effort into my work because I know that I will get paid”. Furthermore, some believe that when

they receive rewards and compensation it would motivate them to work hard.” Another participant adds that, “rewards help people to work even harder to achieve more and it motivates one to work harder knowing he/she will receive a reward that will compliment his/ her hard work.”



Source: Primary data 2025

Fig 4.2.8: The rewards and compensation system and organizational performance at Trade Kings Limited

According to the table, 56% of the total respondents indicated that yes, the rewards and compensation system contributed towards staff motivation and enhanced organizational performance at Trade Kings Limited while 44% indicated that the rewards and compensation system did not contribute towards staff motivation and enhance organizational performance at Trade Kings Limited.

Respondents were further, asked to give a reason for the answer. The following were the reasons for those that indicated yes. One participant indicated that “it is one of the important practices to attract employees and motivate them to work hard”. “Yes, because everyone will move with one goal and objective hence creating organizational improvements” Another one added that “It motives one to work harder knowing he/she will receive a reward that will Compliment his or her hard work”.

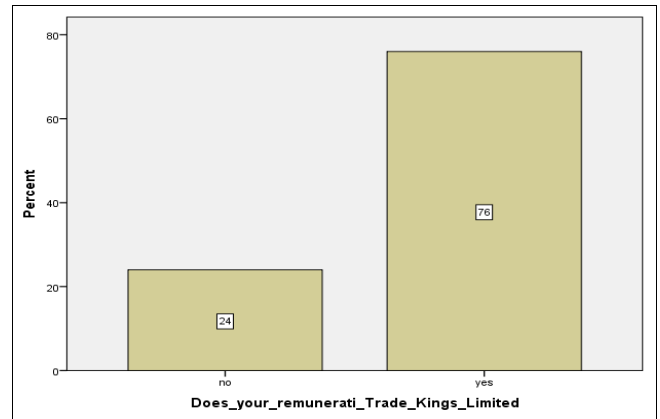
Table 4.2.4: The Performance of Trade Kings Limited in the Last 5 Years

Responses	Frequency	Percent
Excellent	15	30.0
Fair	18	36.0
Good	17	34.0
Total	50	100.0

Respondents were asked to state the performance of Trade Kings Limited in the last 5 years. According to Table 4.2.4, 36% of the respondents indicated that the performance has been fair, 34% indicated that the performance has been good and 30% of the respondents indicated that the performance of the organisation in the last five years has been excellent. This means that the performance of Trade Kings Limited in the last five years has been fair.

Respondents were further, asked to give a reason for the answer. The following were the reasons for those that indicated fairness. One participant indicated that “because the performance is neither good nor bad. Those who indicated that the performance was fair, feel like it is fair in the sense that they have been consistent in manufacturing their great products across the country. Another one said, “because the motivation is not always and low rewards

reduce motivation”. Increasingly, those who said the performance was good because Trade Kings Limited has been consistent and keeps on growing and their products are in every part of Zambia. The participant adds that “everyone uses Trade King’s products”. While those who indicated that the performance was excellent, according to one of them “Trade Kings Limited has demonstrated consistent growth and delivered quality products over the past five years. While there is room for improvement in areas such as innovation or market expansion, the company’s overall performance reflects strong leadership and a commitment to maintaining high standards”.



Source: Primary data 2025

Fig 4.2.9: The Effect of Remuneration on the Performance of Employees

Respondents were asked whether remuneration affects employee performance at Trade Kings Limited. Fig 4.2.9 shows that the majority of the respondents agreed that remuneration influences employee performance representing 76% while only 24% disagreed.

Respondents were further, asked to give a reason for the answer. The following were the reasons for those that indicated yes. One participant indicated that “it helps me support my family” and make me achieve the target of work given”. The other one added that “because I work to earn something”. Another participant said, “Yes it does because once any employee receives a reward, they work extra hard”. Employees feel remuneration influence employee performance because it motivates them to work hard, and it contributes to make them add more effort. The other participant explained “My remuneration provides the financial motivation and stability necessary for me to stay focused and perform my duties effectively. It also aligns my efforts with the company’s goals, contributing to overall organizational performance through productivity and commitment”.

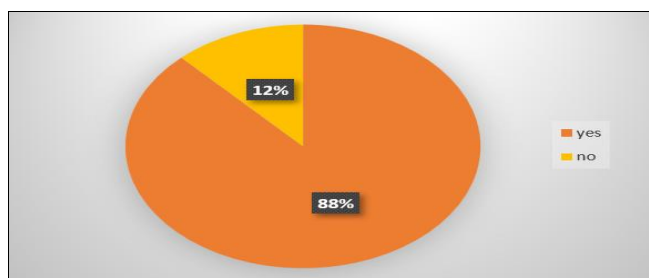
#### 4.5 The Strategies for Improving Employee Remuneration at Trade Kings Limited

The third research objective sought to establish strategies for improving employee remuneration at Trade Kings Limited. To establish strategies for improving employee remuneration, participants were asked what should be done to improve employee remuneration and how satisfied were they with the benefits offered by Trade Kings Limited (e.g., health insurance, retirement plans, training and development paid time off). The assessment feedback is shown below.

**Table 4.2.5:** The Strategies for Improving Employee Remuneration at Trade Kings Limited

1	Gratuity packages
2	Increase on monetary rewards also looking at the current economic.
3	Introduce more rewards and compensation
4	Listen to the people and try to reward them to keep them motivated
5	Basic salary increment
6	Hard work should be recognized.
7	Motivate employees by awarding those doing well and work hard.
8	They should encourage workers with a lot of benefits and promotions.
9	Introduce education development and workshop trainings.
10	Suitable employee recognition initiatives to be developed and implemented to promote individual and organizational performance.
11	Provide more training opportunities, offering clear paths for career growth, giving regular feedback, and reviewing salaries and benefits to keep them competitive

To further, asses the objective, employees were also asked whether the benefits as one of strategies for improving employee remuneration motivate them to continue working and perform better and the data was collected as shown in fig 4.2.7.

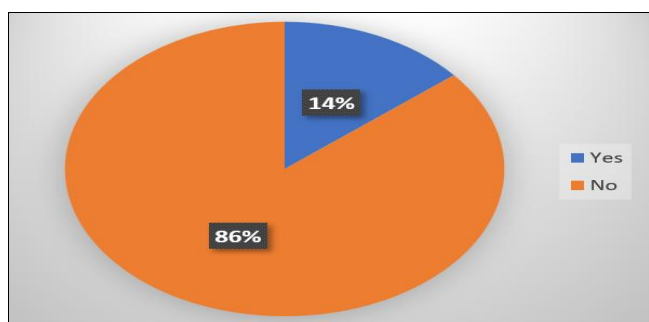


Source: Primary data 2025

**Fig 4.2.10:** The Benefits Have a Positive Impact on the Respondent’s Job Performance

According to the fig, 88% agreed that benefits have a positive impact on their job performance. However, 12% of the respondents said the benefits have no positive impact on their job performance.

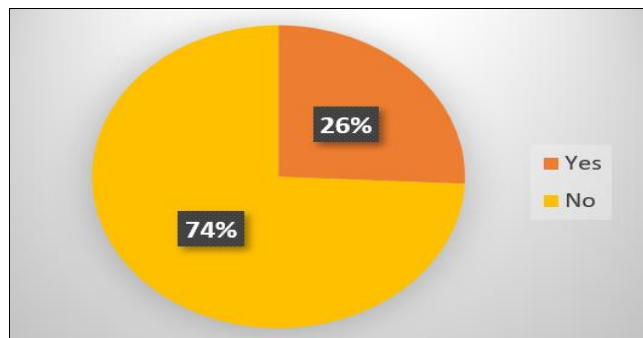
Furthermore, respondents were also asked about the aspects of the benefits they found most motivating. The responses from the employees at Trade Kings Limited were as follows health insurance, retirement plans, and flexible working hours, paid leave and professional development opportunities.



Source: Primary data 2025

**Fig 4.2.11:** The health insurance benefits offered by Trade Kings Limited impact performance

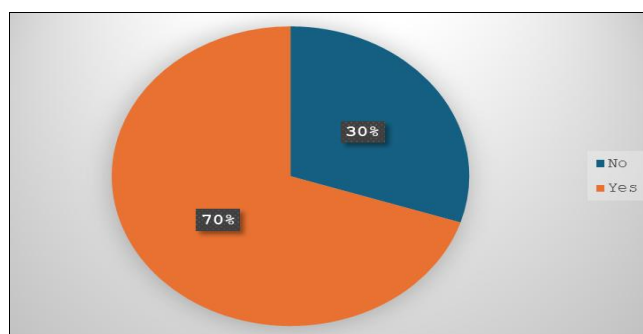
According to the fig, 86% agreed that the health insurance benefits offered by Trade Kings Limited have impact on job performance. However, 14% of the respondents said the health insurance benefits have no impact on their job performance.



Source: Primary data 2025

**Fig 4.2.12:** The retirement plans benefits offered by Trade Kings Limited impact performance

According to the fig, 74% agreed that the retirement plans benefits offered by Trade Kings Limited have impact on job performance. However, 26% of the respondents said the retirement plans benefits have no impact on their job performance.



**Fig 4.2.13:** The training and development opportunities offered by Trade Kings Limited impact performance

According to the fig, 70% agreed that the training and development opportunities offered by Trade Kings Limited have impact on job performance. However, 30% of the respondents said the training and development opportunities have no impact on their job performance.

**4.6 Discussion of Research Findings**

This chapter presents a summary of the major findings, based on the research's main objectives. The main results relating to the purpose and objectives of the study are presented in this section. For the results to be presented systematically, they would be presented in line with the research objectives. In the same vein, research findings concerning the literature review have been taken into consideration. Largely, this study’s findings confirm the effects of remuneration on employee performance of Trade Kings Limited.

**4.6.1 The remuneration structure at Trade Kings Limited**

The findings in this study discovered the remuneration structure used at Trade Kings Limited and how it influences employee performance. The study discovered that bonuses and overtime rewards, career development opportunities, job

promotions and recognitions, performance appraisal and training and development as the remuneration structure used at Trade Kings Limited.

Trade Kings Limited enhances employee performance through structured performance appraisals, professional training and development programs, clear communication channels, and providing incentives such as bonuses and career advancement opportunities. According to the findings, most respondents reported that Trade Kings Limited primarily employs bonuses and overtime as part of its remuneration structure, representing 26%. 24% of respondents identified performance appraisal as a method used, while 12% indicated that the system is uncertain, and 10% noted that no formal process or structure is in place.

Furthermore, according to the study findings, 46% of the respondents indicated that high-performing employees receive slightly higher remuneration compared to others and 26% indicated significantly higher while 18% indicated that there is no difference. This means that most of the respondents indicated that high-performing employees receive higher remuneration compared to others.

The finding conforms with Uwase and Irechukwu (2023) who discovered that 91.5% of the change in employee performance at the company is attributable to all variables of the remuneration structure. The correlation between incentive pays and employee performance was .928 which presents a high positive collation. The results indicated a high relationship between remuneration structure and employee performance.

#### **4.6.2 The effects of rewards and compensation on employee performance**

The second objective assessed the effects of rewards and compensation on employee performance. The results indicate that 44% of the respondents were very dissatisfied with the rewards and compensation package offered by Trade Kings Limited, 16% were satisfied and only 8% were very satisfied. This means that most of the respondents were dissatisfied with the rewards and compensation package offered by Trade Kings Limited.

Despite the majority of respondents not being satisfied with the rewards and compensation package offered by the organisation, 60% of the respondents indicated that the rewards and compensation at Trade Kings Limited motivate them to continue working and perform better while only 40% indicated that they did not motivate them to continue working and perform better. This means that most of the respondents agreed that the rewards and compensation at Trade Kings Limited motivate employees to continue working and perform better. The study also revealed that 56% of the total respondents indicated that the rewards and compensation system contribute towards staff motivation and enhance organizational performance at Trade Kings Limited. The respondents cited that it is one of the important practices to attract employees and motivate them to work hard.

The findings are consistent with the findings from the study of Beardwell and Claydon (2007), who emphasized that compensation and rewards are essential in attracting and retaining talented employees, motivating them to perform at their best, and ensuring job satisfaction. Gerhart *et al.* (1992) also argued that compensation functions as a major stimulus in the social exchange between employees and employers, enhancing individual performance. Furthermore, Armstrong (1996) noted that basic salary, when aligned with

performance, talent, and competency, can serve as a powerful motivator. Wahna (2018) adds that incentives are a dynamic factor in improving employee performance and organizational outcomes.

#### **4.6.3 The strategies for improving employee remuneration**

The third objective established strategies for improving employee remuneration. According to the study, for Trade Kings Limited to improve on employee remuneration, the organisation needs to do the following:

1. Improve the gratuity packages,
2. Increase on monetary rewards also looking at the current economic.
3. Introducing more rewards and compensation.
4. Basic salary increment.
5. Hard work should be recognized.
6. Motivate employees by awarding those doing well and working hard.
7. Encourage workers with a lot of benefits and promotions.
8. Introducing education development and workshop training.
9. Suitable employee recognition initiatives are developed and implemented in order to promote individual and organizational performance.
10. Providing more training opportunities, offering clear paths for career growth, giving regular feedback, and reviewing salaries and benefits to keep them competitive.

These findings conform with what Kassim (2013) discovered; the study found that there was an urgent need to develop the salary structure of the non-teaching staff to guide the management of the Public Secondary Schools in Mandera East District because it affected employees' performance. The study by Ohando (2014), adds the factors that affected morale and satisfaction included leadership, management, salary structure, policies on reward, training, and work environment. It concluded that when structures like organization and salary are undertaken ownership from both parties needs to be agreed upon as a strategy for building high morale and satisfaction in the organization.

Furthermore, the findings show that 42% of the respondents were satisfied with the benefits offered by Trade Kings Limited. This means that most of the respondents were satisfied with the benefits package. The study also revealed that 88% of the respondents agreed that benefits have a positive impact on their job performance. Furthermore, it was found that the most motivating benefits are health insurance, retirement plans, flexible working hours, paid leave and professional development opportunities.

To further support these findings, Wahna (2018) emphasized that incentives play a critical role in enhancing employee performance. Incentives not only inspire employees but also resolve workplace dissatisfaction and prevent performance decline due to lack of motivation. Wahna noted that performance pay compensation beyond fixed salaries serves as a powerful tool for motivating employees and improving output.

## **5. Conclusion and Recommendations**

### **5.1 Overview**

This chapter is a summary of the research, providing a comprehensive synthesis of the study's key findings, derived conclusions, and actionable recommendations. It revisits the

primary research objectives, which were to identify the remuneration structure at Trade Kings Limited, examine the effect of rewards and compensation on employee performance, and establish strategies for its improvement. The analysis presented here is grounded in the empirical data collected from 50 employees and interpreted through the lens of the Expectancy Theory and other supporting motivational frameworks. Furthermore, it outlines practical, evidence-based recommendations for management, acknowledges the study's inherent limitations, and proposes avenues for future scholarly inquiry to build upon this work.

## 5.2 Conclusion

The study investigated the effect of remuneration on employee performance at Trade Kings Limited, based on feedback from 50 staff members. Data analysis was conducted primarily through quantitative methods, supported by qualitative content analysis. The findings indicate that remuneration plays a significant role in shaping employee performance at Trade Kings Limited. The conclusions are structured around the three specific objectives of the study, offering a clear and consolidated answer to the research problem.

Key conclusions include:

**Competitive Salary Structure:** A competitive basic salary is positively correlated with improved employee performance. Employees who perceive their salaries to be aligned with industry standards and commensurate with their skills and contributions tend to exhibit higher levels of engagement, motivation, and productivity. This finding confirms Expectancy Theory, particularly the valence component, which emphasizes that employees are more motivated when the rewards (salary) are perceived as desirable and valuable. It also aligns with Maslow's Hierarchy of Needs, where financial compensation satisfies basic physiological and safety needs, enabling employees to focus on higher-level performance goals.

**Impact of Rewards and Compensation:** While competitive rewards and compensation enhance morale and motivation, many employees expressed dissatisfaction with current practices at Trade Kings Limited. This dissatisfaction may contribute to lower motivation levels and overall performance. This dissatisfaction may stem from perceived inequities, lack of transparency, or inadequacy of rewards relative to employee expectations. These findings support Expectancy Theory, particularly the instrumentality component, which states that employees must believe that high performance will lead to meaningful rewards. If this link is unclear or perceived as unfair, motivation declines. Additionally, the findings confirm Herzberg's Two-Factor Theory, which identifies compensation as a hygiene factor, causes dissatisfaction, but its presence alone does not guarantee motivation unless paired with recognition and achievement lead to reduced morale, diminished productivity, and higher absenteeism.

**The Strategies for Improving Employee Remuneration:** Respondents proposed several actionable recommendations, including enhancing gratuity packages, increasing monetary rewards, recognizing hard work, offering promotions and professional development opportunities, and implementing transparent recognition initiatives. Furthermore, employee benefits, including health insurance, retirement plans, and other perks, are recognized to have a positive impact on morale and motivation. Such benefits contribute to

employees' sense of security and organizational loyalty, which encourages higher levels of effort and dedication. The inclusion of benefits such as health insurance and retirement plans supports the valence and expectancy components of Expectancy Theory, as employees are more likely to exert effort when they believe their performance will lead to valuable and attainable rewards. Furthermore, the data aligns with existing HR models, for instance, Herzberg's Two-Factor Theory, indicating that comprehensive benefits packages are vital in fostering employee satisfaction and performance. These strategies also align with Maslow's Hierarchy of Needs, addressing both safety and esteem needs, which are critical for sustained motivation.

Despite 76% of respondents acknowledging the influence of remuneration on their performance, the overall organisational performance remains moderate. This suggests that while remuneration is a critical factor, other elements influencing employee engagement and performance may also need to be addressed to improve overall organisational effectiveness.

The findings of this study are consistent with Vroom's Expectancy Theory, which posits that employee motivation is influenced by three key components: expectancy, instrumentality, and valence. When employees perceive a clear link between effort, performance, and reward, their motivation and productivity increase. Conversely, when this link is weak or unclear, performance suffers. Additionally, the study supports Equity Theory, which emphasizes the importance of perceived fairness in compensation. The dissatisfaction expressed by respondents may stem from perceived inequities or lack of transparency, which can negatively impact motivation and performance.

## 5.3 Recommendations

Based on the findings, the study recommended that Trade Kings Limited revise its salary structures, enhance its rewards and compensation practices, improve employee benefits, and strengthen performance management systems.

### 1. Develop a Competitive Basic Salary

The organisation should develop a competitive basic salary structure that contributes to organisational stability and continuity by fostering a sense of job security and financial stability among employees.

### 2. Introduce Flexible Working Arrangements

As part of a modern benefits package, the company should consider offering flexible working arrangements where operationally feasible. This could include options for flex time, compressed workweeks, or occasional remote work. Such policies support work-life balance, which can significantly improve job satisfaction, reduce stress, and increase productivity, addressing the holistic well-being of employees.

### 3. Revise Rewards and Compensation Practices

Management should conduct a comprehensive review of the remuneration and rewards compensation package to make it more competitive and attractive.

Implement a transparent and fair performance evaluation process to determine remuneration and rewards.

### 4. Enhance benefits

The organisation should enhance benefits that support work-life balance, which can also contribute to a positive

organisational culture. Improve on benefits that are aimed at professional development, such as health insurance, retirement plans, flexible working hours, paid leave, professional development, opportunities for tuition reimbursement, training programs, and mentorship initiatives, and empower employees to expand their skills, knowledge, and expertise.

### 5. Implement Non-Monetary Recognition Programs

To complement financial incentives, the organization should establish formal and informal non-monetary recognition programs. This could include "Employee of the Month" awards, public acknowledgments in company communications, performance certificates, and appreciation events. As highlighted by Herzberg's Two-Factor Theory, recognition is a powerful motivator that can satisfy employees' esteem needs and foster a culture of appreciation, which is crucial since many employees expressed that "hard work should be recognized."

### 6. Enhance Communication and Transparency

Management should prioritize clear and transparent communication regarding the remuneration structure. This includes explicitly explaining how performance is measured, how bonuses and incentives are calculated, and the criteria for salary increments and promotions. Creating transparency, as suggested by Expectancy Theory, strengthens the "instrumentality" link the employee's belief that their performance will indeed lead to desired rewards and reduces perceptions of unfairness and uncertainty noted by some respondents.

### 7. Develop a Clear Career Progressive Pathway

The organization should create and clearly communicate defined career ladders for various roles. Employees need to see a tangible path for growth within the company, linked not just to tenure but also to performance and skill acquisition. This strategy directly addresses the employee suggestion for "career advancement opportunities" and provides a long-term motivational incentive beyond immediate financial rewards.

### 8. Foster a Culture of Continuous Feedback

Move beyond the annual performance appraisal by implementing a system of continuous feedback. Managers should be trained to provide regular, constructive feedback throughout the year. This helps employees understand their performance in real-time, make necessary adjustments, and feel more supported in their roles, thereby directly linking their daily efforts to performance outcomes.

### 9. Strengthen Performance Management

The organization should enhance the effectiveness of performance management systems to better recognize and reward high performers.

Provide regular feedback and support to employees to help them identify and develop their strengths and address weaknesses.

### 10. Introduce Flexible Working Arrangements

As part of a modern benefits package, the company should consider offering flexible working arrangements where operationally feasible. This could include options for flexible time, compressed workweeks, or occasional remote

work. Such policies support work-life balance, which can significantly improve job satisfaction, reduce stress, and increase productivity, addressing the holistic well-being of employees.

### 11. Customize Remuneration Packages

Recognizing that employees are motivated by different things, Trade Kings could explore a "cafeteria-style" or flexible benefits plan where employees have a certain number of points to allocate towards benefits that they value most (e.g., more health insurance, additional retirement contributions, or extra paid leave). This personalized approach increases the "valence" (value) of the rewards package for each individual employee.

### 5.4 Limitations of the Findings

Despite the valuable insights derived from this study, certain limitations should be acknowledged. First, the sample size may not fully represent the entire employee population of Trade Kings Limited, which could affect the generalizability of the findings. Additionally, data collection relied heavily on self-reported responses, which are subject to biases such as social desirability or respondent misunderstanding. The nature of the study also captures perceptions at a single point in time, making it difficult to infer causality or observe changes over time. Furthermore, some responses indicated uncertainty or lack of clarity regarding existing structure or processes, which could influence the accuracy of the data.

### 5.5 Recommendations for Future Studies

1. Future research should explore the long-term impact of remuneration on employee performance.
2. Investigate other factors such as workplace culture, leadership practices and communication practices, which could provide a holistic understanding of employee motivation and performance.
3. Future research should consider expanding the sample size and including a broader scope of organizations across different industries to enhance the generalizability of the findings.
4. Longitudinal studies could provide deeper insights into causal relationships between compensation structures, employee motivation, and performance over time.
5. Comparative studies between different organizations or sectors could identify best practices and innovative approaches in employee remuneration and motivation strategies.

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### List of Abbreviation

ET	Expectancy Theory
NWC and PC	National Water Conservation and Pipeline Corporation
SPSS	Statistical Program for Social Scientists

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