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# Impact of Labor Laws and Social Security on Job Performance and Mediated by Rewards of Textile Industries of Pakistan

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#### Abstract

The purpose of this study was to investigate the Impact of Labor Laws and Social Security on Job performance and mediated by Rewards of textile industries of Pakistan. A survey base questionnaire was used to collect data from 250 customers of Textile Industries. The data was analyzing using SPSS 20.0 version software through different statistical tests. The findings revealed that there is a positive relationship between Labor Laws and Social Security on Job performance and mediated by Rewards of textile industries of Pakistan. Most studies relating Job performance to have limitations concerning selection of criterion measures and investigation of mediators. Therefore, this study examines relationships between rewards and multiple performance outcomes under different levels of environmental dynamism. Results revealed that charismatic leadership was positively related to common-source and multi-source perceptual performance outcomes. The results are discussed and Labor Laws and Social Security on Job performance and mediated by Rewards has positive significant results.

**Keywords:** Labor Laws, Social Security, Job performance, Rewards

## Introduction

Employees are among an organization's most important resources and coined as most valuable assets. The nature and amount of work performed by them have a direct impact on the productivity of an organization. So maintaining healthy employee relations in an organization is a pre-requisite for any organization in order to achieve growth and success. According to CIPD (Chartered Institute of Personnel & Development) Employee relations is a broad term that incorporates many issues from collective bargaining, negotiations, employment legislation to more recent considerations such as work-life balance, equal opportunities and managing diversity.

It comprises of the practices or initiatives for ensuring that Employees are happy and are productive. Employee Relations offers assistance in a variety of ways including employee recognition, policy development and interpretation, and all types of problem solving and dispute resolution. It involves handling the pay—work bargain, dealing with employment practices, terms and conditions of employment, issues arising from employment, providing employees with a voice and communicating with employees.

Employee relations is concerned with maintaining employee-employer relation, which contributes to satisfactory productivity, increase in employee morale and motivation. Once there was a time when "Employee Relations" meant labor relations that fragmented into Negotiate. Orchestrate. Dictate. HR professionals helped negotiate collective bargaining agreements. The provisions of the contract defined the relationship between management, unions, and workers.

In this article we present new empirical evidence on the impact of labor laws on the labor share of national income and unemployment in developed market economies. The issue is one which has preoccupied economists and other social scientists for some time, without any clear consensus emerging. During the 2000s similar arguments were made by the World Bank through its Doing Business initiatives (World Bank, various years). Economic theory incorporating equilibrium based modelling broadly supports these positions, but empirical evidence has been much more equivocal (Skedinger, 2010). According to Smith, Kendall and Hullin, there are five job traits which show remarkable characteristics of a job including job satisfaction, satisfaction from superior, satisfaction from colleagues, satisfaction from promotion and satisfaction from wage/salary (Hosseinzadeh and Saemian, 2002). Commitment job is positive or negative attitudes of people who working in organization towards whole the organization (Robbins, 2009). As Mowday, Steers and Porter define, organizational commitment means the relative degree of individuals identity in organization and his/her contribution. In such definition, organizational commitment consists of three elements (Mowdayet al., 2002):

A reward system is important for the Job performance. As Job performance will be more effective to high reward system. That how to be high performance is base high reward vice versa. Job performance is also part of human resources management. Performance is an important for the organization succession and achieving the goals. There is so much changing occurring in the school education in the world every school has much relay on employee's good performance.

As such it is concerned with how to gain peoples commitment to the achievement of an organizations business goals and objectives in number of different situations. Schein (2008) islargely responsible for this notion of a psychological contract and his suggestion was that between employer and employee there exist an implicit contractual relationship which is derived from a series of assumptions on the part of employer and employee about the nature of their relationship. These assumptions may not be legally enforceable but they constitute a set of reciprocal arrangements and form the basis for a series of expectations that may have a considerable degree of moral force. In the first model to which Mowday (2002) believes that it is accepted by most authors, job satisfaction shapes immediately after entering organization while organizational commitment develops slowly. Therefore, job satisfaction is the prerequisite of organizational commitment. Studies by Williams and Hezer support this model (Tomlinson and Jenkins, 2007). In the second model, Batman and Straws (2004) believe that there is rationality beyond behavioral commitment by which a person accepts membership in an organization which leads into commitment and such person acquires positive attitudes such as satisfaction about his/her current situation.

#### **Gap Analysis**

Future research could focus on examining the Impact of Labor Laws and Social Security on Job performance and mediated by Rewards. Since, this study focused on the non-adopter, Furthermore, Performance can be defined and measured as consumer ratings of specific attributes (Gómez et al., 2004) and can be defined as a comparison of previously held Labor laws and social security which is mediated by Rewards (Homburg et al., 2005; Anderson et al., 2004). It is suggested that future study may focus on the adopters of impact of Labor Laws and Social Security on Job performance and mediated by Rewards of Textile Industries of Pakistan.

Employees want to get both types of rewards means financial and nonfinancial rewards. Some employees of school prefer the financial rewards and other are nonfinancial rewards that opportunity

to take an important tasks and projects, attention and encouragement of leadership. In this way employees feel that they are being valued by the employers and also feel that the company is seriously involved in employee's career and development. So, these rewards contribute to improve the satisfaction level of workers (Dewhurst, 2010). La Belle (2005), different employees have different needs about rewards.

#### **Statement of the Research Problem**

To analyze the impact of Labor Laws and Social Security on Job performance and mediated by Rewards. How customer satisfaction has positive impact of independent variables Labor Laws and Social Security?

## **Research Objectives**

- To understand the importance of Labor Laws.
- To study the factors related to Job performance.
- Analyze the impact of Social Security on Job performance.
- To analyze the impact of Rewards on Job performance.

#### **Research Questions:**

- What is the importance of Labor Laws in the Textile Industries in Pakistan?
- How to analyze the factors related to Job performance?
- Ho to measure the impact of Social Security on Job performance?
- What is the impact of Rewards on Job performance?

## Scope of the study

This study is being conducted to find out the ways and impact of Labor Laws and Social Security on Job performance and mediated by Rewards. The benefits and advantages will further implement various product/service sectors.

## Literature Review Labor Laws

One purpose of a person as an employee of a company is to earn income in the form of wages or compensation. Every company in determining the amount of wages paid to the employee must be feasible, so that the lowest wage that is given to meet the needs of their life (Kanzunnudin, 2007). Some economists opine about the meaning of wages.

Implicit contract model briefly demonstrated that the wages of workers in a company is determined by the contract between the employer and the union. This means that in the presence of strong unions, wage rates cannot be easily changed as in a perfectly competitive market. Resulting in wages rigidity and especially wages will be extremely difficult to decrease if there is a recession. According to this theory the company tends to set wages higher than perfectly competitive market equilibrium wages. Insider-outsider models consider that the markets for goods and labor markets are imperfect.

If the labor market there is a union and a relatively limited number of enterprises, the wage rate is determined from the collective contract agreements between unions and employers. Union members called insider and who are not in a union called the outsider. Wages determination with the contract likely to be higher than was the case in a perfectly competitive market. Wage flexibility is the main topic of the economy, are mostly found in the literature related to the provision of incentives provided by the company. A number of theoretical models have developed an explanation of how the company should design compensation schemes to encourage employees to work for the benefit of the

company.

The conclusion is put some effort into their work to maximize corporate profits (Prendergast, 2019). Wages become an important aspect of being effective if linked to the performance significantly (Umar, 2012). Granting wages remuneration is the most complex task for the industry, is also the most significant aspects for workers, because of the number of wages reflects the size of the value of their work among the workers themselves, their families and communities. Wages are very important for the industry because it reflects the industry's efforts to defend human resources in order to have a high loyalty and commitment to the industry. Effective wages strategy is expected to contribute to maintaining the viability of the work force, the realization of the vision and mission, as well as for the achievement of work objectives (Umar, 2012). Perspective of cultural change in many organizations working life is currently connected to the various terms such as quality of work life, culture change programs, flexible work arrangements, employee relations, and reduction of workload (Harrington, 2007). Moreover, the focus of the flexibility of working life into the workplace is to respond to the needs of women who work outside the home. Autor (200) suggests that several factors associated with the management of short-term workers that may lead to higher than necessary rates of departure prior to contract end dates. These factors include inadequate socialization, perceptions of injustice, exclusion from decision- making, expectations for permanent work, lower age and tenure, lower tolerance for inequity, low levels of commitment and limited Rewards. Very many firms still use short term workers for a variety of reasons, such as seasonal or cyclical workforce adjustments, cost-savings efforts, and specific skill needs (Jolliffe and Farnsworth, 2003).

Labor Laws grew significantly over the last decade, accounting for 0 percent of net employment growth in the United States during the 2010s. Evidence from case studies and business surveys suggests dramatic growth in the outsourcing of functions to contract companies as well (Houseman, 200). Elements such as the technologies used in the productive process, the specialization of the workforce and niches of development are just examples of the diversity of aspects that have been in constant change so far. Labor Laws is part of the phenomenon of short time employment, often seen as a consequence of a major push by governments and employers in industrialized countries to develop more flexible labor markets and to reduce labor costs (Golden and Appelbaum, 2012, Rogers, 2000). An alternative view, however, is that the Labor Laws industry itself is actively engaged in promoting its own growth and preventing regulation (Gono, 2017, cited in Rogers, 2000).

## **Social Security**

Employee's job satisfaction offers important clues concerning the health and performance of an organization and provides information on where improvements can be made to the organization. Considerable research has been conducted to assess the impact of different types of rewards on job satisfaction. While pay and benefits are common financial incentives, employee Social Security, can be derived from both financial and nonfinancial rewards (DeCenzo& Robbins, 2010). Yet, previous research has given little attention to employee Social Security as a factor that affects job satisfaction. Further, the majority of job satisfaction studies have been conducted in across different occupations in one organization or across multiple organizations in one country, typically in the West, with researchers pointing to the need for future research to examine job satisfaction across different cultural contexts. The main goal of the current study is therefore to assess the effects of three job rewards (Social Security, pay, and benefits) on job satisfaction in three countries (U.S., Vietnam and Malaysia) having different cultures and levels of economic development (GNI).

One valuable outcome and reason for recognizing employees is that studies show that people who feel appreciated are more positive about themselves and their ability to contribute, i.e., employee Social Security can boost productivity and increase satisfaction (Daniels, 2019; Darling et al., 2017; Nelson, 2005; Gostick & Elton, 2007). A number of research studies indicate that nonfinancial rewards such as Social Security and other intrinsic rewards are sine qua non for job satisfaction

(Darling et al., 2017; Nelson, 2005). Based on a survey of 200,000 employees, Gostick and Elton (2007) conclude that if employee Social Security is conducted properly, it can increase profitability and customer service levels, and heighten employee engagement and satisfaction. While Social Security is not widespread, Nelson's (2005) study shows that 78 percent of employees indicate that it is very important for them to be recognized by their manager, and 84 percent of managers concluded that providing nonmonetary Social Security as a reward has increased performance. Further, 19 percent of managers conclude that recognizing employees helps motivate them.

#### Rewards

The measurement and correction of people's activities through controlling is also an important function of management. However, all these managerial functions accomplish little if managers do not know how to lead people and to understand the human factor in their operations in such a way as to produce desired results (Mullins, 2016). Rewards mean incitement to move or inducement to act or move. In an industrial setting, it means to make a subordinate act in a desired manner in the interest of the organization or employer. To motivate, therefore, is to induce, persuade, stimulate and even compel an employee to act in a manner which may help in attaining organizational objectives. Rewards involve putting inputs that are necessary for changing the work, attitudes and behavior. It is complex trying to understand human Rewards. Sometimes a person's motive may be clear to him but quite puzzling to others. In other incidences, both the individuals and those affected by his behavior understand what is driving him. In some situations, especially where stress is involved, the individual concerned may be totally unaware of his motives while others may see them quite clearly. It is, therefore, prudent for those in managerial and supervisory positions to be aware of these issues and to take into consideration their own prejudices in this area of their work. This is because our efforts to understand others are clouded by our attitudes towards them and the assumptions we make about their behavior.

This research is necessitated by the complex nature of the aspect of Rewards (Cole, 2015) Rewards includes the things that induce an individual to perform while motivators are the identified rewards or incentives that sharpen the drive to satisfy these wants. They are also the means by which conflicting needs may be reconciled or one need heightened so that it will be given priority over another. A business environment in which managerial performance is effective and efficient tends to breed a desire for high quality management among most or all managers and personnel. A motivator then is something that influences an individual behavior. It makes a difference in what a person will do, obviously in any organized enterprise (Mullins, 2016). This study will mainly focus on the factors that motivate employees in the workplace hence enhancing their productivity. Rewards can be defined as "as a process both instinctive and rational by which people seek to satisfy the basic drives, perceived needs and personal goals which trigger human behavior" (Dessler, 2000) The study will be undertaken at the national social security fund (NSSF). Graham and Bennet (1988), on the other hand, state that Rewards consists of all the drives forces and influence, conscious or unconscious that causes the employees to want to achieve certain aims. Hannagan (2018), points out work Rewards as a psychological concept that is primarily concerned with increasing the strength and direction of peoples work related behavior to influence the quality and quantity of people's performance output. Krant and Korman (201), state that Rewards is of two types. Self-enhancing Rewards involve action of making choices that match and fulfils one's personal needs, engaging in activities that foster self-growth, attempting to attain high level of work performance and working for goals that legitimately enhance oneself in one's own eyes and those of others.

## Job performance

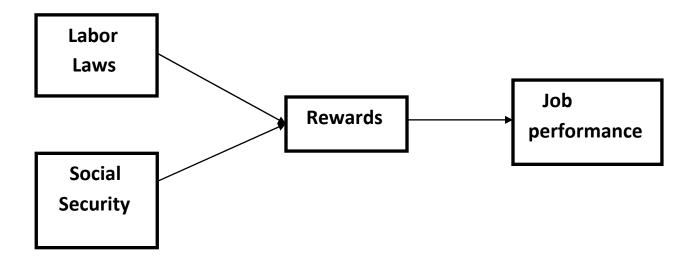
Employees who are the most efficient are like to be they are motivate to perform medina (2002) this relationship mean that rewards and Job performance is expecting theory which means that employee

are most to be motivated performance is more performance to receive the rewards and bonus. The rewards may be cash, recognition both to be acceptable that to achieve so that they are performance is well Suesi (2002) rewards is the key motive to increase the Job performance to expected well. Give the monthly rewards also increase the performance Osterloh and Frey (2012). Employees are extremely motivated tov monthly rewards. The Goal is to satisfy the social exchange process they contribute the efforts Kanfell (2010). Entiwistal (1987) is of the view that 196 employee perform feel them. Organizational rewards result motivated employee. Some other views that recognition in pleasanter the organization favorable works environment motivated the employee Freedman (1978) as cited in Rizwan and Ali (2010). Employee are the important part of any organization increasing the performance they can be motivated through financial and non-financial benefits they can designing that you can says that composition is reward which is receiving by the employee to show their performance. Employee concentrated pay or wages and similar to non-monetary exchange for the Job performance (Holt, 2013).

Work stress models try to explain the consequences of Labor Laws by underlining certain characteristics that make short term workers more prone to suffer work related strain (De Cuyper et al., 2008). There are three relevant variables. First, short term workers are peripheral to the organization, meaning that they are not the main concern of the employers regarding certain aspects such as benefits, wages, promotion or further training. This idea is advanced in theories such as the Flexible Firm model (Atkinson, 1984, cited in Valverde et al., 2000) and the Dual Labor Market model. The resulting adverse working conditions for the short-term employees can cause, as a consequence, decrease in the workers well-being and deteriorate performance at the workplace (Rousseau & Libuser, 2017). Therefore, short term workers have few possibilities for deciding how to do their work, to use specific skills or to make any other kind of decisions within the workplace (De Witte & Näswall, 2003). In addition, since short term workers are new members of the organization, they have to assimilate procedures and aspects of the organization, becoming another potential source of stress (see De Cuyper et al., 2008). The lack of support from co-workers, supervisors or even the union (De Witte & Näswall, 2003) can also be a source of stress and detrimental to wellbeing. The third determinant has to do with the lack of control that short term workers might experience regarding the demands of the employer (or employers). Third, most interactions between the employee and the organization are oriented towards these requirements. When there is a certain level of discrepancy between the needs of the employee and the reinforcement given by the organization, there will be a change in the employee's behavior in order to reduce the dissonance.

#### **Theoretical Framework**

Herzberg Theory Herzberg added some important factors to the models provided by Maslow and Porter. In other words, he altered these theories, and then criticized it; and it has been one of the most important and best motivational theories till now. Therefore, in this study, the Herzberg's theory is used because it is broadly known as one of the major theories on motivation factors, which has both practical and theoretical consequences. In his theory, Fredrick Herzrberg mentioned that employees would not be satisfied just by meeting their lower-level needs. Indeed, gaining basic benefits and salaries, and having an appropriate working environment would not essentially make the staffs delighted and happy with their jobs. Therefore, focusing on his theory, employees attempt to find higher needs level fulfillment referring to their psychological minds like appreciation, improvement, and higher accountability. This theory also implies to job improvement and makes an attempt to plan the tasks to develop opportunities for personal success, individual growth and recognition, and challenge (Herzberg, 1966).



**Independent Variable** 

**Mediating Variable** 

**Dependent Variable** 

## **Hypothesis:**

**H1:** There is significant positive relationship between Labor Laws and Rewards.

**H10:** There is no significant positive relationship between Labor Laws and Rewards.

**H2:** There is significant positive relationship between Social Security and Rewards.

**H20:** There is no significant positive relationship between Social Security and Rewards.

**H3:** There is significant positive relationship between Rewards and Job performance.

**H30:** There is no significant positive relationship between Rewards and Job performance.

## **Research Methodology**

This chapter concentrates on the method of solving the problem identified. The research problem in a nut shell is on the analysis of success of leaders in the Textile industries with special reference to the Scenario. This chapter covers an enumeration of the background of the research design, gap in research, makes the problem statement and consequently derives the objectives of research.

## **Sampling Method**

This study comprises of sources of data, sample size & the tools used to measure the data. We used convenience sampling, correlation and regression. Survey research design will be used in the study. The study will be cross-sectional in that it will examine a sample of the population at a specific time. The study will be conducted in Rawalpindi/ Islamabad. Random sampling technique will be used for data collection, which is a type of probability sampling. The population will be selected through random sampling large numbers of filled questionnaire will be gathered economically and quickly. Questionnaire survey is sued to analyse the data.

#### **Population**

The population of the study is Textile industries in Pakistan. In order to achieve the objective of the study of "Impact of Labour Laws and Social Security on Job performance and mediated by Rewards of Textile Industries in Rawalpindi, Pakistan". Textile industries are mainly the focus of the study in Rawalpindi and Islamabad, because it is easily accessible and time saving.

## Sample Size

The study would take 250 employees as sample size as per the statistical formulae as used by Krejcie and Morgan (1970).

In order to get accurate result or minimum margin error, minimum filled questionnaire will be approximately 70-200, so due to this according to statistical formulae as used by Krejcie and Morgan (1970), 250 questionnaires will be floated during active survey campaign.

### Pilot reliability test:

Variables	Chronbach's Alpha
Labour Laws	0.904
Social Security	0.799
Rewards	0.764
Job performance	0.806

In above table checked the reliability of instrument with the help of SPSS 20. Data was collected from 250 respondents for reliability test. Labour Laws instrument which comprises 0 items when we run the reliability test its Cronbach's Alpha .904 values is greater than threshold which shows this instrument is valid for my research. Social Security instrument which comprises 0 items when we run the reliability test its Cronbach's Alpha .799 values is greater than threshold which shows this instrument is valid for my research. Rewards instrument which comprises 0 items when we run the reliability test its Cronbach's Alpha .764 values is greater than threshold which shows this instrument is valid for my research. Job performance instrument which comprises 0 items when we run the reliability test its Cronbach's Alpha .806 values is greater than threshold which shows this instrument is valid for my research.

## Results Descriptive Statistics

Variables	${f N}$	Mean	Std. Deviation	
Labor Laws	250	3.8464	.00020	
Social Security	250	3.8658	.05924	
Rewards	250	3.5458	. 13801	
Job performance	250	3.5468	. 05001	
Valid N (list wise)	250			

Table 4. shows the mean and standard deviation of Variables. Mean and Standard deviation of Labor Laws is 3.8464 (S.d = .0020), Mean and standard deviation of Social Security is 3.8658 (S.d = .05924), Mean and Standard deviation of Rewards is 3.5458 (S.d = .13801). Mean and Standard deviation of Job performance is 3.5468 (S.d = .05001).

In the above-mentioned table, all the values are measured on 5-point Likert scale. All the values of the above mentioned study variables are closer to each other. This closeness depicts that these variables are in linear relation among each other. The values of standard deviation of all variables are also closer to each other this also depicts that there is a linear relationship among these variables of the study.

### **Correlation Analysis**

Correlation analysis enables us to know about the relationship as well as the level of connection between variables.

Variables	LL	SS	REW	EP
Labor Laws				
Social Security	.816**			
Rewards	.853**	.818**		
Job performance	.850**	.856**	.808**	

- Correlation value between Labor Laws and Job performance is found (0.850, p<0.0). It shows strongest relationship between them.
- Correlation value between Social Security and Job performance is found (0.856, p<0.0). It shows strongest relationship between them.
- Correlation value between Rewards and Job performance is found (0.808, p<0.0). It shows strongest relationship between them.

### **Regression Analysis**

Regression Analysis is used to estimate the causal relationship between independent variables and dependent variable. So, we can see to what extent dependent variable is dependent upon independent variables, and how much significant they are. The R-squared statistics measures success of the regression in predicting the values of dependent variable within the sample. It is the proportion of variation in the dependent variable explained by the regression model. The values of R squared range from 0 to 1. small values indicate that the model does not fit the data well. R square is the explained variance. The standardized coefficients or betas are an attempt to make the regression coefficients more comparable and the results of regression indicates that the coefficient of independent variables are positive which means they have direct relationship with dependent variable. If the coefficients of independent variables are negative this means they have an indirect relationship with our dependent variable.

Variables	В	T	Sig.	
Labor Laws	.332	21.665	.000	
Social Security	.243	23.668	.000	
Rewards	.283	6.786	.000	

#### Job Performance

N=250,  $R^2=.465$ , F=42.886

Invtable No: 4.3, with the help of regression analysis, relationship between Labor Laws with Job performance has been examined. Strong and positive relationship exist between Labour Laws with Job performance ( $\beta$  = .332, t = 21.665, p = .000). In table No: 4.3, with the help of regression analysis, relationship between Social Security with Job performance has been examined. Strong and positive relationship exist between Social Security with Job performance ( $\beta$  = .243, t = 23.668, p = .000).

In table No: 4.3, with the help of regression analysis, relationship between Rewards with Job performance has been examined. Strong and positive relationship exist between Rewards with Job performance ( $\beta$  = .283, t = 6.786, p = .000). Here, the .465 is the R square. This indicates that 53.5% of the variance in dependent variable has been significantly explained by the independent variables and rest of the variation is due to other factors not considered in this study. The F- statistic is used to test the significance of the regression model as a whole. If the value of F is maximum and it reflects the significance of the variables model then the value of F statistic in this model is 42.886, which is significant.

#### **Discussion**

Organizational objectives are achieved only due to employee's performance. If an organization have achieved its targets mean that its employees have work hard for such achievement. Some organizations are appreciating their employees in the form of perks and such like benefits. This appreciation is courage for employees to enhance its ability, but these benefits are provided only to permanent employees. Uncertainty about job is harmful discernment penalty Job performance (Ashford, Lee, & Bobko, 1989; Davy, Kinicki, & Scheck, 2017) though, as job anxiety has capture a somewhat partial attention from scholars" (Hartley et al., 2011). For instance, employee's expectation to get another job may vision the altering nature of work optimistically. On the other hand, those who have financial task for their associates or who consider that they Face hurdles to find a new job may snap unconstructively. Indeed, some writers say persons who have experienced secure and long term employment now, face nervous conditions (Roskies & Louis-Guerin, 2010). Job uncertainty refers to perception concerning stability in a job position" (Davy et al., 2017), "On the whole misery about the future continued existence of the job" (Rosenblatt & Ruvio, 2016), possible risk to continuity in his or her current job" (Heaney, Israel & House, 2014), and incapacity to retain required continuity in a defenseless job situation" (Greenhalgh& Rosenblatt, 1984). Social Security has been found to associate with reduced levels of job satisfaction (Ashford et al 1989). Workers who felt insecure about their job dissatisfy with their current jobs as compared to persons who seeming their future job position more secure. Comparable results have been obtained in a number of studies (e.g. Davy et al., 2017). Nevertheless, the associations between job uncertainty and Job performance may not be as precise as described by this concise analysis. First of all, that all studies have not found that Social Security is directly related to weaken work performance and well-being. Furthermore, even where the findings are matching the magnitudes of relationship vary considerably between studies.

In hindsight, a more professional expertise means having a higher potential to perform the task with a broader comprehension of the work so that more payment awareness causes more productivity. Job-based payment is referred to the rewarding which is based on amount of work difficulty, job specifications, and duty (Uen&Chien, 2004). Studying individual attitudes is based on an old history that has provided a vast literature on attitude-behavior relations (Ajzen, 200). Furthermore, performance-based payment is the reward paid according to the performance of individuals, teams or organizations, including payments like team incentives, profit division, and value pay (Milkovichet al., 2002). The reward programs are necessary in establishing an integrated strategic view to organizational motivation; and when reward system is managed poorly, the reward program makes the staff unhappy, and exhausts the firm's resources (Darling et al., 2017). The reward process should also be verified by the clear relationship between the extra attempt and the given reward to do it (Porter et al., 1975). To access positive motivational properties, the distributed rewards made by organizations must be based on performance and any divergence in this ratio leads to unfairness (Locke & Henne, 1986). In this regard, managers who provide fair reward are better than those who do not. In other words, the employees who feel equality and fair in being given reward based on their effort will be satisfied more and will attempt to act better for the future to get the other promised employers reward (Janssen, 2001). On the whole, it seems that rewarding is clearly comprehended hypothetically, accurately unbiased, and inflated; while the performance assessments have often been provided in economic researches (Prendergast, 2019). To expand the discussion on performance, the concept of controllability is the amount of workers ability to influence or control the outcomes.

## **Implications of Study**

The impact of this concept is related to an assured degree or extent of attempts on the employee's performance which have to differ as low as possible to have such a control on ones reward. Thus, as the controllability level is higher, the performance level and its effectiveness are more effective

(Baker, 2002). The staff must recognize that the rewards depend on performance. In fact, the rewards are directly linked to performance. They should also know that they have required abilities or skills to perform at the necessary job level in the firm. If they do not believe it, rewards will not help to improve performance levels. Instead, a valid form of direction and training may be a substitution (Brian, 201). The reward system must be linked to motivate the performance of employees and this is dependable on the company's strategy, skills, to attract and retain knowledgeable people, and capabilities required to comprehend the company's strategic goals, and to create a supportive structure and culture (Galbraith, 1973). On the other hand, as it was mentioned before, the current employee's performance could be enhanced by managing a well-developed performance assessment, as well as bonus and reward system. Therefore, rewarding system itself could impact the employee's performance positively as is expected by the managers (Bretz et al., 2012). Performance ratings can also be theoretically used to identify the training needs, candidates for promotions, management problems, job rotation, and layoff or hiring.

#### Conclusion

In the current competitive business environment, the organizations are facing a lot of challenges and among these issues, getting the right employees and retaining them is one of the most important ones. In addition, today, the benefit of human resource is measured to be one of the most important advantages of any organization; and in order to acquire the results with the highest efficiency and effectiveness from human resource, motivation of employee is very essential. In fact, employees will do their highest when they feel or hope that their hard work are to be rewarded by their managers. In this regard, many factors are available that change employee's performance such as worker and employer relationship, working conditions, job security, training and opportunity of development, and overall rewarding policies of the company. In addition, among the factors which impact Job performance, motivation, as a result of rewards, is the most important aspect. Motivation is defined as the growth of different processes which express and control people's behavior to achieve some specific goals (Baron, 1983). Therefore, understanding its importance is very necessary for all organizations managers. The maximum level of workers performance happens when they feel their endeavor is rewarded and compensated completely. Some other successful elements on employee's performance include work conditions, the connection between employee and employer, process of training and improvement opportunities, job security and complete policies of firm rewarding. In addition, motivation, as the result of rewarding, affects the staff's behavior and their performance directly. Actually, among all effective elements on employee's performance, motivation, which is the consequence of rewarding, is the most important and essential element. This concept consists of different processes which affect employee's behavior to achieve some definite goals (Baron, 1983). Extant research emphasized on relationships between job satisfaction with reward and Job performance, so this research tried to highlight the mediating role of job satisfaction in the relationship between reward and Job performance. Future study can be concentrated on testing the proposed framework of this study in different scopes and industries.

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