

# **AN EMPIRICAL ANALYSIS OF THE IMPACT OF COMPENSATION ON JOB PERFORMANCE AND WORK-FAMILY CONFLICT IN THE KINGDOM OF SAUDI ARABIA-“A CORRELATION MODEL”**

*Mohammed Owais Qureshi, PhD, MBA,BIT*  
*Syed Rumaiya Sajjad, PhD, MBA,BUMS*  
King AbdulAziz University , Kingdom of Saudi Arabia

---

## **Abstract**

The purpose of this paper is to find the impact of compensation on job performance and work-family conflict, in the Kingdom of Saudi Arabia and subsequently present a model illustrating a relationship between them. The study is based on primary data collected from 400 employees working in Saudi Arabia. The researchers also do a comprehensive literature review of the past theories and research material available on the specified topic. The illustrated model indicates a relationship between compensation, job performance and work-family conflict by showing the impact of compensation, which is directly and indirectly linked to work-family conflict, through job performance of an employee in the Kingdom of Saudi Arabia. The limitation of the study is that the model is based on data collected from employees working in the Kingdom of Saudi Arabia only, which could have been collected from other regions of the Middle East countries as well. According to this model, compensation to the employees should be paid attention to, which would result in enhanced job performance and conflict free work-family environment.

---

**Keywords:** Compensation, job performance, model, Saudi Arabia, work-family conflict

## **Introduction**

In this era of global competition, where attracting effective and efficient employees has become a necessity for competing organizations, Saudi Arabia, one of the most important international markets in the developing world, provides an ideal background for a study on the impact of compensation on job performance and work-family conflict of an employee, working in the Kingdom of Saudi Arabia.

The traditional ways of competitive advantage have to be supplemented with organizational capability i.e. the firm's ability to manage people (Ulrich and Lake 1990). Organizational capability relates to hiring and retaining competent employees and developing competencies through effective human resource management practices (Ulrich and Lake 1991). Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich and Newman 1999). Companies in Saudi Arabia similarly practice this trend to ensure their competitiveness within the industry. Human resource units consider numerous compensation and benefits practices to ensure maximum utilization of the human capital within the industry (Pynes, 2008). Pawan S. Budhwar and Yaw A. Debrah compare the basis for compensation for Saudis and non Saudis where the authors says that the basis for compensation for the non Saudis is cost incurred by the organisation. For Saudi national's in the public sector the basis for compensation is cost and socio cultural factors (Human Resource Management in Developing Countries By Pawan S. Budhwar, Yaw A. Debrah). Human resource departments are considering employee due for hire before setting the compensation scale. The issues concerning basic pay are critical in this context hence demanding cautious consideration. Additionally, numerous organizations in the industry have enacted bonuses and profit sharing mechanisms among other benefits pegged on productivity. The act of practicing equity is another crucial aspect evident among most organizations in the Saudi Arabian context despite the challenges (Wiseman, Gomez-Mejia & Fugate, 2000).

Evaluation of employees' performance is a critical provision amid firms. It provides vital information regarding the productivity of an employee and allocation of benefits that characterize such provisions. Additionally, periodic appraisals act as the driving force for exemplary performances amid employees (Capko, 2003). Conducting fair performance assessments is crucial to avoid unwarranted prejudice and promote the objectivity, productivity, and responsibility of employees (Campion et al. 2011).

Work-family conflict is considered to be an important issue in today's business world (Burke & El-Kot, 2010; Grandey, Cordeino, & Crouter, 2005). The demand of contemporary society and the need for most families to have dual wage earners, work-family conflict has become inevitable. It is indicated that long working hours, duty and heavy work load have a direct influence on work-family conflict (Boyar, Maertz, Mosley, & Carr, 2008; Kim, Leong, & Lee, 2005). Thus, work- family conflict is a result of interference of work with family life, like inflexible working hours, overload of work, interpersonal conflict at work, unsupportive supervisor or organization.

Thus, in this study, the researchers looked into the effect and impact of compensation on the job performance of an employee, and the work-family conflict arising out of it in the Kingdom of Saudi Arabia, and hence found that there is a direct relationship between the three, which is further elaborated with the help of a correlation model.

## **Review of Literature**

### **Compensation and Job Performance**

Compensation also known “Employee Remuneration” occupies an important place in the life of an employee. Compensation schemes and provisions granted to employees can affect their morale and performance in either way. Well-paid employees usually show remarkable performances in the realms of productivity and promotion of ethical practices within the concerned company.

Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich and Newman 1999).

Organizations use attractive compensation schemes to attract and retain potential employees. Retail companies in Saudi Arabia similarly practice this trend to ensure their competitiveness within the industry. HR units consider numerous compensation and benefits practices to ensure maximum utilization of the human capital within the industry (Pynes, 2008). The use of attractive base compensation provisions is crucial in this aspect.

The standard of living, status in the society, loyalty, motivation, productivity and performance depends on the remuneration an employee receives. On the other hand, for the employer too compensation is important as it contributes to the production cost. Thus the aim of employee remuneration is to attract capable employees to the organization and motivate them towards superior performance.

Pawan S. Budhwar and Yaw A. Debrah compare the basis for compensation for Saudis and non Saudis where the authors says that the basis for compensation for the non Saudis is cost incurred by the organisation. For Saudi national’s in the public sector the basis for compensation is cost and socio cultural factors (Human Resource Management in Developing Countries By Pawan S. Budhwar, Yaw A. Debrah). Organizations use attractive compensation schemes to attract and retain potential employees. Retail companies in Saudi Arabia similarly practice this trend to ensure their competitiveness within the industry. (Pynes, 2008).

General satisfaction refers to an aggregation of satisfaction with various job facets or an aggregation of a few measures of general satisfaction (Levin and Stokes, 1989). Job performance is a branch of psychology that

deals with the workplace and is a part of human resource management. Job satisfaction is defined as the extent to which a worker feels positively or negatively about his or her job (Odom, Boxx and Dunn, 1990). As Peters and Austin (1985) point out in their study of excellent companies, virtually all the superior performance firms have employees who are highly satisfied with their jobs.

It is generally believed that expatriates in Saudi Arabia are more concerned about the extrinsic facets of their jobs (e.g., pay, security) than the intrinsic aspects of their jobs (e.g., task-identity, job variety) (Baker and Abou-Ismaïl, 1993).

In Saudi Arabia, when it comes to performance, the leadership and management teams of private companies are keen to cultivate a performance culture, but employees state they see little improvement. Hay Group reports that between 2007 and 2012 there has been little change in the number of employees who believe that the better their performance is, the better their pay and opportunity for advancement will be. In 2009, 46 per cent of employees in Saudi Arabia felt their performance was reflected in their pay and career progression, in 2011, 42 per cent did. In Saudi Arabia, the proportion of an employee's package that is performance based bonus has doubled from 4 to 8 per cent since 2010, even more so at the senior level. This demonstrates that senior leadership are bought into the idea of pay for performance but somehow, that is not filtering through. This suggests a gap between performance management policy and the understanding of its implementation. It also suggests there are cases where there is a gap in communications and employees are feeling the impact of this disconnect. (Nitaqat making an impact in Saudi Arabia, Saudi Gazette).

Hay Group's report finds that nationals now receive 17 per cent more than the market average, whereas in 2011, nationals received 13 per cent above the market. Non-nationals now receive 4 per cent below the market average. (Saudi Gazette, 2013).

The conversation about compensation as it relates to performance matters to the employer, prospective employees and current employees. For current employees, they should know precisely how their performance will be rewarded. Workers who aren't certain that high performance will result in corresponding rewards -- such as salary increase, raises and adjustments -- may not be fully engaged employees because there are no guarantees the employer actually values their efforts and accomplishments. Prospective employees need to know how they will be rewarded so they can determine if your company is the right fit. The employer must determine how compensation and performance management are connected to develop both a compensation structure and performance management system that benefits the employer as well as employees. (Ruth Mayhew, 2013)

## **Job Performance and Work Family Conflict**

Work-to-family conflict occurs when experiences at work interfere with family life, like extensive, irregular, or inflexible work hours, work overload and other forms of job stress, interpersonal conflict at work, extensive travel, career transitions, unsupportive supervisor or organization.(work family conflict). Studies carried out in the USA propose that work family conflict is more often experienced since continuous work demands create stress (Yang, Chen, Choi, & Zou, 2000).

Several studies have examined the impact of performance on work family conflict with mixed results. The 1998 FTse100 data (Winter, 2001) suggested that companies rated 'very good' on a range of equal opportunities and family-friendly provisions had a higher than average FTse100 share performance for five years prior to 1978, than those who did not have these policies.

In collectivist societies, children live together with the family and this relation is expected to be reciprocal. Family members depend on one another, each having the responsibility of supporting others both financially and emotionally. In collectivist societies, each family member offers actual support to one another so as to reduce work-family conflict (Powell et al., 2009).

Aryee (1992) used a self-rated measure of work quality and found that it was related to job-parent conflict but not to job-spouse or job-homemaker conflict. Dex, after dealing with cross-sectional data in a survey of the effect of family friendly policies was not sure if such policies cause improvements in performance. Reduced labour turnover was associated with Job share, Flexi time, help with child care, and working at or from home. (Dex et al., 2001).

A study conducted in Ankara, Turkey on frontline hotel employees Karatepe and Sokmen (2006) and found a significant negative relationship between both work-family conflict and family-work conflict with job performance.

To fully understand the conditions under which individuals experience conflict between their roles is critical for work and family research. There is a need to consider the environment in which one works and lives in addition to the individual's feelings, goals and attitudes in future research. For example, an individual who is involved with his or her job, and receives a great deal of satisfaction from it, may be able to cope with some conflict as a trade-off for career success. Future research should explore what contributes to multiple facets of conflict (work affecting family and family affecting work) for non-professional employees. (Grant et al., 2001)

In the study carried out with IBM employees in 48 different countries, a high relationship is noted between WFC and job satisfaction

(Hill et al., 2004). Butler and Skattebo (2004) found that the overall performance of men who experienced work-family conflict was low as compared to men who did not. But it is surprising to know that no such difference was found in women who experience the conflict and women who did not.

Not being limited only by the employees and their families, work-family conflict leads to many other organizational consequences, such as work dissatisfaction, low performance, organizational commitment, irregular attendance at work and high turnover rate (Willis et al., 2008; Kim et al., 2005).

### **Objective of the Study**

On the basis of the gap found in the literature review, the main objective of the study is to assess the relationship between employee compensation, job performance and work-family conflict in the Kingdom of Saudi Arabia.

To achieve the main objective, the following sub objectives are set:

1. To study the relationship between compensation and job performance.
2. To study the relationship between job performance and work family conflict.
3. To study the relationship between compensation and work family conflict

### **Research Methodology**

*Methodology:* The study is principally based on primary data collected from employees currently working in Saudi Arabia. The study was proposed on a sample size of 400 respondents. 420 questionnaires were randomly administered to employees. Approximately 300 usable questionnaires were received.

Data collection occurred through literature review (secondary data collection) from relevant books, peer journals, and current electronic publications (valid websites). Enough information was attainable from these sources thus allowing for appropriate analysis, compilation, interpretation, and structuring of the entire report.

*Survey instrument:* A comprehensive questionnaire, on the topic of the study, was developed for data collection, from the employees working in various companies in the Kingdom of Saudi Arabia. The questionnaire consisted of ten questions focusing on areas such as education level of the employees, their experience, compensation, job satisfaction, absenteeism, and interpersonal conflict, amongst others. The questionnaire was originally developed into English and translated into Arabic for high response rate.

*Statistical tools:* The duly filled questionnaire from the respondents was analyzed by SPSS software. Statistical tools used were percentages, mean and Correlation.

## **Hypothesis**

Thus, on the basis of literature review, researchers proposed the following hypotheses (H):

H1 There is a positive relationship between compensation and job performance.

H2 Job performance is inversely related to absenteeism.

H3 Job performance is directly related to flexible working hours

H4 Job performance is inversely related to work load

H5 Job performance is inversely related to interpersonal conflict

H6 Job performance is directly related to supportive supervisor

H7 Compensation is inversely related to absenteeism.

H8 Compensation is directly related to flexible working hours

H9 Compensation is directly related to work load

H10 Compensation is inversely related to interpersonal conflict

H11 Compensation is directly related to supportive supervisor

## **Conceptual Framework of the Study**

The researchers finalized the study by undertaking the following framework:

The study analyses and presents the relationship between employee compensation, job performance and work family conflict in the Kingdom of Saudi Arabia. The research depicts that employee compensation plays a very important role in enhancing the job performance of an employee and in turn mitigating the work-family conflict and vice versa. And thus the analysis attempts to present a correlation model between compensation, job performance and work family conflict, for the employees working in the Kingdom of Saudi Arabia.

## **Results**

**Demographic Results:** 83.34% respondents are males and 16.67% respondents are female. 73.34 are married and 26.66 are unmarried. 60% of the respondents have a salary less than 5000 SR and 40% of the respondents have a salary more than 5000 SR. (Table 1)

**Relationship Results:** The researcher proposed eleven hypothesis to be tested in the study to arrive at the meaningful conclusion. The proposed hypothesis were expected to provide a clear picture of relationship between employee compensation, job performance and work-family conflict in the Kingdom of Saudi Arabia. The results were also expected to show the impact

of employee compensation on the job performance of an employee and on work-family conflict.

### **H1 There is a positive relationship between compensation and job performance**

Table 3 shows that 60% of the respondents are satisfied (Neutral 20%, Somewhat Agree 20%, Strongly Agree 20%) with the compensation that they receive from their organization and also Table 3 shows that almost 60% (Neutral 20%, Somewhat Agree 20%, Strongly Agree 20%) of the respondents are satisfied with their job performance at work. From Table 2 the researcher finds out a positive relationship between compensation and job performance, with a correlation coefficient of 0.99 and Variance explained of 99 %. ( Table 2 and Table 3)

### **H2 job performance is inversely related to absenteeism**

Table 3 shows that 85% of employees are regular to work (Strongly Disagree 49%, Somewhat disagree 14%, Neutral 22%, to absenteeism). From Table 4 the researcher concludes that there is a relationship between job performance and absenteeism. The more job performance the lesser the absenteeism. The correlation coefficient of 0.71 show that there is moderate relationship between job performance and absenteeism. (Table 3 and Table 4)

### **H3 job performance is directly related to flexible working hours**

Table 3 shows that 58.33% of employees believe that the companies that they work with in the Kingdom of Saudi Arabia have flexible working hours (Neutral 28%, Somewhat Agree 10%, Strongly Agree 20%). And Table 4 shows that the correlation coefficient is 0.77, while the variance explained is 59.84 that depicts that there is a strong and direct relationship between job performance and flexible working hours. (Table 3 and Table 4)

### **H4 job performance is inversely related to work load**

Table 3 shows that 58% of employees believe that they do not have enough work load in the companies that they work with in the Kingdom of Saudi Arabia (Neutral 28%, Somewhat Agree 10%, Strongly Agree 20%). And Table 4 shows that the correlation coefficient is 0.77, while the variance explained is 59.90 that depicts that there is a strong and direct relationship between job performance and no work load which means work load is inversely related to job performance. The more the work load the job performance of an employee goes down. (Table 3 and Table 4)



### **H5 job performance is inversely related to interpersonal conflict**

Another concurrent practice is the use of divine laws (Quran teachings) to assess and judge grievances (Budhwar & Debrah, 2004). Table 3 shows that 58% of employees believe that they do not have interpersonal conflict in the companies that they work with in the Kingdom of Saudi Arabia (Neutral 28%, Somewhat Agree 10%, Strongly Agree 20%). And Table 4 shows that the correlation coefficient is 0.76, while the variance explained is 57.77 that depicts that there is a strong and direct relationship between job performance and no interpersonal conflict which means interpersonal conflict is inversely related to job performance. The more the interpersonal conflict the job performance of an employee goes down.

### **H6 job performance is directly related to supportive supervisor**

Table 3 shows that 60% of employees believe that their supervisors are supportive (Neutral 30%, Somewhat Agree 10%, Strongly Agree 20%). And Table 4 shows that the correlation coefficient is 0.66, while the variance explained is 44.18 that depicts that there is a strong and direct relationship between job performance and supportive supervisor. That means a supportive supervisor has a moderate role in improving the job performance of an employee. (Table 3 and Table 4)

### **H7 compensation is inversely related to absenteeism**

From Table 5 the researcher concludes that there is a relationship between compensation and absenteeism. More the compensation lesser the absenteeism. The correlation coefficient of 0.72 show that there is relationship between compensation and absenteeism and further that, compensation is inversely related to absenteeism. (Table 5)

### **H8 compensation is directly related to flexible working hours**

Table 5 shows that the correlation coefficient of compensation and flexible working hours is 0.82, while the variance explained is 68 that depicts that there is a strong and direct relationship between compensation and flexible working hours. (Table 5)

### **H9 compensation is directly related to work load**

Table 5 shows that the correlation coefficient of compensation and no work load is 0.82 that depicts that there is a strong and direct relationship between them. The result depicts that it is not necessary that in case the employee the compensation is good, the work load is more. (Table 5)

**H10 compensation is inversely related to interpersonal conflict**

Table 5 shows that the correlation coefficient of compensation and no interpersonal conflict is 0.82, while the variance explained is 66 that depicts that there is a strong and direct relationship between compensation and no interpersonal conflict which means interpersonal conflict is inversely related to compensation. The more the compensation the lesser the interpersonal conflict. (Table 5)

**H11 compensation is directly related to supportive supervisor**

Table 3 shows that 60% of employees believe that their supervisors are supportive. And Table 5 shows that the correlation coefficient is 0.72, while the variance explained is 52 that depicts that there is a strong and direct relationship between compensation and supportive supervisor. That means compensation has a strong role in improving relationship between the employee and the supervisor. (Table 3)

*Findings:* The researcher proposed eleven hypothesis to be tested in the study to arrive at the meaningful conclusion. The proposed hypothesis were expected to provide clear picture of the relationship between compensation and job performance, job performance and work family conflict in the Kingdom of Saudi Arabia’s. The results were also expected to show the impact of compensation on the work family conflict of the employees. From the results and analysis the researchers presents the following highlights of the finding

Summary of hypothesis and brief findings.

(1)	(2)	(3)	(4)
H1	Yes	Positive relationship between compensation and job performance.	Accepted
H2	Yes	Job performance is inversely related to absenteeism	Accepted
H3	Yes	Job performance is directly related to flexible working hours	Accepted
H4	Yes	Job performance is inversely related to work load.	Accepted
H5	Yes	Job performance is inversely related to interpersonal conflict	Accepted
H6	Yes	Job performance is directly related to supportive supervisor	Accepted
H7	Yes	Compensation is inversely related to absenteeism.	Accepted
H8	Yes	Compensation is directly related to flexible working hours	Accepted
H9	No	Compensation is directly related to work load	Rejected
H10	Yes	Compensation is inversely related to interpersonal conflict	Accepted
H11	Yes	Compensation is inversely related to supportive supervisor	Accepted

NOTES Column headings are as follows: (1) hypothesis, (2) Correlation (3) results, (4) hypothesis rejected/accepted.

**Discussion**

In the current study the researchers proposed eleven hypotheses to test, through which three objectives would be achieved. In this section, the results of the research are discussed. The proposed correlation model is also further conferred.

Outcome of the research study depicts that employees are happy with the compensation and benefits that they get from their employers. Although 60% of the respondents said that their salary is below 5000 SR but an almost same percentage of employee's i.e.60% were satisfied with the compensation that they get from their employers. The reason for this is that working in Saudi Arabia comes with considerable financial benefits. Not only are salaries slightly higher than for the same kind of work in other countries, but the net income receives a significant boost through the absence of personal income tax.

The first objective of the study was to study the relationship between employee compensation and job performance, in the Kingdom of Saudi Arabia. The result showed that approximately 60% of the respondents are satisfied with the compensation that they receive from their organization. However 30% said that they strongly disagreed with this. The researchers found a positive relation between compensation and job performance, with a correlation coefficient of 0.99 and Variance explained of 99 %.

The second objective of the study was to study the relationship between job performance and work-family conflict, in the Kingdom of Saudi Arabia. Job performance as one of the direct consequences of work-family conflict has been examined by several researchers including Aryee (1992). And the researchers found out that there is a relationship between job performance and work-family conflict. For the purpose of this objective, the researchers proposed five hypothesis, with the sub objectives of finding a relationship between job performance and the following five variables of work-family conflict namely, absenteeism, flexible working hours, work load, interpersonal conflict and supportive supervisor. The researchers found that job performance was inversely related to absenteeism, as 85% of the respondents said that they were regular to work and the correlation coefficient of 0.71 between job performance and absenteeism showed that there is moderate relationship between job performance and absenteeism. The researchers further found a direct relationship between job performance and flexible working hours, as 58.33% of employees believe that the companies that they work with in the Kingdom of Saudi Arabia have flexible working hours and the correlation coefficient of 0.77 between job performance and flexible working hours showed that there is strong relationship between job performance and flexible working hours. The researchers also found that job performance is inversely related to work load, as 58% of employees believe that they do not have enough work load and the correlation coefficient of 0.77 between job performance and no work load showed that there is strong but inversely related relationship between job performance and work load. The researchers found that job performance is inversely related to interpersonal conflict, as 58% of employees believe that

they do not interpersonal conflict with other employees and the correlation coefficient of 0.76 between job performance and no interpersonal conflict showed that there is strong but inversely related relationship between job performance and interpersonal conflict. The researchers further found a direct relationship between job performance and supportive supervisor, as 60% of employees believe that the companies that they work with in the Kingdom of Saudi Arabia have supportive supervisor and the correlation coefficient of 0.66 between job performance and supportive supervisor showed that there is direct relationship between job performance and supportive supervisor.

The third objective of the study was to study the relationship between compensation and work-family conflict, in the Kingdom of Saudi Arabia. And the researchers found out that there is a relationship between compensation and work-family conflict. For the purpose of this objective, the researchers proposed five hypothesis, with the sub objectives of finding a relationship between compensation and the following five variables of work-family conflict namely, absenteeism, flexible working hours, work load, interpersonal conflict and supportive supervisor. The researchers found that compensation was inversely related to absenteeism, more the compensation lesser the absenteeism and the correlation coefficient of 0.72 between compensation and absenteeism showed that there is moderate relationship between compensation and absenteeism. The researchers further found a direct relationship between compensation and flexible working hours, as the correlation coefficient of 0.82 between compensation and flexible working hours showed that there is strong relationship between compensation and flexible working hours. The researchers further found that compensation was not related to work load, as the correlation coefficient of 0.82 between compensation and no work load depicts that it is not necessary that in case the employee the compensation is good, the work load is more. The researchers found that compensation is inversely related to interpersonal conflict, 0.82 is, while the variance explained is 66 that depicts that there is a strong and direct relationship between compensation and no interpersonal conflict which means interpersonal conflict is inversely related to compensation. The more the compensation the lesser the interpersonal conflict. The researchers further found a direct relationship between compensation and supportive supervisor. The interpretation through data analysis shows that the correlation coefficient is 0.72, while the variance explained is 52 that depicts that there is a strong and direct relationship between compensation and supportive supervisor. That means compensation has a strong role in improving the relationship between the employee and his supervisor.

Thus, from the above results, the researcher demonstrates that there is a relationship between compensation, job performance and work-family conflict, of an employee, in the Kingdom of Saudi Arabia.

**The Proposed Model**

Based on the above discussion, literature review, previous research and the findings from the empirical analysis of the current research, the study presents a relationship between compensation, job performance and work-family conflict; the analysis further presents a model which proposes the impact and subsequent consequences of compensation offered by the organization in the Kingdom of Saudi Arabia, on the job performance and work-family conflict. It further shows that there is an impact on compensation also, which can be traced back to the work-family conflict and job performance of an employee. The present model thus proposes the impact of compensation on job performance, work-family conflict and vice versa, through three different paths, as follows.

- Path 1: Compensation           → Job Performance
- Path 2: Job performance   → Work Family Conflict
- Path 3: Work Family Conflict → Compensation

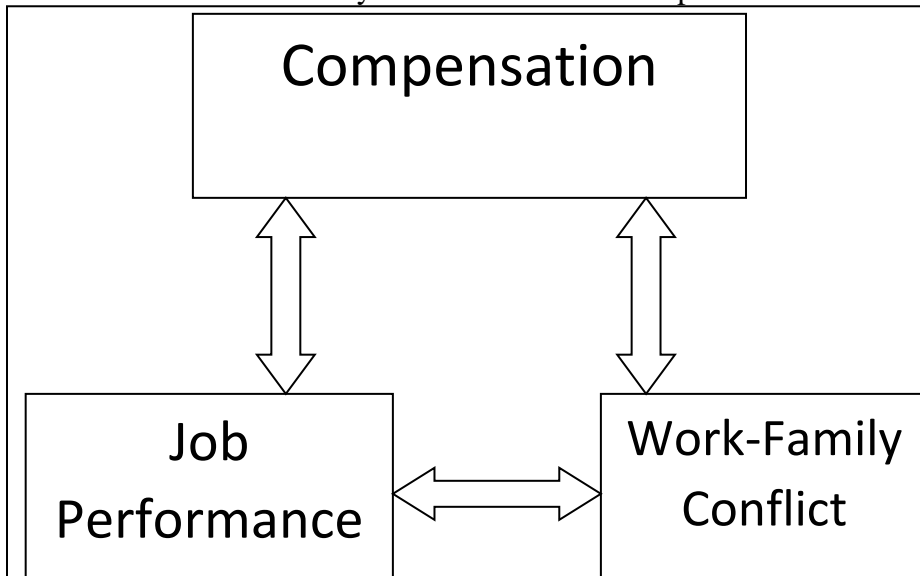


Figure 1: A Correlation Model

**Conclusion and Practical Implications**

From the foregoing study and analysis, the researchers presented a relationship between compensation, job performance and work-family conflict in the Kingdom of Saudi Arabia. Also this study is expected to contribute to the literature related to compensation, job satisfaction and

work-family conflict concerning employees, working in different organization across the Kingdom of Saudi Arabia. Organizations operating in the Kingdom of Saudi Arabia should also be aware about the effects of work-family conflict on the job performance and compensation of an employee and thus should pay close attention to it.

The researchers confidently conclude that this study has practical and policy implications for the organizations operating in the Kingdom of Saudi Arabia. The findings show that organizations can facilitate employee performance by emphasizing on mitigating work-family conflict. It is worth mentioning here that the study found that the impact of compensation has a positive impact on the job performance of the employees working in different sectors of Saudi Arabia.

Considering the findings in this study the researchers propose a correlation model depicting direct and indirect relationship between compensation, job performance and work-family conflict. The model proposes that compensation has a direct relationship with the job performance of an employee and also job performance has a direct and/or inverse effect on work-family conflict. The model also proposes that work-family is also related directly and/or inversely to compensation. According to this model, compensation to the employees should be paid attention to, which would result in positive job performance and conflict free work-family environment. The implementation of this model would be possible only if the management and supervisors are supportive.

### **Limitations and Direction for Future Research**

The study and the subsequent model is based on data collected from employees working in the Kingdom of Saudi Arabia only, which could have been collected from other regions of the middle east countries as well. Further the questions that were included did not establish a link between human resource practices with the job performance and work-family conflict of the employees. Future researchers can take up studies on human resource management by including the above mentioned limitations.

### **Conflict of Interest**

All authors declare to have no financial or personal relationships that could inappropriately influence the research described.

### **References:**

Aryee, S. (1992). Antecedents and outcomes of work-family conflict among married professional women: Evidence from Singapore. *Human Relations*, 45(8), 813-837

- Baker, M. J. & Abou-Ismaïl, F. (1993). Organizational Buying Behavior in the Gulf. *International Marketing Review*, 10(1), 42-60.
- Boyar, S.L., Maertz, Jr.C.P., Mosley, Jr.C.D., & Carr, C.J. (2008). The impact of work/family demand on work-family conflict. *Journal of Managerial Psychology*, 23(3), 215-235.
- Budhwar, P., & Debrah, Y. (2004). *Human Resource Management in Developing Countries*. London: Routledge.
- Burke, R.J, & El-Kot, E.G. (2010). Correlates of work-family conflicts among managers in Egypt. *International Journal of Islamic and Middle Eastern Finance and Management*, 3(2), 113-131.
- Butler, A. B., & Skattebo, A. (2004). What is acceptable for women may not be for men: The effect of family conflicts with work on job performance. *Journal of Occupational and Organizational Psychology*, 77, 553-564.
- Campion, M., Fink, A. & Rugeberg, B. et al. (2011). DOING COMPETENCIES WELL: BEST PRACTICES INCOMPETENCY MODELING. *Personnel Psychology*. Vol. 64: 225–62.
- Capko, J. (2003). 5 Steps to a Performance Evaluation System. Retrieved from <http://www.aafp.org/fpm/2003/0300/p43.html> (Accessed 12 April 2014)
- Elisa J. Grant-Vallone, Stewart i. Donaldson, 2001, Consequences of work-family conflict on employee well-being over time, *Work & stress*, vol. 15, no. 3
- Grandey, A. A., Cordeino, L. B., & Crouter, C.A. (2005). A longitudinal and multi-source test of the work-family conflict and job satisfaction relationship. *Journal of Occupational and Organizational Psychology*, 78, 305-323.
- Hill, E. J., Yang, Hawkins, A. J., & Ferris M. (2004). A cross-cultural test of the work-family interface in one corporation in 48 countries. *Journal of Marriage and Family*, 66, 1300-1316.
- Karatepe O. M., & Sokmen A. (2006). The effects of work role and family role variables on psychological and behavioral outcomes of frontline employees. *Tourism Management* , 27(2), 255-268.
- Kim, W. G., Leong, J. K., & Lee, Y. K. (2005). Effect of service orientation on job satisfaction, organizational commitment, and intention of leaving in a casual dining chain restaurant. *Hospitality Management*, 24, 171-193.
- Levin, I., & Stokes, J.P. (1989). Dispositional approach to job satisfaction: Role of negative affectivity. *Journal of Applied Psychology*, 74, 752-758.
- Milkovich, G.T., and J.M. Newman. (1999). *Compensation*. New York: Irwin McGraw-Hill.
- Nitaqat making an impact in Saudi Arabia, *Saudi Gazette*: Retrieved, from <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20120906135196> (Accessed 6 November 2012)

- Odom, R. Y., Boxx, W. R., & Dunn, M. G. (1990). Organizational Cultures, Commitment, Satisfaction, and Cohesion. *Public Productivity & Management Review*, 14, (2), 157-168.
- Pawan S. Budhwar, Yaw A. Debrah (2001). *Human Resource Management in Developing Countries*
- Peters, T., & Austin, N. (1985). *A Passion for Excellence*. New York: Warner Books.
- Powell, N.G, Francesco, A. M., & Ling, Y. (2009). Toward culture-sensitive theories of the work-family interface. *Journal of Organizational Behavior*, 30, 597-616.
- Pynes, J. (2008). *Human resources management for public and nonprofit organizations: a strategic approach*. New Jersey, NJ: John Wiley & Sons.
- Ruth Mayhew, *The Advantages of Compensation Discussion in a Performance Management Interview*): Retrieved from <http://smallbusiness.chron.com/advantages-compensation-discussion-performance-management-interview-22948.html> (Accessed 10 December 2012)
- S Dex, C Smith & S Winter, WP 22/2001. *The Judge Institute of Management Studies Trumpington Street Cambridge CB2 1AG 2*
- Ulrich, D., and D. Lake. (1990). *Organizational capability*. New York: Wiley.
- Ulrich, D., and D. Lake. (1991). *Organizational capability: Creating competitive advantage*. Academy of Management Executive, New York: Wiley.
- Willis, A.T., O'Conner, B.D., & Smith, L. (2008). Investigating effort-reward imbalance and work-family conflict in relation to morningness-eveningness and shift work. *Work & Stress*, 22(2), 125-137.
- Wiseman, M., Gomez-Mejia, L. & Fugate, M. (2000). "Rethinking compensation risk", in Rynes. California, CA: Jossey-Bass.
- Work family conflict*: Retrieved from [http://en.wikipedia.org/wiki/Work%E2%80%93family\\_conflict](http://en.wikipedia.org/wiki/Work%E2%80%93family_conflict) (Accessed 12 January 2013)
- Yang, N., Chen, C. C., Choi, J., & Zou, Y. (2000). Sources of work-family conflict: a Sino-U.S. comparison of the effects of work and family demands. *Academy of Management Journal*, 43, 113-123



**Appendices  
Tables(s)**

Table-1 Profile Analysis of Respondents

Demographic Variables	N	%	Demographic Variables	N	%
<b>Gender</b>			<b>Marital Status</b>		
Men	250	83.33	Married	220	73.34
Women	50	16.34	Unmarried	80	26.66
Total	300	100	Total	300	100
<b>Salary</b>					
Less than equal to 5000 SR	180	60			
5001SR and above	120	40			
Total	300	100			

Table 2 Correlation between Compensation and Job Performance

	Compensation	Job Performance
	N	N
Strongly disagree	89	90
Somewhat Disagree	31	30
Neutral	60	59
Somewhat agree	59	63
Strongly Agree	61	58
Correlation Coefficient	0.992681	
Variance Explained(%)	99	

Table 3 Frequency and Percentage of Variables

	C		JP		AB		FWH		NWL		NIC		USS	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
SD	89	29.67	90	30.00	147	49.00	100	33.33	100	33.33	100	33.33	90	30.00
SWD	31	10.33	30	10.00	40	13.33	25	8.33	26	8.67	26	8.67	30	10.00
N	60	20.00	59	19.67	67	22.33	85	28.33	84	28.00	84	28.00	90	30.00
SWA	59	19.67	63	21.00	25	8.33	32	10.67	32	10.67	30	10.00	31	10.33
SA	61	20.33	58	19.33	21	7.00	58	19.33	58	19.33	60	20.00	59	19.67

Note:

C-Compensation, JP-Job Performance, AB-Absenteeism, FWH-Flexible Working Hour, NWL-No Work Load, NIC-No Interpersonal Conflict, USS-Unsupportive Supervisor

Strongly disagree -SD, Somewhat Disagree - SWD, Neutral -N  
Somewhat agree - SWA, Strongly Agree - SA,

Table 4 Correlation between Job Performance and Work Family Conflict

	Job Performance	Absent eeism	Flexible Working Hours	No Work Over Load	No Interpersonal Conflict	unsupportive Supervisor
Strongly disagree	90	147	100	100	100	90
Somewhat Disagree	30	40	25	26	26	30
Neutral	59	67	85	84	84	90
Somewhat agree	63	25	32	32	30	31
Strongly Agree	58	21	58	58	60	59
	Correlation Coefficient	0.718745	0.773621	0.774013	0.760093	0.664748
	Variance Explained	51.65948	59.84893	59.90966	57.77418	44.18898

Table 5 Correlation between Compensation and Work Family Conflict

	Compensation	AB	FWH	NWL	NIC	USS
SD	89	147	100	100	100	90
SWD	31	40	25	26	26	30
N	60	67	85	84	84	90
SWA	59	25	32	32	30	31
SA	61	21	58	58	60	59
	Correlation Coefficient	0.727887	0.823889	0.824594	0.815108	0.723914
	Variance Explained	53	68	68	66	52

Note:

C-Compensation, AB-Absenteeism, FWH-Flexible Working

Hour, NWL-No Work Load, NIC-No Interpersonal Conflict,

USS-Unsupportive Supervisor

Strongly disagree -SD,

Somewhat Disagree -

SWD,

Neutral -N

Somewhat agree - SWA,

Strongly Agree -

SA,