

# **“IMPACT OF COMPENSATION AND BENEFITS ON THE EMPLOYEE’S PRODUCTIVITY OF NATIONAL BANK OF PAKISTAN”**

A thesis  
Presented to  
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In Partial Fulfillment  
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By

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**Recommendation for Oral Examination**

This Project/thesis hereto attached, entitled, "Impact of Compensation and Benefits on the Employee's Productivity of National Bank of Pakistan", prepared and submitted by Hafiza Aqeela Abdul Razzak, in partial fulfillment of the requirements for the degree MASTER IN BUSINESS ADMINISTRATION, is hereby recommended for appropriate action.

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# Abstract

A company's financial assets have always occupied central importance and banks are the part of the financial institutions that look after that aspect. However, world's recent plunge into financial crisis has raised this importance to critical level. Particularly, this has put direct effect upon financial sector.

Compensation management deals with the ability to effectively compensate the employees to work, and create a competitive advantage through highly motivated human resources. Although, human resources are accepted to be organization's most important assets yet organization's decision often depicts contradiction with this belief. Human resource should not be neglected because they can bring competitive advantage to organization. Therefore, they should be managed with equal importance with other functions of the business.

Employee participation, extensive employee training and performance, contingent incentive compensation, are widely believed to improve the performance of organizations. Similarly, if employees are compensated effectively they increase productivity of the organization.

The paper focused upon exploring different instruments and the factors of motivation which they affect the banking sector of Pakistan. In order to achieve these objectives, interviews were conducted at each level of employees of NBP.

The paper has concluded that Compensation Management has a profound direct positive relationship with employee motivation level and intrinsic factors played important role in the motivation process.

The paper recommends that banking sector shall apply progressive human resource strategy and provide healthy compensation plans regarding benefits and intrinsic factors.



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