

**THE MEDIATING EFFECT OF ORGANISATIONAL JUSTICE ON THE
RELATIONSHIP BETWEEN COMPENSATION STRATEGY AND
EMPLOYEE PERFORMANCE AMONG ACADEMIC STAFF IN IRAQI
UNIVERSITIES**

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ABSTRACT

Today, most universities in Iraq face various challenges that affected most universities' educational performance in Iraq. As a result, this paper focuses on the influence of compensation strategy on employee performance at Iraqi universities and the mediating role of organisational justice in the compensation strategy-employee performance relationship. The methodology used in this study is based on a quantitative method applied to the questionnaire survey and structural equation modelling (SEM). Population and sample consist of individuals represent academics staff in 22 universities located in the Medill and south area of Iraq. This study showed that compensation strategy in educational institutions affected the employee performance of universities and mediated by organisational justice. The importance of this research stems from the investigation of critical elements that contribute to the employee performance of educational institutions. The findings of this study will be helpful for the Iraqi universities as it will improve their employee performance through the use of appropriate compensation strategy indicators.

Keywords: Compensation Strategy, (CS), Organizational Justice, OJ, Employee Performance, (EP); Iraq University.

1. Introduction

Every organisation used a maximum of its resources to develop its employee's performance. The performance is an idea depicting how a man can use his particular potential or information, skills and capacities with a specific end goal to achieve the objectives or desires (Hameed&Waheed, 2011). However, there has been a lack of sources and literature on the mediating effect of organisational justice on the association between academic staff performance and compensation strategy in Iraqi universities of the issue in emerging countries. Furthermore, the relationship

between compensation strategy, organisation justice and employee performance is still lacking, especially in emerging countries. It also faces universities, especially in Iraqi higher education, facing a severe crisis, which reflects the difficult condition of the education system of Iraq (Ranjan & Jain, 2009; Mahmud, 2013). Staff are not treated enough according to their academic development. Authority always provides them with low incentives, though employees are the main resources of the organisations responsible for the organisational success or failure (Salman, 2018).

Regarding compensation to employees, employees working in Iraq universities were reportedly not adequately compensated (Issa&Jamil, 2010). The salary of academic staff is very low compared to academic staff in developed countries (Al-Husseini&Elbeltagi, 2015; Ahmad K. Al, 2016; MoazGhassan Ismail, 2019). This contributed to the low employee's performance. Organisations should focus on their employee's attraction and retention by rewarding them appropriately (Al-Janabi and Urban, 2011;Al-Behadili, 2018). To overcome the issue, organisations believed that compensation strategy improves employee performance by applying compensation systems that enhance employee performance (Demerouti et al., 2014). Thus, the mediating impact of organisational justice on the relationship between compensation strategy and employee performance in Iraqi universities is examined in this work.

2. Objectives of the study

- 1.To examine the effect of compensation strategy on employee performance among academic staff in Iraq universities.
- 2.To examine the effect of compensation strategy on organisational justice among academic staff in Iraq universities.
- 3.To examine the effect of organisational justice on employee performance among academic staff in Iraq universities.
- 4.To examine the mediating effect of organisational justice on the relationship between compensation strategy and employee performance among academic staff in Iraq universities.

3. Questions of the study

- 1.What is the effect of compensation strategy on employee performance?
- 2.What is the effect of compensation strategy on organisational justice?
- 3.What is the effect of organisational justice on employee performance?

4. What is the mediating effect of organisational justice on the relationship between compensation strategy and employee performance?

4. Literature review

4.1 Relationship Between Compensation strategy and performance of employees.

Tinaikar (2017) reported that past studies had revealed a strong connection between compensation packages, employee performance, and retention. In contrast, Osibanjo et al. (2014) suggested that the management and decision-makers audit compensation packages fulfil the employee's expectations and prevent high turnover rates. According to Ramanathan (2012), there is a reasonably strong relationship between compensation and how well the workers perform because this also depends on bonuses and employee ownership.

Nonetheless, Rizal et al. (2014) decided that offering competitive salaries and necessary rewards determines an institution's performance and development because it can draw interest, encourage, and keep the employees in the organisation. Likewise, Zhang (2012) also found that individual employee performance and organisation effectiveness mainly depends on the compensation system used for the employee as it has a vital role in enhancing employees' performance (Jean et al., 2017). Having to portray the scenario, many businesses are competitive, and currently, many institutions are trying to determine innovative compensation techniques to improve the employee's performance.

4.2 Relationship Between Compensation Strategy and Organizational Justice.

The compensation is positively connected to organisational justice. It was mentioned several times that compensation and justice as different in terms of construction. However, the relationship's strength revealed a potential value when the justice theory is applied to predict the equilibrium (Afifi, & Ahmed, 2017). Based on the research findings on compensation strategy and organisational justice, scholars such as Bloom (2004) and Al-Zu'bi (2010). revealed that significant relationships occur between compensation strategy and administrative judge. Due to this assumption, this study can hypothesise that organisational justice has a significantly positive effect on employee performance.

4.3 Relationship Between Organizational Justice and Employee Performance.

Past empirical studies revealed a positive effect between employee's job performance and organisational justice. On the other hand, these researchers focused on the conceptual links between justice and work behaviours, including organisational citizenship, rule compliance,

respect for authority, teamwork, and decent performance (Aryee et al., 2004; Arman et al., 2014). These matters can lead to fairness in decision-making, improve interpersonal relationships, and allocate rewards in return for their contribution. This will affect the employees' working attitude and behaviour. Based on the research findings on organisational justice and employee performance, scholars such as Bloom (2004: Parven, & Awan, 2018; UmmiNaiemah, 2014) and Choi and Chen (2007) had revealed that there are significant relationships that exist between organisational justice and employee performance. Due to this assumption, this study can hypothesise that organisational justice has a significantly positive effect on employee performance.

In this study, three variables construct the conceptual framework (compensation strategy, organisational justice and employee performance). This framework's development is based on the findings of previous studies and perspectives of scholars in management science. The literature review shows that compensation strategy is measured through two factors: financial compensation and non-financial compensation. Organisational justice is measured through three aspects: distributive justice, procedural justice and interpersonal justice: employee performance is measured through three factors: task performance, contextual performance and adaptive performance.

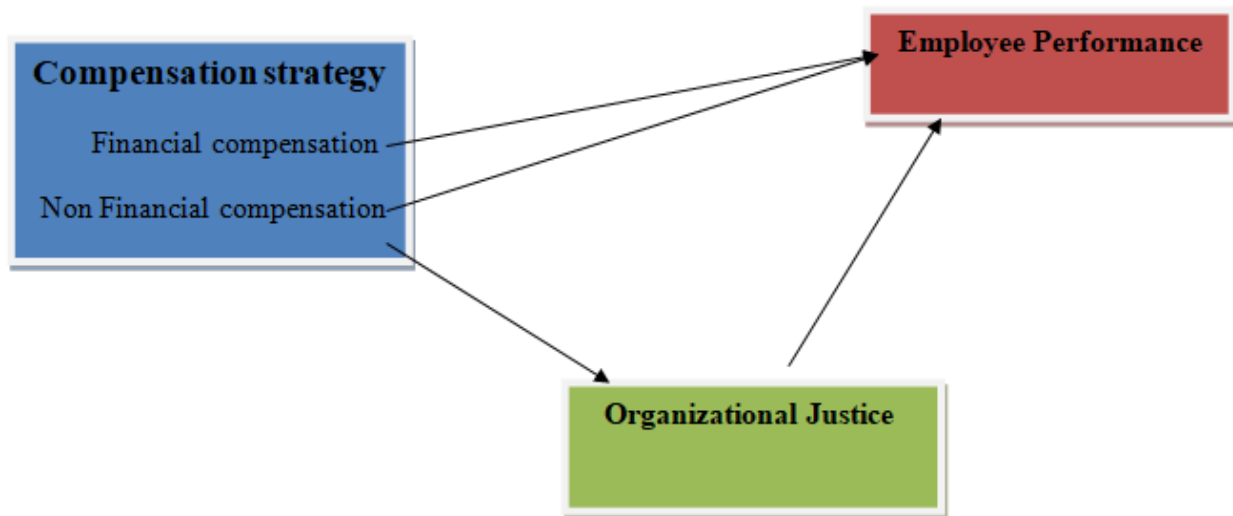


Figure 1: Conceptual framework

5. Population and sample

The total number of respondents in the selected universities are 29435 individual who represents academic staff in 22 universities located in the Medill and southern area of Iraq. The sample size

in this study is (379); according to table Krejcie and Morgan (1970), the size of the sample for the population of (29,435). The sample size is 379.

6. Research Methodology

The goal of the present analysis is to figure out the role of compensation strategy on employee performance. In addition, the mediating role of organisational justice between the relationship of compensation strategy and employee performance is also examined. A research design is essentially a study plan or framework used to facilitate analysis and data collection (Pandey, 2015). It is a step-by-step guide to finishing a research project. A research design is a guideline for analysing and collecting data. Hence, this study's descriptive research design was chosen (Hair, Black, Babin& Anderson, 2010). It depicts that descriptive research has the property of answering questions related to where, what, how, when and why. The survey was selected as the research technique to be used in this study. It came in the form of mailed questionnaires and tried to provide "a glimpse of one point at a time" (Cooper, Schindler & Sun, 2006). The cross-section is a preferable design for describing the present research.

7. Findings

7.1. Demographic Characteristics of the Respondents

In terms of age, gender, job experience, education, and position, the participants of this survey come from various backgrounds. All of these variables were distributed carefully using descriptive statistics like percentage and frequency. Table-1 displays the distribution of respondents for all demographic characteristics. According to these findings, male respondents had the highest gender frequency (57.4%).(According to the statistics of the age's analysis, respondents aged between 40 to 49 years had the highest frequency (29.3%), preceded by respondents aged between 30 to 39 years (27.1 %). For education status, respondents with a PhD degree had the greatest percentage (60.4%), followed by my Master degree 39.6%.

The results for work experience revealed that 41.8% of respondents had work experience of more than 15 years followed by 10 to 15 years (25.3%), and the lowest frequency belonged to respondents with a work experience between 5 to 10 years (16.2%). The highest frequency was observed for the professor with 33.2%, followed by an assistant professor (25.5%). It was discovered that the lowest frequency for the senior lecturer by (19.9%). In summary, most respondents were males aged between 30 to 49 years old with a PhD degree with more than ten years of work experience.

Table 1: Frequency distribution of Students demographic characteristics

Variable	Level	Frequency	Percent
Gender	Male	216	57.4
	Female	160	42.6
Age	20-29 years	47	12.5
	30-39years	102	27.1
	40-49years	110	29.3
	50-59years	61	16.2
	Older than 60 years	56	14.9
	Education	Master	149
PhD		227	60.4
Work Experience	1-5 years	63	16.8
	5-10years	61	16.2
	10-15 years	95	25.3
	More than 15 years	157	41.8
Position	Assistant lecturer	80	21.3
	Senior Lecturer	75	19.9
	Assistant professor	96	25.5
	Professor	125	33.2

8.Reliability Analysis

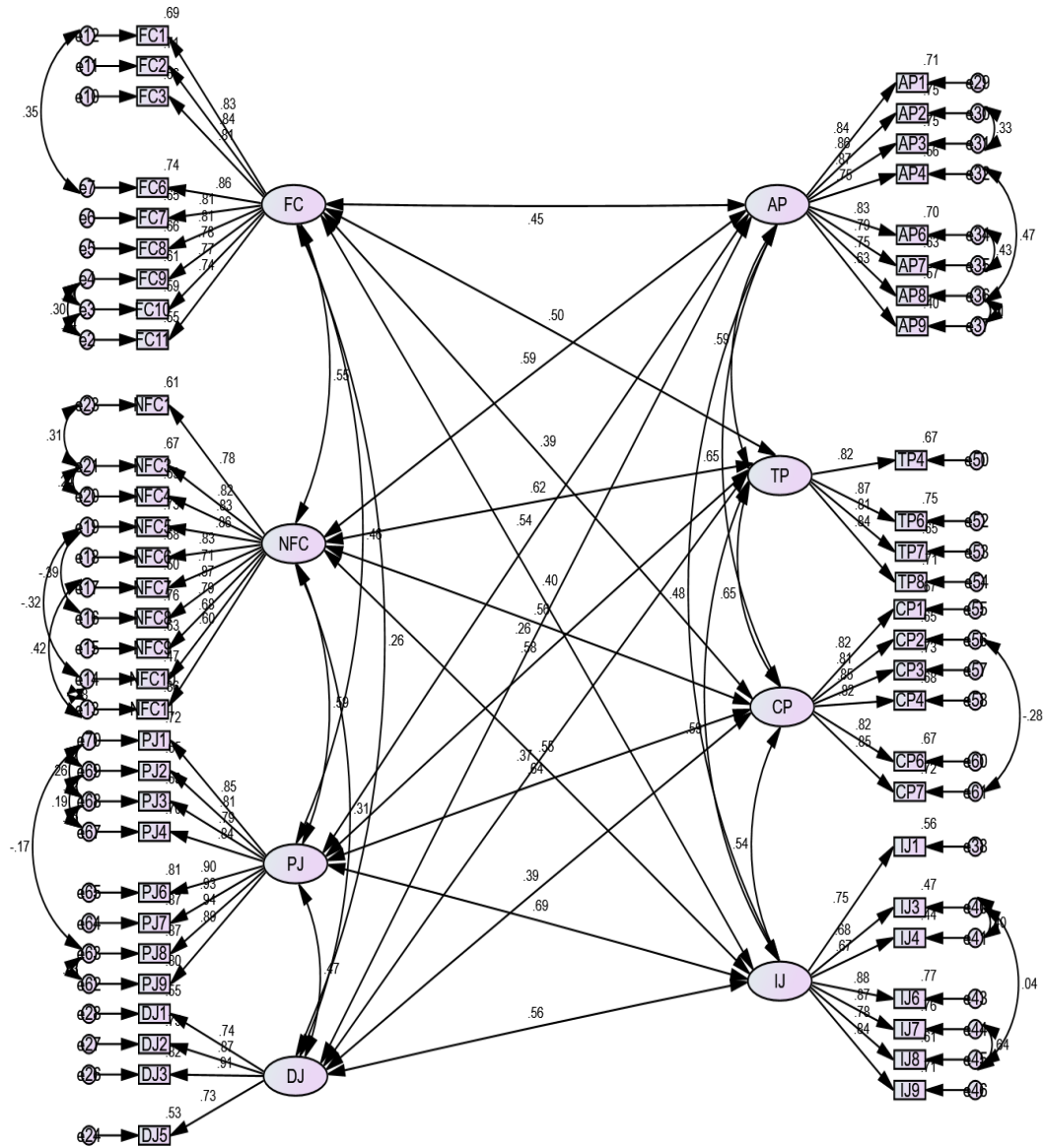
Cronbach’s alpha is utilised to measure the reliability of the constructs’ internal consistency. A cut-off point of 0.70 in the alpha value implies that the construct is reliable enough (Cooper & Schindler, 2013). Table 4 displays the pilot testing findings, which were determined to be consistent. The internal consistency of the instrument is assessed using SPSS version 24. The reliability of each construct was found to go further than a threshold value of 0.70. This demonstrates the questionnaire’s internal consistency in this current work.

Table 2: Results of the Reliability Analysis

Sr.	Dimension	Alpha (α)	No. of items
1	Financial compensation	0.952	12
2	Non-Financial compensation	0.945	11
3	Distributive Justice	0.920	5
4	Procedural Justice	0.969	9
5	Interpersonal Justice	0.952	9
6	Task performance	0.956	8
7	Contextual performance	0.895	7
8	Adaptive performance	0.955	9

9. Pooled Measurement model

All study dimensions were used to assess the overall measuring model. This study's measurement CFA model comprises eight first-order constructs. Figure 2: shows the preliminary measurement CFA model with all eight constructs. Byrne (2010) describes that the two forms of information that support detecting model misspecification include standardised residual and modification indices. This information is generated by Amos as part of results in the output and was considered to perform essential changes to achieve the most appropriate model fit indices. Considering modification indices, some error terms with high MI were correlated to improve the fitting of a model, as depicted in Figure 2.



Chi-square (df) = 2463.652 (1431); P value (≥ 0.05) = .000
 ;Relative Chi-Sq (≤ 5) = 1.722; GFI (≥ 0.8) = .812
 ; CFI (≥ 0.9) = .946; IFI (≥ 0.9) = .946
 ;RMSEA (≤ 0.08) = .044

Figure 2: pooled measurement model

10. Convergent Validity and reliability

The measurement model findings for all constructs after modifications revealed that all items possess a loading over 0.5, which was over the threshold. Composite Reliability (CR) ranges between 0.886 to 0.961, according to the present study’s development. Furthermore, the AVE in this research is about 0.5. (Tables3). Additionally, for this construct, all factor loadings are greater than 0.5. They demonstrate that composite reliability (CR) and convergent validity (AVE) present for this research’s constructs.

Table 3: The result of Convergent Validity of a measurement model.

Construct	Item	Loading factor		CR	AVE
		Initial model	Modified Model		
FC	FC1	0.839	0.829	0.944	0.651
	FC10	0.801	0.771		
	FC11	0.772	0.741		
	FC12	0.266	Deleted		
	FC2	0.828	0.842		
	FC3	0.799	0.811		
	FC4	0.371	Deleted		
	FC5	0.448	Deleted		
	FC6	0.869	0.860		
	FC7	0.801	0.808		
	FC8	0.814	0.813		
	FC9	0.807	0.781		
NFC	NFC1	0.806	0.783	0.939	0.610
	NFC10	0.668	0.683		
	NFC11	0.633	0.598		
	NFC2	0.380	Deleted		
	NFC3	0.841	0.820		
	NFC4	0.841	0.830		
	NFC5	0.829	0.856		
	NFC6	0.823	0.827		
	NFC7	0.718	0.707		
	NFC8	0.840	0.871		
NFC9	0.794	0.794			
DJ	DJ1	0.742	0.744	0.886	0.662

	DJ2	0.865	0.865		
	DJ3	0.906	0.905		
	DJ4	0.283	Del		
	DJ5	0.725	0.727		
AP	AP1	0.827	0.844	0.932	0.633
	AP2	0.872	0.865		
	AP3	0.878	0.866		
	AP4	0.773	0.749		
	AP5	0.387	Deleted		
	AP6	0.845	0.835		
	AP7	0.814	0.794		
	AP8	0.789	0.754		
	AP9	0.633	0.629		
IJ	IJ1	0.717	0.748	0.918	0.616
	IJ2	0.253	Deleted		
	IJ3	0.681	0.684		
	IJ4	0.656	0.665		
	IJ5	0.320	Deleted		
	IJ6	0.861	0.876		
	IJ7	0.918	0.871		
	IJ8	0.851	0.779		
	IJ9	0.839	0.844		
TP	TP1	0.346	Deleted	0.902	0.696
	TP2	0.867	Deleted		
	TP3	0.383	Deleted		
	TP4	0.846	0.820		
	TP5	0.351	Deleted		
	TP6	0.843	0.865		
	TP7	0.778	0.809		
	TP8	0.839	0.842		
CP	CP1	0.821	0.821	0.929	0.687
	CP2	0.789	0.808		
	CP3	0.861	0.855		
	CP4	0.827	0.824		
	CP5	-0.197	Deleted		
	CP6	0.821	0.816		
	CP7	0.831	0.847		

PJ	PJ1	0.856	0.850	0.961	0.758
	PJ2	0.829	0.808		
	PJ3	0.818	0.794		
	PJ4	0.847	0.838		
	PJ5	0.320	Deleted		
	PJ6	0.893	0.900		
	PJ7	0.923	0.931		
	PJ8	0.937	0.935		
	PJ9	0.907	0.895		

11. Discriminate validity

Analysing the square root of AVE for each construct versus correlations between the construct and all other components in the model may be used to assess discriminant validity. If the square root of AVE surpasses the correlation between the constructs, a construct has sufficient discriminant validity (Fornell&Larcker, 1981; Hair, Black, Babin, & Rolphe, 2006). The square root of AVE for each subscale (bolded values) in Table 4: is more than just a connection between constructs. As a result, discriminant validity is acceptable for all constructs.

Table 4: The result of Discriminant Validity

	DJ	FC	NFC	PJ	IJ	TP	CP	AP
DJ	0.814							
FC	0.257	0.807						
NFC	0.307	0.554	0.781					
PJ	0.473	0.458	0.595	0.870				
IJ	0.560	0.397	0.546	0.687	0.785			
TP	0.371	0.502	0.621	0.577	0.586	0.834		
CP	0.394	0.391	0.560	0.639	0.543	0.652	0.829	
AP	0.262	0.450	0.589	0.535	0.483	0.587	0.653	0.796

12. Path Analysis

After incorporating the measurement model, the structural equation model is the next major step in SEM analysis. Testing the relationships between the variables may be done using the structural model. The structural model clarifies the connections between variables, which reveal information on the impact of exogenous or independent factors on endogenous or dependent variables (Hair, Black, Bab in, Anderson, & Tatham, 2006; Hoy, 2006). The overall model fit, followed by the direction, size (regression coefficient), and significance of the theorised parameter estimations, focuses on the structural model's evaluation (Hair et al., 2006). The study's anticipated relationship is validated in the last section, based on the research hypotheses presented in Table 5 .

13. Hypothesis Development

13.1 Compensation strategy and performance employees.

Tinaikar (2017) reported that past studies had revealed a strong connection between compensation packages, employee performance, and retention. In contrast, Osibanjo et al. (2014) suggested that the management and decision-makers audit compensation packages fulfil the employee's expectations and prevent high turnover rates. According to Ramanathan (2012), a reasonably strong relationship between compensates and how well the workers perform cause this also depends on the bonuses and employee ownership.

H1: There is a significant positive effect of compensation strategy on the performance of employees.

13.2 Compensation Strategy towards organizational justice

The compensation is positively connected to organisational justice. It was mentioned several times that compensation and justice as different in terms of construction. However, the relationship's strength revealed a potential value when the justice theory is applied to predict the compensation. Based on the research findings on compensation strategy and organisational justice, scholars such as Bloom (2004) and Al-Zu'bi (2010) revealed significant relationships between compensation strategy and organisational justice. Due to this assumption, this study can hypothesise that organisational justice possess a significantly positive effect on employee performance. Thus, the following hypothesis had been established:

H2: There is a significant positive effect of compensation strategy towards organisational justice.

13.3 Organizational Justice towards Employee Performance.

Past empirical studies had revealed that there is a positive effect between organisational justice and employee's job performance. Nonetheless, these studies had emphasised more on the conceptual associations among the work behaviours and justice, such as organisational citizenship behaviour, rule compliance, respect to authority, teamwork, and decent performances (Aryee et al., 2004; Arman et al., 2014). These matters can lead to fairness in decision making, improve interpersonal relationships, and allocate rewards in return for their contribution (Kalay, 2016 Suliman & Al Kathairi, 2013). This will affect the employees' working attitude and behaviour. Based on the research findings on organisational justice and employee performance, scholars such as Bloom (2004) and Choi and Chen (2007) revealed significant relationships between organisational justice and employee performance. Due to this assumption, this study can hypothesise that organisational justice has a significantly positive effect on employee performance. Thus, the following hypothesis was formed :

H.3 : There is a significant positive effect of organisation justice towards employee performance .

13.4. Organizational justice mediates the compensation Strategy towards employee performance.

Organisational justice theory is referred to the perception that justice should be held in the organisation to facilitate the decision-making process and the post effect after the decision has been made. This theory will also elaborate on an individual's liability to feeling grateful (DeConinck, 2010). It is crucial to be fair to inspire different cultural backgrounds to perform better in a competitive environment. In addition, it is recognised that institutional justice power enhances individuals' performance level by increasing commitment and establishing a trust bond between management and employees on the one hand and between employees themselves on the other. Overall, it was observed that employee performance and organisational justice had a favourable association. Thus, this study concluded that organisational justice is a mediator that significantly impacts the compensation strategy and employee performance. Accordingly, the following hypothesis has been developed:

H4: Organisational justice mediates the compensation strategy towards employee performance.

Table 5: List of Hypotheses and Relative Paths

Hypothesis	Path
H1: There is a significant positive effect of compensation strategy towards employee performance	CS-----> EP
H1a: There is a significant positive effect of financial compensation towards employee performance	FC-----> EP
H1b: There is a significant positive effect of nonfinancial compensation towards employee performance.	NFC-----> EP
H2: There is a significant positive effect of compensation strategy towards organizational justice	CS-----> OJ
H2a: There is a significant positive effect of financial compensation towards organizational justice	FC-----> OJ
H2b: There is a significant positive effect of non-financial compensation towards	NFC-----> OJ
H3: There is a significant positive effect of organizational justice towards employee performance.	OJ-----> EP
H4: organizational justice mediates the relationship between compensation strategy and employee performance.	CS-----> OJ-----> EP
H4a: Organizational justice mediate the relationship between financial compensation and employee performance.	FC-----> OJ-----> EP
H4b: Organizational justice mediate the relationship between nonfinancial compensation and employee performance.	NFC-----> OJ-----> EP

CS: compensation strategy, FC: financial compensation, NFC: nonfinancial compensation, OJ: Organizational justice, EP: employee performance.

14. Path Model 1

The first structural model compensation strategy was used as a second-order construct to test the main hypotheses related to the overall compensation strategy on employee empowerment and the mediation effect of organisational justice, as shown in Figure 3. The maximum likelihood approach was used to calculate all fit indices and model parameters for this model (ML). The chi-square test resulted in a significant result ($\chi^2(1294) = 2182.774, p < 0.001$). The GFI was 0.818, higher than the cut-off 0.8. The CFI and IFI were 0.951 and 0.951, accordingly. They were both higher than the cut-off 0.9. The RMSEA was 0.043, lower than the threshold of 0.08, and χ^2/df was 1.687, which was less than 5.

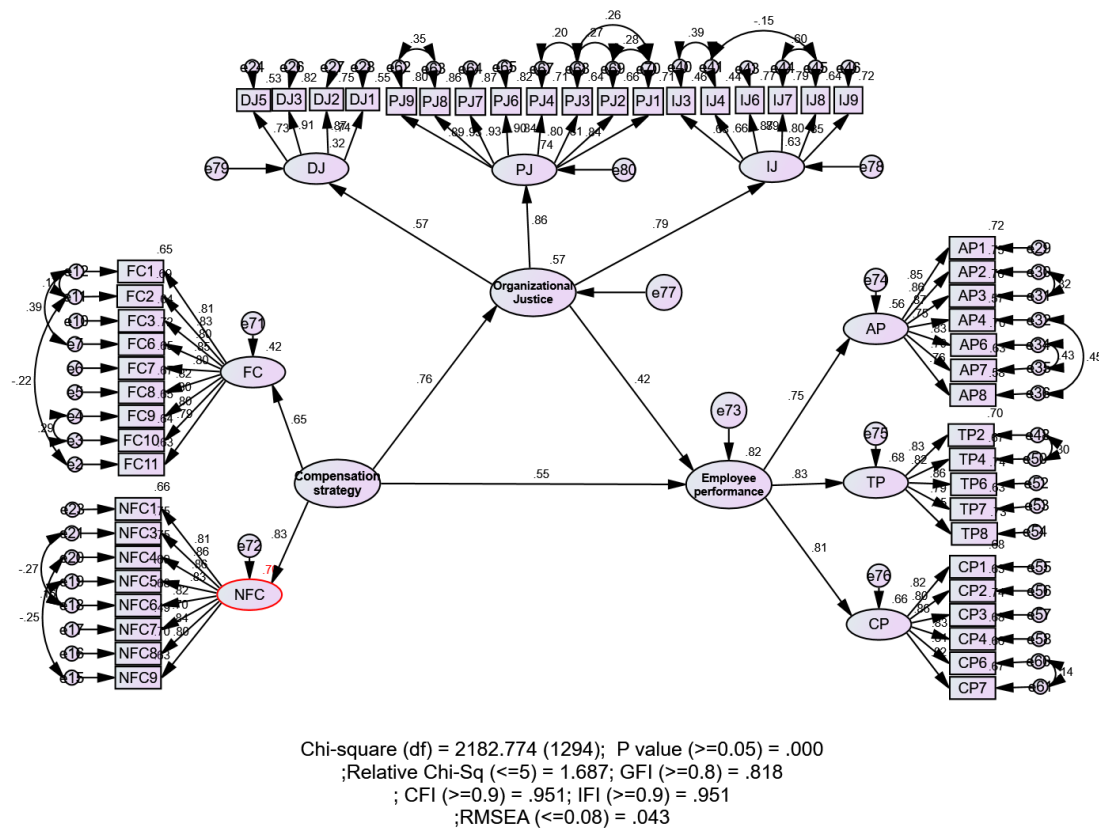


Figure 3: Path model 1 based on overall compensation strategy (standardised path coefficients).

Based on the findings presented in Table-6. Compensation strategy showed a significant and positive effect on organisational justice among respondents ($\beta=0.755$, $p<0.001$). Also, organisational justice significantly positively affected employee performance ($\beta=0.415$, $p<0.01$). The direct effect of compensation strategy on employee performance in the presence of mediator (organisational justice) was positive and significant ($\beta=0.552$, $p<0.01$). The R2 value indicates how much

variance in dependent variables can be accounted for by independent factors and shows the predictive ability of the structural model. The R2 for organisational justice in this model was 0.571 that showed 57.1% of organisational justice could be justified by compensation strategy. The R2 for the dependent variable “employee performance” in this model was 0.823, indicating 82.3% of employee performance could be explained using compensation strategy as an independent variable and organisational justice as a mediator.

Table 6: Unstandardized Standardized regression coefficient for structural model

Path	B	β	S.E	C.R	P value
Path a (IV to Mediator)					
CS -----> OJ	0.835	0.755	0.097	8.599	<0.001
Path b (Mediator to DV)					
OJ -----> EP	0.389	0.415	0.095	4.102	<0.001
Path c' (Direct effect of IV to DV)					
CS -----> EP	0.572	0.552	0.12	4.784	<0.001

CS: compensation strategy, OJ: Organizational justice, EP: employee performance

14.1 Mediation effect for model 1

Mediation analysis refers to measuring the causal mechanism or process where one independent variable influences a dependent variable via a mediator (Cohen et al., 2003). When the dependent and independent variables appear to have no definitive link, mediation analysis allows for a deeper knowledge of the link (Hayes, Slater & Snyder, 2008). The mediation effect of compensation strategy was evaluated by using the bootstrapping method of path analysis. Table 4.16 represents the total, direct and indirect effect of compensation strategy on employee performance through organisational justice using bootstrapping. As per the findings, the total impact of compensation strategy on employee performance was positive and significant ($\beta=0.865$, $p=0.002$). Findings revealed that the direct relationship between compensation strategy and employee performance also was meaningful ($\beta=0.522$, $p=0.002$). In line with the outcomes, the indirect effect of compensation strategy on employee performance through organisational justice also was significant ($\beta=0.314$, $p=0.009$). These results revealed that both direct and indirect effects of compensation strategy on employee performance were statistically significant. Hence, it is reasonable to infer that organisational justice partially mediates the link between employee performance and compensation strategy (Table 7).

Table 7: Distinguishing Total, Direct and Indirect Effects of Model

Path	Total effect	Direct effect	Indirect effects	Results
CS ---> EP	0.865** (0.002)	0.522** (0.002)	0.314** (0.009)	Partial mediation

** Significant at 0.05 level, ** Significant at 0.01 level*

15. Path Model 2

In the second structural model, the subscales of compensation strategy, including financial compensation and non-financial compensation, were used as two independent variables in the path model to test the sub-hypotheses related to their effect on employee empowerment and mediation effect organisational justice, which is presented in Figure 4. All fit indices and model parameters for this model were calculated according to the maximum likelihood approach (ML). The chi-square’s test result was significant ($\chi^2(1293)= 2182.754, p<0.001$). The GFI was 0.818, which exceeded the 0.8 cut-offs. The CFI and IFI were both higher than the cut-off of 0.9, at 0.951 and 0.951, respectively. The RMSEA was 0.043, lesser than the 0.08 criterion, and χ^2/df was 1.687, which was less than the threshold of 5.

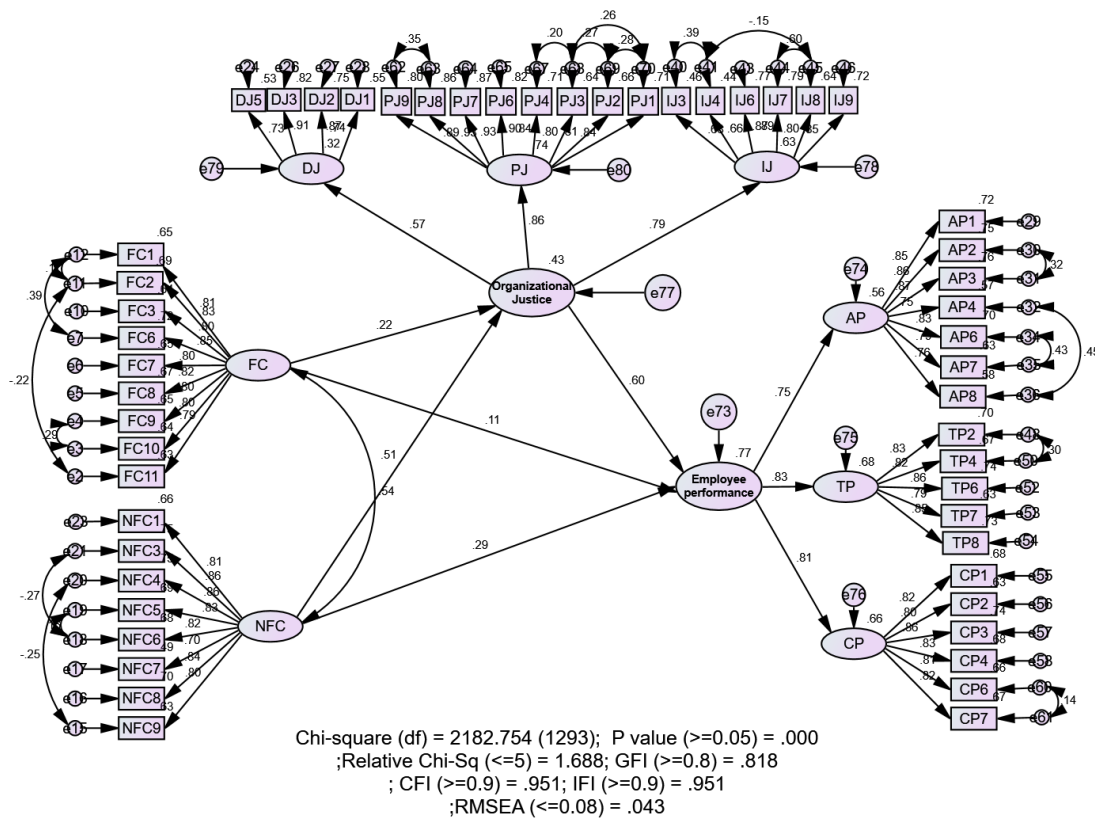


Figure 4: Path model 2 based on subscales of compensation strategy (standardised path coefficients)

As shown in Table 8. it was found both subscales of compensation strategy, including financial compensation ($\beta=0.216$, $p<0.001$) and non-financial compensation ($\beta=0.512$, $p<0.001$), had a positive and significant effect on organisational justice among respondents. These results showed that organisational justice as a mediator positively affected employee performance ($\beta=0.596$, $p<0.001$). The direct effect of financial compensation on employee performance in the presence of mediator (organisational justice) was positive and significant ($\beta=0.110$, $p=0.003$). Findings indicated that the direct effect of non-financial compensation on employee performance in the presence of mediator (organisational justice) also was positive and significant ($\beta=0.288$, $p<0.001$).

As described by the independent variables, the R2 value indicates the variance's amount in dependent variables, which consequently shows the predictive ability of the structural model. The R2 for organisational justice in this model was 0.429 that implied 42.9% of organisational justice could be justified by financial and non-financial compensation. The R2 for the dependent

variable “employee performance” in this model was 0.766, indicating 76.6% of employee performance could be clarified by financial and non-financial compensations independent variables and organisational justice as a mediator.

Table 8: Results of path analysis for model 2

Path	B	β	S.E	C.R	P value
Path a (IV to Mediator)					
FC ----> OJ	0.186	0.216	0.052	3.577	<0.001
NFC ----> OJ	0.472	0.512	0.062	7.621	<0.001
Path b (Mediator to DV)					
OJ ----> EP	0.560	0.596	0.072	7.748	<0.001
Path c' (Direct effect of IV to DV)					
FC ----> EP	0.089	0.110	0.041	2.171	0.003
NFC ----> EP	0.249	0.288	0.053	4.679	<0.001

CS: compensation strategy, FC: financial compensation, NFC: nonfinancial compensation, OJ: Organizational justice, EP: employee performance.

15.1 Mediation effect for model 2

The mediation effects of financial and non-financial compensations were assessed using the bootstrapping method of path analysis for model 2. Table 9: represents the total, direct and indirect effect of financial and non-financial compensations on employee performance through organisational justice using bootstrapping. According to these results, the total impact of financial compensation on employee performance was positive and significant ($\beta=0.239$, $p=0.001$). Results revealed that the direct relationship between financial compensation and employee performance also was meaningful ($\beta=0.110$, $p=0.037$). As per the outcomes, the indirect effect of monetary reward on employee performance through organisational justice also was significant ($\beta=0.129$, $p=0.004$).

According to for second subscale compensation strategy, the total effect of non-financial compensation on employee performance was positive and significant ($\beta=0.594$, $p=0.001$). Results revealed that the direct relationship between non-financial compensation and employee performance was meaningful ($\beta=0.288$, $p=0.001$). According to the findings, the indirect effect of non-financial compensation on employee performance through organisational justice also was significant ($\beta=0.305$, $p=0.001$).

These findings revealed that both direct and indirect effects of two compensation strategies, including financial and non-financial compensation, on employee performance were statistically significant. As a result, it can be argued that organisational justice somewhat mediates the link between two subscales of compensation strategy, including financial and non-financial compensation and employee performance (Table 9) .

Table 9: Distinguishing Total, Direct and Indirect Effects of Model 2

Independent variables	Total effect	Direct effect	Indirect effects	Results
FC-----> EP	0.239** ($p=0.001$)	0.110* ($P=0.037$)	0.129** ($P=0.004$)	Partial mediation
NFC----->EP	0.594** ($p=0.001$)	0.288** ($P=0.001$)	0.305** ($p=0.001$)	Fully mediation

** Significant at 0.05 level, ** Significant at 0.01 level*

Table 10: Testing the hypothesis

Hypothesis	Path	B	P-value	Empirical evidence
H1: There is a significant positive effect of compensation strategy towards employee performance	CS-----> EP	0.552	<0.001	Supported
H1a: There is a significant positive effect of financial compensation towards employee performance	FC-----> EP	0.239	0.001	Supported

H1b: There is a significant positive effect of nonfinancial compensation towards employee performance.	NFC-----> EP	0.594	0.001	Supported
H2: There is a significant positive effect of compensation strategy towards organizational justice	CS-----> OJ	0.755	<0.001	Supported
H2a: There is a significant positive effect of financial compensation towards organizational justice	FC-----> OJ	0.216	0.002	Supported
H2b: There is a significant positive effect of non-financial compensation towards organizational justice	NFC-----> OJ	0.512	<0.001	Supported
H3: There is a significant positive effect of organizational justice towards employee performance.	OJ-----> EP	0.415	<0.001	Supported
H4: organizational justice mediates the relationship between compensation strategy and employee performance.	CS-----> OJ-----> EP	0.314	0.009	Supported
H4a: Organizational justice mediate the relationship between financial compensation and employee performance.	FC-----> OJ-----> EP	0.129	0.004	Supported
H4b: Organizational justice mediate the relationship between nonfinancial compensation and employee performance.	NFC-----> OJ-----> EP	0.305	0.001	Supported

16. Discussion and Conclusion

In the first hypothesis, the results from the present research revealed that compensation strategy was significantly positive with employee performance. These results are consistent with previous research, showing that compensation was positively linked to employee performance (Osibanjo et al. 2014; Ramanathan 2012; Zhang 2012). In the second hypothesis, the present findings also showed that financial compensation and employee performance are linked positively (Ngui&

Robert, 2016; Darma&Supriyan, 2018; Etebu, 2016). In the third hypothesis, the results from the present research revealed that non-financial compensation was significantly positive with employee performance (Skilbeck, 2019; Koetsier, 2020). In four the hypothesis, the findings from the present study portrayed a significant positive effect of compensation strategy towards organisational justice (Afifi, & Ahmed, 2017; Bloom, 2004; Al-Zu'bi, 2010). In the fifth hypothesis, the present findings also showed a significant positive effect of financial compensation towards organisational justice (Laundon, Cathcart& McDonald, 2019; Unilever Fair Compensation Report, 2016).

In the six hypothesis, the current research findings portrayed a significant positive effect of non-financial compensation towards organisational justice (Kumar, Hossain&Nasrin, 2015; Otami&Olori, 2020; Almoud&Rjoub, 2019). In the seven hypothesis, the present research results also revealed a significant positive effect of organisational justice towards employee performance (Aryee et al., 2004; Kalay, 2016; Suliman& Al Kathairi, 2013). The eighth hypothesis measures that organisational justice mediates the relationship between compensation strategy and employee performance. On the other hand, in the ninth theory, the results from the present research revealed that compensation strategy was significant organisational justice mediate the relationship between financial compensation and employee performance. Moreover, the tenth hypothesis states that the results from the current research revealed substantial organisational justice mediate the relationship between non-financial balance and employee performance. The literature review reveals that organisational justice is one of the determinants of success in most industries, including higher education institutions. However, the influence of these variables has not been examined as a mediator on the association between compensation strategy and employee performance. Limited studies show theoretical relationships between these three variables: compensation strategy by organisational justice and employee performance, particularly in the higher education environment. Also, this study is the first attempt to provide empirical evidence on the moderation impact of organisational justice. The study investigated the relationships between compensation strategy, organisational justice, and employee performance. The results reveal significant correlations between compensation strategy by organisational justice and employee performance. In addition to that, organisational justice gets to be a mediation role between compensation strategy and the employee performance of higher education institutions.

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Appendix

The Mediating Effect of Organizational Justice on The Relationship Between Compensation Strategy and Employee Performance among academic staff in Iraqi Universities.

This questionnaire is purely for 'Academic' purposes therefore your cooperation will help the 'Student-Scholar' to fulfill the requirements for the degree of Doctor of Philosophy in Management Studies. Personal Profile of the Respondent.

The questionnaire is divided into sections a, b, c and d.

Sections a is on personal data.

Sections b contain items on compensation strategy.

Sections c contains items on organizational justice.

Sections d contains items on employee performance.

SECTIONS A PERSONAL DATA

Age _____.

Gender _____.

Current study level._____.

Working Experience_____.

Position_____.

SECTIONS B :COMPENSATION STRATEGY

No	FINANCIAL COMPENSATION
1	My basic salary motivates me to do my work well.
2	Increase in my basic salary will motivate me to improve on my performance.
3	I receive allowance based on the commitment in my work
4	My basic salary is well balanced compared to the work I do.
5	My salary Increases based on years of experience.
6	The financial rewards in my work motivates me to perform well.
7	I receive allowance based on appraisal performance.
8	I am ready to increase my work efforts in order to gain the financial rewards.
9	I receive incentives when the organization achieves the objectives.
10	I receive incentives without late.
11	I receive incentives when I become a model employee.
12	I receive incentives when I have perfect attendance.
No	Non-FINANCIAL COMPENSATION
1	I receive recognition of non-financial means through certificates of recognition.
2	I receive recognition and this motivates me to improve effective my work.
3	The recognition system motivates me to work well in my organization.
4	My work improves when I get opportunities for training within my job.
5	I receive opportunities for career advancement and promotions when my work is perfect.
6	I receive opportunities for learning and career development as training outside of my job.
7	I feel that i work in a good environment
8	I work hard when I get the support in training and development and this makes me meet my work requirements.
9	I receive appropriate recognition for the work that I do.
10	I work effectively when I receive training and this brings fruitful changes in my work.
11	I frequently attend seminars related to my work which are , supported by my organization.

Source:(Mwangi,2014;Tetteh–Annor, 2014;Murphy,2015; Schlechter et al., 2015;Ankomah et al.,2016;Stefanovska-Petkovska et al., 2017;Michael, 2018).

SECTIONS C :ORGANIZATIONAL JUSTICE

No	DISTRIBUTIVE JUSTICE
1	My work schedule is fair.
2	I consider my work load to be quite fair.
3	I consider the rewards which I receive to be quite fair.
4	I feel responsibilities about my job.
5	I am able to achieve goals when work policies are applied consistently.
No	PROCEDURAL JUSTICE
1	I can achieve the organization goals when the procedures are applied in a consistent manner in my work.
2	I can influence the procedures and consequences.
3	I am allowed to express my views during decision-making process.
4	I feel happy when I am working intensely.
5	My supervisor makes sure that all employee concerns are heard before job decisions are made.
6	I am willing to put in a great deal of effort beyond that normally expected in order to help the organization to be successful.
7	I am proud of the work that I do.
8	I am enthusiastic about my job.
9	I am immersed in my work.
No	INTERPERSONAL JUSTICE
1	When decisions are made about my job, the manager treats me with kindness and consideration.
2	When decisions are made about my job, the manager treats me with respect and dignity.
3	When decisions are made about my job, the manager is sensitive to my personal needs.
4	When decisions are made about my job, the manager deals with me in a truthful manner.
5	When decisions are made about my job, the manager shows concern for my right as employee.
6	When decisions made about my job, the manager discusses with me of the implications of the decisions.
7	My manager offers adequate justification for decisions made about my job.
8	When making decisions about my job, the manager offers explanations that make sense to me
9	My manager explains very clearly any decisions made about my job.

Source:(Al-Zu'bi, 2010; Lam,et al.,2002; Niehoff, & Moorman, 1993;Karatepe, 2011; Colquitt, 2001).

SECTIONS D :EMPLOYEE PERFORMANCE

No	TASK PERFORMANCE
1	I managed to plan my work so that it was done on time.
2	I worked towards the end result of my work.
3	I kept in mind the results that I had to achieve in my work.
4	I had trouble setting priorities in my work.
5	I was able to separate main issues from side issues at work.
6	I was able to perform my work well with minimal time and effort.
7	I took me longer to complete my work tasks than intended.
8	I know I can handle multiple assignments for achieving organizational goals.
No	CONTEXTUAL PERFORMANCE
1	I used to extend help to my co-workers when asked or needed.
2	I love to handle extra responsibilities.
3	I actively participate in group discussions and work meetings.
4	I use to praise my co-workers for their good work.
5	I work a lot in order to satisfaction nurturing others in organization.
6	I knowledge and ideas with other employee in organization.
7	I use to guide new colleagues beyond my job purview.
No	ADAPTIVE PERFORMANCE
1	I am able to achieve total focus in a situation where I need act quickly.
2	I look for solutions by having a calm discussion with colleagues.
3	I develop new tools and methods to resolve new problems.
4	I easily reorganize my work to adapt to the new circumstances.
5	I am on the lookout for the latest innovations in my job to improve the way I work.
6	I learn new ways to do my job in order to collaborate better with others.
7	I keep my cool in situations where I am required to make many decisions.
8	I contribute to the stability of my team by driving others towards our priority assignments.
9	I look for every opportunity that enables me to improve my performance.

Source:(Koopmans et al., 2012;Pradhan & Jena, 2017;Charbonnier-Voirin, &Roussel, 2012).