

**REWARD MANAGEMENT AND EMPLOYEE PERFORMANCE IN NATIONAL  
ENERGY CORPORATION OF SOMALIA GAROWE PUNTLAND**

**BY**

**MOHAMED ABDULLAHI MOHAMED**

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UNIVERSITY**

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## DECLARATION

I Mohamed Abdullahi Mohamed, Reg. No 2021-08-04867 affirms that this research report is my original work done out of my own effort. No one else has submitted it to another University for a similar academic award.

Signature



Date

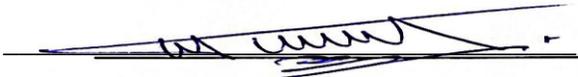
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## APPROVAL

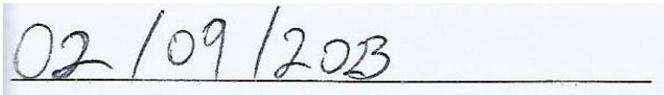
I confirm that this research dissertation is done by the candidate under my supervision, Its ready for submission to college of economics and management of Kampala International University.

**DR. WANDIBA AUGUSTINE**

**Supervision**

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**DATE**

The date '02/09/2023' is handwritten in blue ink on a light blue rectangular background. The date is written in a simple, clear font.

## **DEDICATION**

I dedicate this work to my parents and family members for their moral support and the encouragement that they gave me during the study. This are majorly my all brothers and sisters.

## **ACKNOWLEDGEMENTS**

I wish to acknowledge and be grateful to Allah for enabling me to reach this point in my academic life and I am so thankful for His unconditional protection. Secondly many thanks to my supervisor and advisor, who read my numerous revisions and helped me make sense in the research report.

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## TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>i</b>
<b>APPROVAL</b> .....	<b>ii</b>
<b>DEDICATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>iv</b>
<b>TABLE OF CONTENTS</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>x</b>
<b>ABSTRACT</b> .....	<b>xi</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.0 Introduction .....	1
1.1 Background of the Study.....	1
1.1.1 Historical Perspective .....	1
1.1.2 Theoretical Perspective.....	3
1.1.3 Conceptual Perspective.....	3
1.1.4 Conceptual Perspective.....	5
1.2 Statement of the Problem .....	6
1.3 Purpose of the study .....	7
1.4 Objectives of the study .....	7
1.5 Research Questions .....	8
1.6 Research Hypothesis .....	8
1.7.0 Scope of the study .....	8
1.7.1 Geographical Scope .....	8
1.7.2 Subject Scope .....	8

1.7.3 Time Scope .....	9
1.8 Significance of the Study .....	9
1.9 Operational Definitions of Terms .....	10
<b>CHAPTER TWO .....</b>	<b>11</b>
<b>LITERATURE REVIEW .....</b>	<b>11</b>
2.0 Introduction .....	11
2.1 Theoretical Review .....	11
2.2 Conceptual Framework .....	14
2.3 Related Literature Review .....	14
2.3.1 Pay Management and Employee Performance .....	15
2.3.2 Promotions Management and Employee Performance .....	18
2.3.3 Fringe benefits Management and employee performance .....	20
2.4 Related Studies .....	24
2.5 Research Gaps .....	26
<b>CHAPTER THREE .....</b>	<b>28</b>
<b>METHODOLOGY .....</b>	<b>28</b>
3.0 Introduction .....	28
3.1 Research Design .....	28
3.2 Target Population .....	28
3.3 Sampling .....	28
3.3.1 Sample Size .....	28
3.3.2 Sampling Procedures .....	29
3.4 Data Collection Instrument .....	29

3.5 Data Quality Control .....	29
3.5.1 Validity of the Instruments .....	29
3.5.2 Reliability of the Instrument .....	31
3.6 Data Analysis .....	31
3.7 Ethical Consideration .....	32
<b>CHAPTER FOUR.....</b>	<b>33</b>
<b>PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS.....</b>	<b>33</b>
4.0 Introduction .....	33
4.1 Response Rate .....	33
4.2 Socio-demographic data of Respondents .....	33
4.2.1 Gender of respondents .....	34
4.2.2 Age of respondents .....	34
4.2.3 Education of Respondents .....	35
4.2.4 Time of Work of Respondents.....	36
4.3 Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland .....	37
4.2.1 Pay Management and employee performance in national energy corporation of Somalia Garowe, Puntland .....	37
4.2.2 Employee Performance in national energy corporation of Somalia Garowe, Puntland	39
4.2.3 Pearson relationship between Pay management and employee performance in national energy corporation of Somalia Garowe.....	41
4.3 Relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland. ....	42
4.3.2 Pearson relationship between Promotions management and employee performance in national energy corporation of Somalia Garowe.....	44

4.4 Relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland. ....	45
4.4.2 Pearson relationship between Fringe Benefits management and employee performance in national energy corporation of Somalia Garowe.....	47
4.5 Reward Management and employee performance in national energy corporation of Somalia Garowe, Puntland.....	49
<b>CHAPTER FIVE .....</b>	<b>51</b>
<b>DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>51</b>
5.0 Introduction .....	51
5.1 Discussion of findings.....	51
5.1.1 Relationship between Pay management and employee performance.....	51
5.1.2 Relationship between Promotions Management and employee performance.....	52
5.1.3 Relationship between Fringe benefits and employee performance .....	52
5.2 Conclusions .....	53
5.2.1 Relationship between Pay management and employee performance.....	53
5.2.2 Relationship between Promotions Management and employee performance.....	53
5.2.3 Relationship between Fringe benefits and employee performance .....	53
5.3 Recommendations .....	53
5.3.1 Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland. ....	53
5.3.2 Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland. ....	54
5.3.3 Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland .....	54
5.4 Contribution to existing Knowledge .....	54

5.5 Limitations of the study.....	54
5.6 Future Scope of the Research.....	55
<b>REFERENCES.....</b>	<b>56</b>
<b>APPENDICES:.....</b>	<b>62</b>
Appendix I: Questionnaire to Respondents.....	62
Appendix II: Research Budget .....	66
Appendix III: Work Plan for the Research Project .....	67
Appendix IV: Krejucie, Robert V, Morgan, Daryle W, Table of 1970 .....	68

## LIST OF TABLES

Table 3.1: Population and Sample population of the study .....	29
Table 3.2: Showing validity of the respondents.....	30
Table 3.3: Showing reliability of the research instrument .....	31
Table 4.1: Response Rate.....	33
Table 4.2: Gender of respondents .....	34
Table 4.3: Age of the respondents .....	34
Table 4.4: Education of Respondents .....	35
Table 4.5: Time of work of respondents .....	36
Table 4.6: Descriptive statistics on Pay Management in national energy corporation of Somalia Garowe, Puntland.....	37
Table 4.7: Descriptive statistics on employee Performance in national energy corporation of Somalia Garowe, Puntland.....	39
Table 4.8: Pearson Relationship analysis between Pay management and employee performance in national energy corporation of Somalia Garowe .....	41
Table 4.9: Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland.....	43
Table 4.10: Pearson Relationship analysis between Promotions Management and employee performance in national energy corporation of Somalia Garowe.....	45
Table 4.11: Fringe benefits in national energy corporation of Somalia Garowe, Puntland.....	46
Table 4.12: Pearson Relationship analysis between Fringe benefits Management and employee performance in national energy corporation of Somalia Garowe.....	48
Table 4.13: Reward Management and employee performance in national energy corporation of Somalia Garowe, Puntland.....	49

## ABSTRACT

Thus the purpose of the study was to assess the relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland. The problem was that Employee performance in National Energy Corporation of Somalia Garowe Puntland has consistently reduced. Customer complaints have consistently increased in the same period indicating the deteriorating employee productivity levels. The study objectives are to determine the relationship between Pay management and employee performance, secondly to establish the relationship between Promotions Management and employee performance and finally to examine the relationship between Fringe benefits and employee performance in NECSOM company of Somalia Garowe, Puntland. The data was collected through use of closed ended questionnaires which were sent to 125 who provided responses and information for the study. These were based on a correlation research design. Results indicated a positive relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, since the sig. value (.000,  $r=0.720$ ). The results on objective indicated a positive relationship between Promotions management and employee performance in NECSOM company, since the sig. value (.000,  $r=0.661$ ). It was found that Fringe benefits management and employee performance in NECSOM company was significantly related, (P-value =.000), r-values of 0.678. Based on the findings the study results conclude that pay management can be used to induce the employee performance in NECSOM Company of Somalia Garowe. The study results show that pay management is significant in generating the employee performance. Secondly the study concludes that promotions management is an avenue in enabling the employee performance, the study concludes that the enhancement of the promotions in NECSOM Company can generally induce the employee performance in the company amongst the employees. Thirdly the study concludes that fringe benefits if worked upon it can have an avenue of enabling the employee performance amongst the employees, the study results reveal and means that fringe benefits is good in generating the performance of the employees. The study recommend for the need in training should be offered to employees to transfer information from the experts to the employees so as to enhance knowledge, attitudes and skills, which as a result would enable the employee to better perform a current task or job. The study recommended that there is need for a productive consideration of mechanisms related to job promotions are fundamental in enhancing the performance for the employees and hence the organization performance. There is need for the development of the provision of payment-based experience of the staff and skills in the organization performance functionality. The study also recommended that there is need for a productive consideration of mechanisms related to job promotions are fundamental in enhancing the performance for the employees and hence the organization performance.

# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

This chapter presents the background of the study, problem of the research, purpose and objectives of this study, research question, and scope of the study, significance of the study and the operational definition of key terms.

### 1.1 Background of the Study

The background of the study is presented on four perspectives namely historical, theoretical, conceptual and contextual perspective.

#### 1.1.1 Historical Perspective

Historically, Employee performance is seen as the result of an activity which has been achieved by an organization related to its authority and responsibility in achieving the goal legally, not against the law, and conforming to the morale and ethics of the organization (Almajali, Alamro & Al-Soub, 2019). Employee performance is hence measured through employee service quality, employee regularity, employee productivity and employee creativity. Global giants such as USA, Russia, China, Germany, Britain, and France have been able develop due to their capacity to manage their development for growth of the economies needed to sufficiently develop the economic capacities of the countries, employee performance is hence a traditional aspect needed in enhancing the functionality of the organizations (Kaufman, Christensen & Newton, 2015).

Whereas employees in most countries in Africa are considered the most important asset in an organization and without them the running of an organization becomes difficult because they support the smooth running and success of the organization through various tasks and activities in order to meet the organization goals (Fusch & Fusch, 2015). Several African countries such as South Africa, Ghana, Nigeria have developed the strong employee performance standards geared towards the enhancement of the organizations. Employee performance is the contribution of employees to meet organizational goals and how well an individual executes their duties and responsibilities within the organization (Thao & Hwang, 2017). Performance is a critical factor for the success of an organization and therefore management through its HR department should

ensure that the policies and procedures used in the evaluation process impacts positively on employees and drives them to perform effectively.

In Somalia, the transformation experienced by public sector reforms over the past 7 years remains a work-in progress. This process of transformation has benefited from initiatives by the Government and other development partners such as the World Bank under a Multi-Partner Fund Project which intends to facilitate the government priorities to improve two key areas in the public sector namely, reforming revenue and expenditure management, strengthening civil service. According to Transparency International, Somalia has been one of the most corrupt counties in the world over the last decade, and the country got the lowest score (9) in the year 2019 (Transparency International, 2019).

Historically, it is widely acknowledged that one of the most critical human resource problems in any organization is how to influence employee performance. Given the complex nature of reward strategies that influence various forms of employee's behavior, it follows that understanding the role of different reward strategies on employees performance can assist human resource managers in designing and implementing an effective reward strategy that will give an organization a competitive edge. Increasingly, organizations are realizing that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the employee. Establishing this balance is one of the main reasons for reward strategies (Pratheepkanth, 2011). According to Khan, Farooq, and Ullar (2020), a milestone in the success of an organization is to fulfill the continuous changing needs of organization and employees; heavy responsibility falls on top management to develop strong relationship between them.

Globally, countries such as USA, UK and Germany have employed the mechanisms necessary in the employee performance generation. Countries in Africa have been employing low mechanisms in determining the reward management for the employee performance. Lotta, 2019) notes that effective reward management practices are aligned to motivate employees' performance that is consistent with the firm's strategy, attract and retain people with the knowledge, skills, and abilities required to realize the firm's strategic goals, and create a supportive working environment. Mutua (2018) assert that the prevailing performance of the employees can be uplifted by having a well-developed performance appraisal, reward and the

bonus system. So, the rewarding program itself should influence the employees' performance in a positive way as expected by the employer.

### **1.1.2 Theoretical Perspective**

The study employs Adams (1965) Equity Theory and goal setting theory of Edwin Locke in 1960s.

This study is grounded on Adams (1965) Equity Theory. Equity Theory proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship. The theory focuses on determining whether the distribution of resources is fair to both relational partners in a relationship, reward management in a company if oriented properly generate the employee performance in the company. In any organization, an employee wants to feel that their contributions and work performance are being rewarded. If an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore. It is the subtle variables that also play an important role in the feeling of equity. Just the idea of recognition for the job performance

The goal setting theory formulated by Edwin Locke in 1960s. The theory indicates that the major sources of employee performance in the work place are the intentions to work towards the goals to generating standard output, creativity and timelines in production. Goals play significant roles by informing employees their expectations at the work place. The goal setting theory assumes that the goals and intentions are cognitive and volitional, and that they serve as the immediate regulators of human action in way to attain the desired performance amongst the employees. The theory in practice is used to increase motivations for employees to complete work swiftly and effectually. Goal setting leads to better presentation by increasing motivation and efforts, but also through increasing and refining the feedback quality.

### **1.1.3 Conceptual Perspective**

Reward management strategy involves formulation and implementation of policies aimed at fair, equitable and sustainable rewarding of deserving employees in an organization (Taylor, 2020). According to Sutherland (2004), reward management practices entails development of reward

schemes, their implementation and maintenance so as to satisfy the demands of both the organization and its stakeholders. Armstrong (2020) explain that reward management is concerned with the formulation and implementation of strategies and policies, aimed at rewarding people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with the design, implementation and maintenance of reward systems (reward processes, practices and procedures) that aim to meet the needs of both the organization and its stakeholders.

Reward management is the degree to which reward allocations are based on employee performance in contrast seniority, favoritism or any other nonperformance criterion. Reward management consists of analyzing and controlling employee remuneration, compensation and all of the other benefits for the employees. Reward management aims to create and efficiently operate a reward structure for an organization.

Promotion is the advancement in ranks within the organization which is accompanied by increase in responsibilities. Promotion affects employees' behaviors and encourages them to use their abilities positively so that they can move ahead (Allen & Helms, 2014).

Bratton and Gold (2009) defined fringe benefits as that part of the total reward package provided to employee in addition to base or performance pay. Fringe benefits focus on maintaining (or improving) the quality of life for employees and providing a level of protection and financial security for workers and their family members. Kreitiner and Kinicki (2004) pointed out some common fringe benefit to include retirement or pension plans, medical and dental insurance, education reimbursement, time off, paid vacation and use of company car.

Basic pay refers to wages or salary for work, (Hsieh, 2007). Basic pay is determined by several factors such as Government regulation on minimum wages, ability to pay, job description and importance of the job within the company, market forces among others. Pay can be fixed or variable tied to the certain level of performance whereby daily pay is considered a wage while monthly becomes a salary; Guthrie, (2000) defines as pay or wages that are "attached to the jobs that an employee performs.

Employee performance is the quality that can be measured by percentage of work output; customer satisfaction that can be measured by the number of loyal customers and customer

feedback. Also, timeliness, measured in terms of how fast work is performed by the employee when given a certain task and achievement of objectives measured when an employee has surpassed their set targets, they are then considered to have performed well to achieve objectives (Hakala 2018; Armstrong 2020). Performance is measured in terms of some output produced such as the quality or quantity of job, job design and others. Job performance should be considered as a significant in order to achieve the organizational objectives (Gerhart and Milkovich 2012). Performance is measured through performance appraisal to measure the achievement of key performance indicators that may include achievement of targets, timelines among others.

#### **1.1.4 Conceptual Perspective**

Owing to the above background, much as the researchers have carried out their studies on reward management in different organizations, some of the few researchers have interested themselves in the contribution of reward management on employee productivity more especially in national energy corporation of Somalia Garowe, Puntland. Performance of employees in African countries still remains a limited issue to attain especially hinged on the need to attain a peaceful means for power attainment. Organizations that implements its human resource planning effectively is likely to prosper in a competitive environment (Samwel, 2018) through employee performance that depends on the effective implementation of reward management.

Employee performance in the national energy corporation of Somalia through creativity, productivity, service quality and regularity of employees continue to reduce. Rewards management practices in national energy corporation of Somalia are clearly defined (Mohamed, 2020). However the national energy corporation of Somalia is faced with many challenges in an attempt to improve the employee performance of the national energy corporation of Somalia as reward management seems to be a hindrance to the company operations. Employee performance at the national energy corporation still remains low as the employee labor productivity, untimely delivery of assigned tasks and irregularity of employees in the work place that lead to inefficiency management and serving of public servants in Uganda.

National Energy Corporation of Somalia is faced with Employee productivity, employee service quality, employee regularity and creativity challenges that affect overall output of the employees.

There is decline in efficiency, non-appearance, increment in faulty items because of representative's responsibility down to work and medical problems because of stress and misery (NEC Report, 2020). The company employees have been encountering constant work reduced output. The state of employee performance coupled with reward management in national energy corporation of Somalia presents a state of anxiety hence a study on relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland.

Employees at National Energy Corporation are expected to meet work deadlines, provide quality out, improved production/ work time amongst the employees intended to generate effective performance for employees in the organizations (NEC Report, 2020). The employees are expected to have effective and efficient staff that works towards the satisfaction of the people in delivering services of quality in an appropriate manner that can enhancing the functionality of the organization (Thomas, 2017). Despite the expected employee performance at National energy corporation Somalia, the employee performance is coupled with absenteeism for instance Absenteeism rate increased from 25% to 40% in 2018 to 2019, limited creativity, late coming and failure provide the daily productivity output and low employee standard output that reduced by 10% in year 2019 (NEC Report, 2020). The status quo of the environment of performance of employees if not attended too threatens the livelihood of National energy corporation as performance of the organization in terms of profits, sales, amount of productions are likely to reduce that will highly endanger the existence of National energy corporation. The environment of employee performance constraints presents signals of staff complaints on much work with limited staff that point to the issue of reward management, because of this, one thinks that reward management could be responsible for the impasse hence the study to assess the relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland.

## **1.2 Statement of the Problem**

National Energy Corporation of Somalia is concerned with improving the employee performance in the company through ensuring high levels of service quality to ensuring complaints reduction, ensuring employee regularity at work and their timely delivery of assignments provided is good employee relations in the ministry (NEC Report, 2019). Employees are more likely to be

productive when they understand what exactly is expected from them and rewards are effectively managed. Reward management gives confidence and confidence leads to employees that are productive (Belcourt, 2019). For the three years (2018-2020) employee performance in National Energy Corporation of Somalia Garowe Puntland has consistently reduced. Customer complaints have consistently increased in the same period indicating the deteriorating employee productivity levels. In 2020 the number of customer complaints due to poor quality service offered increased (Seward, 2019). The employee timely output remains low, the status of employee performance constraints in the company risks the performance ventures of the organizations, it's a risk to the performance of the organizations which can affect output of the organization, profitability and eventually failure or collapse of the company. If the employee performance problem is not handled, the organization risks collapse further more employee performance problems will result in the organization incurring many losses inform of wastage arising from mistakes made by workers who lack the specific skills needed to perform their jobs effectively losing customers, and close of business (Waqas and Saleem, 2019). This occurrence is not explained, one wonder whether reward management explains the situation, the study therefore seeks to examine whether there is any statistically significant relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland.

### **1.3 Purpose of the study**

The purpose of the study was to assess the relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland.

### **1.4 Objectives of the study**

- 1) To determine the relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland.
- 2) To establish the relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland.
- 3) To examine the relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland.

## **1.5 Research Questions**

- 1) What is relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland.
- 2) What is the relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland?
- 3) What is the relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland?

## **1.6 Research Hypothesis**

H01: There is no statistically significant relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland.

H02: There is no statistically significant relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland.

H03: There is no statistically significant relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland.

## **1.7.0 Scope of the study**

### **1.7.1 Geographical Scope**

The study was conducted in NECSOM founded in 2003 located in Garowe, the capital of Puntland state of Somalia. The National Energy Corporation of Somalia (“NECSOM”) is one of the largest electricity and energy providers in Somalia. It was established as a small, fuel-generated enterprise and has since grown to have a 4.9MW capacity, with hybrid fossil fuel and green energy production. Since its establishment, NECSOM has been a reliable source of power for households, government institutions, international organizations, public services, mosques, and businesses in Somalia.

### **1.7.2 Subject Scope**

The study was to assess the relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland (NECSO). The focus will be to determine the relationship between Pay management and employee performance, relationship between Promotions Management and employee performance and examine the

relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland.

### **1.7.3 Time Scope**

The study was conducted based on the organization data from the 2018 to 2021. The period is choosing because it gives an insight on analyzing the state of performance of the organization via the reward systems employed by the organization.

### **1.8 Significance of the Study**

The findings of this study will therefore be important to current and future scholars who may need to research on reward management and employee performance in retail stores. This will help them expand their knowledge and also identify areas of further research.

The study will provide the management of national energy corporation of Somalia with the extent to which reward management influences employee performance in the company. Study findings therefore may bring out the key challenges that are facing employee reward process in the company. Based on the recommendations that will be made the management of national energy corporation of Somalia may use them to improve on the rewards currently given to employees. This may help in improving on the performance of employees.

As policy makers, government and regulators of the retail industry will also find the study useful because they will be able to know how policies they develop in regard to employee reward management affects employee performance in the retail industry. The policy makers will also gain insight into what challenges the players in the market face and how they are able to overcome the challenges and hence remain competitive in the market hence contribute to the development of the economy.

To the employer because it represents a significant part of his costs, it is increasingly important to his employees' performance and to competitiveness, and affects his ability to recruit and retain a quality labor force. To the employee it is fundamental to his standard of living and is a measure of the value of his services or performance. The associated merits and demerits that accompany reward systems will be examined. The results of this study would go a long way to create awareness about the weaknesses in the implementation of this system and the suggested way forward.

## **1.9 Operational Definitions of Terms**

Reward management consists of analyzing and controlling employee remuneration, compensation and all of the other benefits for the employees. Reward management aims to create and efficiently operate a reward structure for an organization (Mutua, 2011).

Pay management according to Hsieh, (2007), pay management is ability to pay, job description and importance of the job within the company, market forces among others.

Fringe Benefit management: Bratton and Gold (2009) defined fringe benefits management as practice of managing that part of the total reward package provided to employee in addition to base or performance pay. Fringe benefits focus on maintaining (or improving) the quality of life for employees and providing a level of protection.

Promotion Management: Refers to management of career advancement opportunities that organizations offer to create the opportunity for personal growth, increased levels of responsibility and an increase on social standing (Rizwan and Ali, 2020).

Employee Performance- is the productivity or result of the employee while doing the job. Employee performance means employee productivity and output because of employee development (Sajuyigbe, Bosede & Adeyemi, 2013).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This study provides a review of literature based on previous authors' views concerning the study topic. The review is done review based on the specific research objectives of the study. The chapter provides the review based on conceptual, theoretical and empirical review on the study variables.

#### **2.1 Theoretical Review**

The study employs Adams (1965) and goal setting theory of Edwin Locke in 1960s.

##### **Equity Theory of Adam (1965)**

This study is grounded on Adams (1965) Equity Theory. Equity Theory postulates that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship. The theory focuses on determining whether the distribution of resources is fair to both relational partners. In any organization, an employee wants to feel that their contributions and work performance are being rewarded. Reward management in a company if oriented properly generates the employee performance in the company. In any organization, an employee wants to feel that their contributions and work performance are being rewarded. Effective reward management creates a balance in the organization resources provision and management significant to induce the performance of the employees. If an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore. It is the subtle variables that also play an important role in the feeling of equity. Just the idea of recognition for the job performance and the mere act of thanking the employee will cause a feeling of satisfaction and therefore help the employee feel worthwhile and have better outcomes.

In equity theory there are inputs and outputs. Inputs are as each participant's contributes to the relational exchange. The inputs that a participant contributes to a relationship can be either assets entitling them to rewards or liabilities entitling to costs. Inputs typically include any of the following: time, effort, loyalty, hard work, commitment, ability, adaptability, flexibility,

tolerance, determination, enthusiasm, personal sacrifice, trust in superiors, support from co-workers and colleagues and skill. When the ratio of inputs to outcomes is close, than the employee should have much satisfaction with their job. Outputs can be both tangible and intangible. Typical outcomes include any of the following: job security, salary, employee benefits, expenses, recognition, reputation, and responsibility, sense of achievement, praise, thanks and stimuli. Equity theory consists of four propositions whereby; Individuals seek to maximize their outcomes.

Groups can maximize collective rewards by developing accepted systems for equitably apportioning rewards and costs among members. Systems of equity will evolve within groups, and members will attempt to induce other members to accept and adhere to these systems. The only way groups can induce members to equitably behave is by making it more profitable to behave equitably than inequitably. Thus, groups will generally reward members who treat others equitably and generally punish members who treat others inequitably. When individuals find themselves participating in inequitable relationships, they become distressed. The more inequitable the relationship, the more distress individuals feel.

According to equity theory, both the person who gets “too much” and the person who gets “too little” feel distressed. The person who gets too much may feel guilt or shame. The person who gets too little may feel angry or humiliated. Individuals who perceive that they are in an inequitable relationship attempt to eliminate their distress by restoring equity. The greater the inequity, the more distress people feel and the more they try to restore equity (Walster, Traupmann and Walster, 1978).

### **Goal setting theory**

This study was guided by the goal setting theory formulated by Edwin Locke in 1960s. The theory postulates that the major sources of employee performance in the work place are the intentions to work towards the goals to generating standard output, creativity and timelines in production. Goals play significant roles by informing employees their expectations at the work place.

The goal setting theory assumes that the goals and intentions are cognitive and volitional, and that they serve as the immediate regulators of human action in way to attain the desired performance amongst the employees.

The weaknesses of the theory are that organizational goals are in conflict with the managerial goals. Goal conflict has a detrimental effect on the performance if it motivates incompatible action drift. Very difficult and complex goals stimulate riskier behavior finally if the employee lacks skills and competencies to perform actions essential for goal, then the goal-setting can fail and lead to undermining of performance.

The theory in practice is used to increase motivations for employees to complete work swiftly and effectually. Goal setting leads to better presentation by increasing motivation and efforts, but also through increasing and refining the feedback quality. As a specific goal enhances performance of output, and timely production/ working within an organization, therefore goal setting theory supports the value of goals (Robbins, Judge & Campbell 2012). Acceptance of difficult and challenging goals results into enhanced employee performance in an organization as opposed to easy goals. Moreover, availability of feedback at the work place brings about better employee performance than non-availability of feedback.

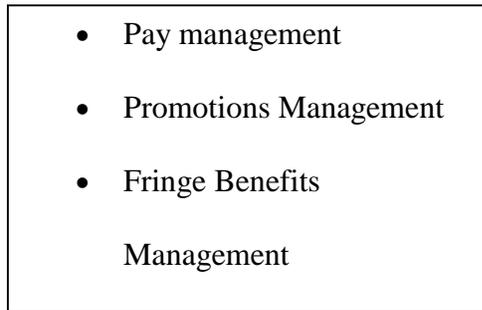
According to Perez & Falcon (2014), goals should be very specific, moderately difficult and employees should be committed to achieve these goals. Rewards should be tied in together with the goals so as to enhance performance at the work place. Goals that is specific in nature yield high levels of output as opposed to goals that are general in nature. This is because specific goals act as internal stimulus of the processes for employee performance in the organizations. Holding other factors for example acceptance of goals constant, it can be stated that the more difficult the goals, the greater the level of performance at the work place. Companies that want to further their mission, do so by setting realistic goals. Goal setting facilitates employee performance in formalization of organizational statements, implementation of missions and vision statements. Therefore, goals are significant motivators at the work place by providing employees with realistic and tangible targets that can be achieved easily hence performance enhancement.

## 2.2 Conceptual Framework

**Figure 2.1: Showing Conceptual Framework**

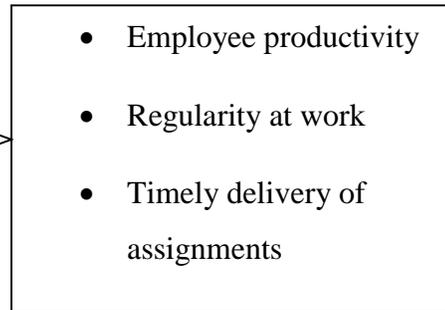
### Independent Variable

#### Reward Management



### Dependent Variable

#### Employee Performance



**Source:** Adopted from Tausif (2012) and Waqas & Saleem (2019) and modified by researcher 2022.

According to the conceptual framework in figure above, reward management is measured through pay, promotions, fringe benefits management, employee performance was measured in terms of employee productivity, regularity at work and timely delivery of assignments. The framework assumes that positive reward management is significant in generating the employee performance for the organization. The framework assumes that the reward management can induce the employee performance and the reverse is true. The reward management in different strategies is employed by companies to measure performance of employees. The employees reward does not only improve performance but is also significant in enhancing the image and reputation of an organization. This is because, when an employee is duly rewarded, one feels deeply appreciated which further heightens self-actualization. This will ultimately cause employees to talk positively of their organizations. This study did not however link the construct to retention aspects.

## 2.3 Related Literature Review

The related literature review is based on the determination of the analysis based on the specific objectives of the study.

### **2.3.1 Pay Management and Employee Performance**

A study was conducted by Syengo (2013) on relationship between pay and employee performance in Kenya state corporations. Data was collected by use of a questionnaires administered by “Drop and Pick later” approach from a sample of 40 State Corporations that was drawn by use of stratified sampling method from a population of 142corporations. The data collected was analyzed using SPSS and E-views Statistical package, where descriptive statistics such as mean, standard deviations, frequencies and percentages were generated. From the data analysis it was found that the salary paid to the employees was not attractive vis-à-vis what was on offer in the market. As well the pay on offer in the majority of the organizations was not commensurate with qualifications, skills and experience. No significant relationship was found to exist between pay type and job satisfaction and also between pay type and organizational commitment.

Ohando (2014), the study found out that the factors that affected morale and satisfaction included leadership, management, salary structure, policies on reward, training and work environment. It concluded that when structures like organization and salary are undertaken ownership from both parties need to be agreed upon as strategy for building of high morale and satisfaction in the organization. The study was on morale and satisfaction and pay was just one of the variables studied.

Motshegwa (2019) did a study on a comparative analysis of pay in affecting the employee performance and turnover in Botswana. The results of the study indicated that even though the studied teachers were at different levels of schools, there were no major differences in the way the perceived the variables studied. The relationship between equity and pay satisfaction was strong and significant for both junior and senior secondary school teacher. The relationship between equity and affective commitment, pay satisfaction and intention to turnover, and affective commitment and intention were all significant at  $p < .001$ .

Kelil (2015) examined the perception of employees regarding the payment policy in government higher education institutions found in Addis Ababa. Data was collected using a set of questionnaires. Data analysis was done using descriptive statistics. Findings showed that employees perceived the current compensation and benefits inadequate and unsatisfactory,

employees did not participate in compensation and benefits decision, it was not periodically updated and communicated to employees. Moreover, it was perceived that the effectiveness of compensation and benefits was not evaluated and the policy was no revised. Nonetheless, the study was done in the education sector.

Lorsch and Khurana (2016) did a study on executive compensation in America. They concentrated on the compensation of Chief Executive Officers (CEOs) and other top executives of American public companies. They found out that there are flawed compensation arrangements for the top management of major financial institutions. They declared that for almost 20 years, a growing chorus of voices including some shareholders, the business media, policymakers, and academics have been criticizing the way top managers were paid.

Kassim (2018) sought to investigate the relationship between remuneration and performance of non-teaching staff in the six Public Secondary Schools in Mandera East District, Kenya. The research design was descriptive. The target population was 50 non-teaching staffs who were the employees of the six Public Secondary Schools in Mandera East District, Kenya. Due to the small size of the population, a census investigation was undertaken. Tools for data collection were mainly questionnaire which was self-administered. The data was analyzed by use of descriptive statistics such as percentage and mode. The result of the study was presented by means of pie charts, bar graphs and frequency distribution tables. The study found that there was urgent need to develop the salary structure of the non-teaching staff to guide the management of the Public Secondary Schools in Mandera East District, Kenya because it affected employee's performance.

Nthambi (2019) investigated the effects of rewards on employee performance among operational staff at Kenya bureau of standards. The study discussed various aspects of rewards such as employee services, salary reviews, health benefits and training programs and how they impact on employee performance. The study employed descriptive research design. The researcher targeted 224 employees from the six departments at the headquarters. Stratified random sampling procedure was used to select the sample that represented the whole population. Data was analysed through descriptive statistics. Study found a link between compensation components like salary reviews and health benefits and employee performance,

Assava (2012), the findings on the relationship between reward system and the organization performance showed that indeed there existed a relationship between the two as confirmed by a majority of respondents, who shared similar opinion. It was further revealed that the majority of the respondents were of the opinion that the reward system impacts on the overall performance of the organization. In light of these findings, the study concluded that Employees at NWC&PC valued monetary rewards, such as salary and wages, annual company performance bonuses and monthly target-based incentive schemes as important for good performance.

Woods (2018) in the study further revealed that the pay management that had no relevant impact of pay management on employee's performance included certificate of long service 22%, product awards 14%, recognition programs and career growth at 9%. These low percentages were because these rewards did not give direct benefit to the employees. Stock option had the highest of 38% of neutral response and this was realized because most employees did not have awareness on investment portfolios. The most preferred rewards in the company were the financial based rewards with the non- financial rewards not very attractive to most employees. The study concluded there was correlation between the rewards system and performance in private manufacturing in Nyeri County.

Siegal et al (2019) did a meta-analysis on reward on employees. The meta-analysis collected data of 59 independent samples (with 223 effect sizes) to estimate the effect of electronic monitoring on job satisfaction, stress, and performance. A random-effects model indicated a small negative effect of monitoring on job satisfaction,  $r = -.10$ , and a small positive effect on stress,  $r = .13$ . There was no relationship with performance,  $r = -.01$ . Even if the effects of monitoring on job satisfaction and stress are small, taking the large number of employees who are monitored for several hours a day into account, these effects may have a severe and negative impact on employees' well-being. Performance maintenance is the main justification for the use of electronic monitoring, but the non-existing relationship of monitoring with performance questions the validity of this justification.

### **2.3.2 Promotions Management and Employee Performance**

Yasmeen, Farooq and Asghar (2013) indicate that job promotion had a strong influence on organizational performance. Christiane, Robert Susanne and Arjan (2011) noted that every job promotion opportunity is observed among organizations in USA so as to motivate staff to get the best from them thus leading to improvement in overall organizational performance.

Saud, et al., (2017), noted that job promotion practices play a key role in promoting affective staff commitment and overall performance. In Uganda, Musenze, et al., (2013) indicated that job promotion positively affects staff performance. In Kenya, Ndede (2014) found out that job promotion had an impact on staff performance.

Promotion positively affects staff performance; good behavior is also rewarded through promotion. Nevertheless, giving the best jobs to outsiders can reduce work motivation hence leading to low performance and reduced morale in working with the aim of getting those better jobs (Seward, 2019).

Rinny, Purba and Handiman (2020) conducted a study on the relationship between job promotion and employee performance of Mercubuana University. Due to variation in macroeconomic environment as well as legal framework, the results from other studies cannot however be applied to institutions in Kenya.

Sitati, Were and Waititu (2016) examined the effect of job promotion practices on retention of staff employed in hoteling industry in Kenya. However, the dependent variable in these studies was staff retention, which is not the same as employee performance.

Christina (2014) assessed how job promotion affects performance of City Council staff in Tanzania. The researcher employed exploratory research design. Moreover, the study revealed that job promotion significantly affects performance of City Council staff. The results also revealed that job promotion improved on staff productivity and efficiency and their relationship with people. Moreover, the results revealed that job promotion positively affects individual performance of county council staff. The results also indicated that workers had an idea of promotion procedures but there was need for creation of more awareness. Also, the findings revealed that, promotion affects both individual and organizational performance as it improves the level of motivation, performance, relation and increases remunerations. The results also

revealed that non-strictness to promotion procedures negatively affects both the employee and organizational performance together with work relations.

Tadesse (2017) studied the relationship between employee promotion practice and job satisfaction in Dashen Bank S.C. The population of the study was 330 employees. Both convenience and sample random sampling methods were used in the selection of the sample size. The results indicated that job promotion practices and promotion expectations had a significant effect on job satisfaction and employee performance.

Noor and Silitonga (2018) conducted a study on the relationship between job promotion and the performance of Pt. Harapan Mulia Berkah Tangerang regency. The population of the study was 93 employees and data were analyzed using descriptive and inferential statistics. The results indicated that job promotion had a significant effect on organizational commitment and organizational performance.

Rinny, Purba and Handiman (2020) conducted a study on the relationship between job promotion and employee performance of Mercubuana University. The study adopted a quantitative approach, used questionnaires, and the population was employees in the University. However, convenience sampling was used in the selection of the sample size. The study found that job promotion has a significant effect on job satisfaction and employee performance.

Sitati, Were and Waititu (2016) examined the effect of job promotion practices on retention of staff employed in hoteling industry in Kenya. Survey research design was used in this study. The target population was 213 hotels in Kenya. The study found out that job promotion influences the retention of staff working in hoteling industry. Employee retention increases with the increase in promotional chances and vice versa. Nevertheless, for employee retention to have a good impact there must be remuneration and allowance practices in place.

Peter (2014) investigated the effects of promotions to employee performance. Case study plan was agreed upon for the research. The research observations indicated that DCC staff members were conscious of appraisal processes though there was the need for the HR department to communicate the plan better to the employees. Additionally, the findings indicated that promotion has effects to employee and company performance as it motivates, encourages good performance, improve relations as well as higher remunerations. The observations revealed there

were effects for non-compliance to promotion strategies which impact personal achievements and organization, for instance poor relations, human resource turnover, decreased performance, and accumulated promotions. The study was performed in Dar es salaam city council, being a public institution and therefore these conclusions cannot be explicitly used in private sector and more so commercial companies like banks.

Hasibuan (2018) argues that promotion is a move that enlarges the authority and responsibility of employees to higher positions in an organization so that obligations, rights, status, and producers the greater the. The importance of developing human resources is done to create better employee performance than before so that the objectives of the organization can be achieved.

Akib and Salam (2016) regarding several criteria that need to be considered before conducting promotions, namely seniority, quality of education, work performance and level of loyalty. Placement of employees is done by making adjustments to the needs of the organization associated with planning to get the right people in the right position as well or commonly known as "right man on the right place". To get a good and professional, responsible, honest and fair state civil apparatus, a recruitment system based on open capability based on capability is needed.

The existence of promotional targets, makes employees feel valued, cared for, needed and recognized by their organization's work ability so that they will produce high outputs and will enhance the morale of the organization. This is also evidenced by research conducted by (Eka et al., 2016) with the title "The Effect of Job Promotion and Work Discipline on Employee Performance", where the results of his research indicate that there is a positive and significant influence of the promotion variable on employee performance in the District Transportation Office Buleleng.

### **2.3.3 Fringe benefits Management and employee performance**

Kwak (2012) stated that employees' value or welcome retirement benefit more than other fringe benefits. Ifediniro (2012) made it clear that retirement benefit is a prime motivator for improved employees' productivity. Lack of retirement benefit makes employees not to be committed to their job which limit their contribution to the organization, and in turn affect organizational performance, produce employees who are dissatisfied, disengaged more than feeling empowered.

Bratton and gold (2009) view fringe benefit as that part of the total reward package provided to employees in addition to base or performance pay. Fringe benefits, which are supplementary in nature, not worked for, and are usually given to all employees of an organization, irrespective of their different performances such as annual leave allowances, salary advance and educational assistance.

Dixit and Bhati (2012) argued that poor compensation packages have been a major factor affecting employees' commitment and productivity. They argued that for any organization to achieve its set objectives in any competitive society, employers must a thorough understanding of what drives employees to perform efficiently and reward them accordingly.

In a study carried out by Baker (2018) on the effect of retirement benefit on employee job performance, the study was conducted in Lagos using the survey method of research and the questionnaire as the major instrument of data collection. Ten (10) corporate organizations were studied and it was found that retirement benefit has a significant effect on employee job performance.

In a related study, carried out by Adeoye (2014) in Lagos on the relationship between medical insurance and employee job performance, the study was equally carried out in Lagos using the survey method of research and it was found that medical insurance has a positive relationship with employee job performance.

Furthermore, in a study conducted by Baase (2009) in Lagos on the extent overtime pay has affected employee job performance, fifteen corporate organisations were studied using the survey method of research and it was found that overtime pay has affected employee job performance to a large extent. Finally, in a related study carried out by Neil (2015) in Lagos on the effect of annual leave on employee job performance, five (5) commercial banks were studied using the survey method of research and it was found that annual leave has a positive effect on employee job performance.

Emily (2013) monetary bonuses for employees let hardworking staff know that you appreciate their efforts. A bonus should be based on measurable performance, not on the opinion of one supervisor or staff member. In cash strapped times, handing out extra money at holiday or for job well done might be impossible. You can award your employee though without breaking the

back or coming across as stingy. Addition day off will let the employee know how his work was appreciated and give him a chance to recharge his batteries, which will enhance his work performance.

Artz (2020) contend that flexible working hour arrangement includes working opportunity from home, flextime, location, flexible job scheduling, and job sharing. Such arrangements have been found to have a positive impact on job satisfaction. Flexible work plan has a positive influence on employee productivity, attendance, and morale. Having increased access to a flexible working hour is a source of motivation for all the working employees since flexible work plan allows employees to adjust their working conditions.

Muchiri (2016) conducted a study establish the effects of rewards on employee performance. This study adopted a descriptive survey design. The study had a population of 467, a target population of 100 and a sample size of 80. The study found that there exists a significant relationship between intrinsic rewards and employee performance. Intrinsic rewards examined in this study included employee's ability, trust, recognition, and achievement. In addition, the study found the existence of a significant relationship between extrinsic rewards and employee performance. Extrinsic rewards in this study included salaries and wages, paid vacations, paid leave, travel allowances and bonuses. Similarly, the study revealed the existence of a significant relationship between other factors and employee performance. The study concluded that salaries and wages, paid vacations, paid leave, travel allowances and bonuses are essential components of extrinsic rewards that enhance employee performance.

Kikoito (2014) conducted a study on the impact of fringe rewards on organizational performance in commercial banks in Mwanza city, Tanzania. The study used descriptive research design which incorporated both quantitative and qualitative approaches. The data was analyzed with use of descriptive statistics (SPSS and Excel) and data presented as frequency distribution tables and histograms. The findings of this study showed that the three commercial banks in Mwanza city offer both extrinsic (salary, bonus and promotion) and intrinsic (praise, recognition and genuine appreciation) rewards to their employees. However, the results found that employees were not satisfied with the current reward packages and salary level was viewed to be too low and did not reflect cost of living in Mwanza city.

Nalweyiso (2012) sought to establish the nature of rewards and commitment of non-teaching staff at the College of Education and External Studies Makerere University. The study design was cross sectional survey as both qualitative and quantitative approaches. The main data collection instruments include; a self-administered questionnaire and interview guide. The findings of the study showed that there was positive significant relationship between monetary, non-monetary rewards and non-teaching staff job commitment at College of Education and External Studies. From the study findings it was concluded that there was a positive significant relationship between monetary and non-monetary rewards on the commitment of non-teaching staff at the College of education. It was recommended that to raise commitment of non-teaching staff in the College of Education and External Studies.

Turinawe (2011) investigated the relationship between reward systems, job satisfaction, organizational commitment and employee performance among academic and administrative staff of public higher institutions of learning in Uganda. The study involved 300 respondents selected from two institutions in Uganda that is Kyambogo University and Makerere University Business School. The results of Pearson correlation showed a significant positive relationship between the variables (reward systems, job satisfaction, organizational commitment and employee performance).

Jeni et al (2021) investigated the fringe benefits management on employees' performance, employee's motivation and job satisfaction in the banking sector in Private Bank of Noakhali region in Bangladesh. This study employed stratified sampling technique to draw a sample of 60 employees from a population of 70 employees through self-administered questionnaire. The results showed that the mean for on the job training and development located from 3.23 to 4.4 and for off the job training and development from 2.36 to 4.05. The overall impact of training and development from the perspective of employees of private banking sector in Noakhali region has mean and standard deviation respectively 3.54 and 0.95 in total. The findings of the study generally revealed that fringe benefits management not only increases employees' performance but also positively affects employees' motivation and job satisfaction within the Private banking sector in Bangladesh.

Osman and Ibrahim (2019) investigated impact of fringe benefits management on employee performance at Salaam Somali Bank of Somalia. The data were collected through the questionnaire method. The sample size was 171. The results obtained revealed that fringe benefits management to the employees at Salaam Somali Bank improves the performance level of the employees. The increase is formed in the employee productivity after the training. The education level, staff category and the work experiences of the employees are the factors determining the growth of an employee's performance in the organization after fringe benefits. The study showed that the respondents did not recognize what was expected of their job since there was no clear job description. It was shown that respondents did not possess the necessary materials and equipment they needed in their everyday responsibilities.

## **2.4 Related Studies**

Ahmed and Ali (2017) carried out a research on the "impact of reward and employee performance. Research design used was exploratory. Sample chosen for the study was 80 employees of Unilever companies and data collection instrument used was a questionnaire. Pearson's correlation was used to analyze data to determine the degree of relationship between reward and satisfaction and motivation. Major findings indicated a positive relationship between rewards and work satisfaction as well as motivation. Factors affecting satisfaction were identified; payment 86%, promotion 74%, work conditions 61%, personal 37%. Analysis showed support for a positive relationship between reward and employee satisfaction. The researchers recommended that further studies can be done on 'impact of reward and recognition on motivation and satisfaction for diverse groups of people' example gender, race and disability.

Duberg and Mollen (2018) undertook a study on reward systems within the health and geriatric care sector. The problem of the study was how reward systems designed in health and geriatric care are and whether the current reward systems affect the care quality. The thesis aimed to extend the knowledge of reward systems in health and geriatric care and know how these systems are designed and what their effects on quality of health and geriatric care are. The methodology took a qualitative approach and interviewed a sample of six leaders in both private and public organizations. Two of the leaders worked in geriatric care and four in health care. The theoretical framework was based on scientific literature about motivation and reward systems. Also literature specifically about wage conditions in the health care sector and the public sector

was used. Findings showed that salary is an important aspect in the reward system; however other incentives like bonuses and shares were seen to generate an enjoyable work place and happy workers than motivate employees to be more efficient. Results showed that conditions for working with reward systems in the public sector are limited due to the lack of resources and complex large organization structures with old traditions. This must be reconsidered to be able to work with well-designed reward systems similar to those in private care organizations. The researcher recommended that further studies should be done to compare reward system and investigate its impact on an organization in relation with one that does not.

Axelsson and Bokedal (2019) did a study on rewards motivating different generations at Volvo Car Corporation. The thesis was based on a case study of Volvo Car Corporation in Göteborg. Empirical data was based on twenty interviews with managers at the company. Major findings showed that challenging work and non-monetary rewards motivate managers, bonuses and shares are not very motivating. Titles are not motivational at all. However, opportunities for growth are motivating for both generations. It was concluded that there exists generational differences. However, both generations considered salary as important and non-monetary rewards to be of great importance. The authors recommended research to be carried out on reward systems and how they impact on other interesting aspects like gender, life stage.

Sarvadi (2019) carried out an online study of 1913 full-time employees and asked people to rank order 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award points, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work, being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people (74%) surveyed. Nine-out-of-ten (89%) listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, despite the fact cash bonuses are nearly everyone's preferred reward. While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward

at all. Furthermore, offering exclusively cash bonuses only seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability.

Rotich (2020) focused on reward schemes, appraisals, salary reviews and grading while investigating influence of reward strategy on turnover rates in telecommunication firms in Kenya. Explanatory research design guided the study. The study confirmed a significant influence of rewards in minimizing employee in telecommunication firms. There was a positive significant relationship between reward management practices and employee retention in telecommunication companies. The findings indicated that for every unit of upward revision of a reward there is an equivalent improvement of worker retention in the studied telecommunication institutions. Kathombe et al (2018) established a strong relationship between financial & non-financial rewards and performance of an employee.

Kipkorir (2019) conducted a study in Kenya that showed the negative impact of monetary rewards on intrinsic motivation and performance. A group of employees were asked to work on a certain project. Some were paid and some were not paid for the work. The workers that were not paid worked longer on the project and found it more interesting than the employees being paid. The paid employees felt that their behavior was being controlled in a dehumanizing and alienating manner by the rewards. It was discovered that rewards would seriously decrease an employee's motivation and performance to ever perform the task being rewarded, or one similar to it, any time in the future.

## **2.5 Research Gaps**

From the literature discussed above, it is evident that several researchers have conducted studies to establish the effect of reward management on employee performance in different countries. One key identification is that no study was found examining the impact of the three aspects of reward management of fringe benefits, pay and promotions all together on employee performance. Studies that exist have either examined the relationship of only one or two of these aspects. This leaves a content gap for this study to fill. In addition, no single study was found that examined the impact of reward management or even one of its three aspects on employee performance in Somalia. Besides the studies were conducted employing different methodologies, with many being article reviews covered small populations hence presenting a methodological

gap. Most if not all the cited studies were conducted from other countries outside Somalia. This leaves a contextual gap for this study to fill. The constructs of the studies are also different presenting the theoretical needs to comprehend and address the gaps. The study presents a need for contextual, theoretical and methodological gaps that the study sets to address.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter contains the research design, target population, sample size and sampling procedure, data collection instruments, pilot testing of the instruments, validity and reliability of the instruments, data collection and procedures, data analysis techniques, ethical considerations.

#### **3.1 Research Design**

The study utilized a correlation research design in which according to Mugenda and Mugenda (2003) entails the collection of data for the purpose of testing hypotheses or giving answers to research questions based on current situation. The research adopted a correlation design which is best for the study as it describes and explains the characteristics associated with the subject population. Correlation design discovers and measures the cause and effect of relationships between variables (Cooper & Schindler, 2014). The justification for choosing the research design is the fact that we can only describe or explain the relationships, if any, that exists between variables but we cannot alter those relationships. The design was involved the use of majorly quantitative data although this was triangulated with the qualitative data through interview guides.

#### **3.2 Target Population**

Target population is an entire group of individuals, events or objects having common observable characteristics that are being investigated (Mugenda & Mugenda, 2003). The target populations for this study are the employees of National Energy Corporation of Somalia. The study population included administrative and technical staff. The total population of the study is 224 employees including 15 administrative and supervisory staff.

#### **3.3 Sampling**

##### **3.3.1 Sample Size**

A sample is a smaller group or sub-group obtained from the accessible population (Mugenda and Mugenda, 2006). This subgroup is carefully selected to be representative of the whole population with the relevant characteristics. The sample size of employees is was attained based on the Krejcie and Morgan table of 1970 (Krejcie & Morgan, 1970).

**Table 3.1: Population and Sample population of the study**

<b>Category</b>	<b>Population</b>	<b>Sample size</b>	<b>Sampling strategy</b>	<b>Instrument</b>
Staff	209	127	Simple random sampling	Questionnaire
Administrative staff	15	09	Simple random sampling	Questionnaire
<b>Total</b>	<b>224</b>	<b>136</b>		

**Source:** National Energy corporation of Somalia, HRM Report, 2020.

### **3.3.2 Sampling Procedures**

Sampling is a means of selecting part of a group of the population to represent the entire group of interest. It reduces the length of time needed to complete the study and cuts costs. It is also manageable and mirrors sample population (Saunders, Lewis & Thornhill, 2000) simple random sampling was used to select the technical employees in the study since no much information. The purpose of data sampled for the study the target population. The process of sampling was designed to minimize errors when estimating the true population. Simple random sampling was used to select both operational and administrative staff of the company.

### **3.4 Data Collection Instrument**

#### **Questionnaire**

Data was collected through drop and pick questionnaires. The questionnaires contained closed ended questions. The questionnaires were structured based on the research Objectives or hypothesis. Structured questionnaires referred to questions which was accompanied by a list of all possible alternatives from which the respondents were selected the answer that best described their situation, (Mugenda and Mugenda, 2006).All the questionnaires were anchored on a 5-point Likert scale.

### **3.5 Data Quality Control**

#### **3.5.1 Validity of the Instruments**

Validity is a prior qualitative procedural test of the research instruments in an attempt to ascertain their accuracy and correctness in eliciting the intended data for the study (Mugenda and

Mugenda, 2006). Validity refers to the extent in which a researcher measures what he/she hopes to measure. A questionnaire which is well structured should yield valid results. A valid measure should satisfy two criteria; face validity and content validity. Face validity is the assessment whether a measure appears on the face of it to measure the concept it is intended to measure. A measure should satisfy this criterion. Content validity concerns the extent to which a measure adequately represents all the facets of a concept. Questionnaires were administered to the respondent to complete the questions themselves, the questionnaires were hand-delivered to the respondents. After the analysis, data was presented in form of tables, and according to the research questions. Content Validity was ensured through having the questionnaire was reviewed by experts in this area. The questionnaire was reviewed by the supervisors who are experts in this area. Face validity were ensured through comparing tools that were used by other studies in reviewing related literature.

A Content Validity Index (CVI) was computed for each expert and after deriving the average, the questionnaire was rated at 0.79/79%. In that respect the study adopted the tools as it had a CVI above 0.7 as recommended by (Amin 2005).

**Table 3.2: Showing validity of the respondents**

<b>Experts</b>	<b>Valid questions</b>	<b>Non Valid</b>	<b>Total</b>
1	21	5	26
2	23	3	26
3	22	4	26
<b>Total</b>	<b>66</b>	<b>12</b>	<b>78</b>

**Source:** Primary Data, 2023

$$CVI = \frac{66}{78}$$

The CVI that was computed above 0.846, the research instruments were declared valid by the experts. Because the CVI is above 0.7, then the research instrument is valid.

### 3.5.2 Reliability of the Instrument

Reliability is concerned with the ability of an instrument to measure consistently. It should be noted that the reliability of an instrument is closely associated with its validity. An instrument cannot be valid unless it is reliable. However, the reliability of an instrument does not depend on its validity. It is possible to objectively measure the reliability of an instrument. Reliability enhanced the dependability, accuracy of the instruments. Mugenda and Mugenda (2006) say that reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. To ensure reliability of the study, the test re-test method was applied. This involved administering the same questionnaire to 10 employees at an interval of one weekend then comparing the two scores. This is aimed at finding out if the results are consistent. The survey instruments was subjected to overall reliability analysis by calculating the Cronbach Alpha a test with reliability of values greater or equal to 0.7 is acceptable indicator of internal consistency, that is, items correlate highly among themselves (Dawson, 2019). This study accepted values greater or equal to 0.7.

The Chronbach's Alpha coefficient was used because the response categories were more than two. The instrument was administered once to the respondents not in the study area as explained.

**Table 3.3: Showing reliability of the research instrument**

Items	No of items	Cronbach value
Pay management	6	.792
Promotions	6	.724
Fringe benefits	6	.821
Employee performance	8	.770
	<b>26</b>	<b>.775</b>

**Source:** Primary Data, 2023

Results with the alpha coefficient from the findings indicate that the instrument was an internal consistency and is therefore reliable since the Cronbach's value is high, 0.781.

### 3.6 Data Analysis

Primary data collected was carefully scrutinized and checked for completeness and comprehensibility. Coding was done to translate question responses into specific categories for

manageable summaries. Saunders (2007) assert that main reason for coding is to create scales and codes from the respondents, which can easily be summarized and analyzed in many ways. Descriptive and inferential statistics were done using Statistical Package for Social Sciences (SPSS). Quantitative data will also be analyzed using descriptive statistics such as frequencies, percentages and presented in tables. Correlation analysis was used to determine the relationship between the variables. The relationship was assessed using correlation analysis to prove the relationship between independent and dependent variable at 0.05 level of significance. The hypothesis was tested at 0.05 level of significance were the rejection criteria to reject the null hypothesis if the value of significance is above 0.05 and accept hypothesis if the value is below 0.05.

### **3.7 Ethical Consideration**

The researcher respected anonymity of the respondents by ensuring confidentiality of the respondents and the data provided. This was done through assurance that the information they provided was purely for academic purposes and that their identity was not disclosed to anyone. This was highlighted in the introductory part of the questionnaire.

All the sources of literature have been acknowledged through citations and referencing. Lastly, objectivity was considered during report writing to avoid personal bias. The researcher sought clearance from the University to be able to collect data in the targeted area. The researcher ensured and assured the respondents that all their responses were treated in strict confidentiality.

The researcher attained informed consent from authorities to interview their citizens and also interviewed the care takers. The researcher explained to the people in the study area the objectives of the study, introduced him and explained why the particular respondents were chosen, the benefits, discomforts and harms of the study, and requested to also ask questions in relation to the study.

Additionally, high level of anonymity was maintained throughout the process of analyzing the data. Accordingly, the names of the research participants or anything that could be used to identify them were not be used anywhere in the analysis process. Other issues that were considered include honesty with which participants strove to depict in answering the research question, and objectivity that was utilized to minimize bias.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.0 Introduction

This chapter present the results of the study based on bio-data of the respondents, descriptive statistics based on mean and standard deviation and factor analysis then finally simple linear regression was employed to determine the effect of payment, fringe benefits and promotions management on the employee performance in National Energy Corporation of Somalia Garowe Puntland.

#### 4.1 Response Rate

The study targeted a sample population of 136 respondents. The research achieved a response of 91.9 % respondents providing 91% response rate which is which, 91.9%. Therefore with this response rate, there is high confidence that the responses received on the study are reliable. Mugenda (1999) as well as Saunders (2007) suggests that a response rate of 50% is adequate when quantitative data is manually collected. The results on the response rate are provided in the tabulations provided below.

**Table 4.1: Response Rate**

<b>Respondents Category</b>	<b>Sample Size</b>	<b>Actual returned</b>	<b>Percentage</b>
All respondents	136	125	91.9%

**Source: Primary Data, 2022**

Table 4.1 above presents the response rate of the responses to which the research instruments were administered. The findings presented show that out of 136 quantitative respondents targeted 125 responded giving a response rate of 91.9%. The results indicate a high and reliable response rate for the information collected in the field.

#### 4.2 Socio-demographic data of Respondents

Here the researcher set to determine the socio-demographic characteristics of the respondents in the form of gender, age, education, marital status and time of work/ working experience of the

respondents. The findings for the study are based on the need to attain information significant to inform whether the bio-data can have an effect or not to the orientation of the study findings.

#### 4.2.1 Gender of respondents

Here the researcher set to determine the gender of the respondents composition. The findings concerning the study in this regard are provided in the tabulations provided in the Table 4.1.

**Table 4.2: Gender of respondents**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Male	69	55.2
Female	56	44.8
<b>Total</b>	<b>125</b>	<b>100.0</b>

**Source: Field Data, 2022**

Results in Table 4.1 show that gender of the respondents was majorly coupled with males who were 69(55.2%) of the study, female respondents were 56(44.8%) of the study. The study findings show that the respondents were represented both in gender; both female and male are fully represented in the study. The findings show that the information was attained from both genders.

#### 4.2.2 Age of respondents

Here the researcher set to determine the age of the respondents. The study findings based on the study are provided in Table 4.3 provided here under.

**Table 4.3: Age of the respondents**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
20-29 Years	20	16.0
30-39 Years	46	36.8
40-49 Years	33	26.4
50 Years above	26	20.8
<b>Total</b>	<b>125</b>	<b>100.0</b>

**Source: Field Data, 2022**

Findings in the study concerning the age of the respondents indicate that the majority respondents were in the age of 30-39 years who were 46(36.8%) of the study, those of 40-49

years were 33(26.4%) then those of 50 years above were 26(20.8%) and those between 20-29 years were 20(16%). The study shows that the majority respondents for the study were adults, information attained is significant and taken as an understanding for the research. The study results indicate that information attained is significant for the decision making since it is attained from mature adults

### 4.2.3 Education of Respondents

Here the researcher set to determine the education of the respondents, concerning the study, the findings attained are provided in the study as provided in the table 4.4

**Table 4.4: Education of Respondents**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Certificate	11	8.8
Diploma	17	13.6
Bachelors	74	59.2
Post Graduate	23	18.4
<b>Total</b>	<b>125</b>	<b>100.0</b>

**Source: Field Data, 2022**

Results in Table 4.4 on the education of respondents indicate that bachelor holders were 74(59.2%) of the respondents, the postgraduate respondents were 23(18.4%) of the respondents, then diploma holders were 17(13.6%) of the respondents and finally certificate holders were 11(8.8%) of the respondents. The study results show that information for the study show that the state of the education is coupled with well-educated respondents for the study. Information attained is significant for the study since educated people are well informed for the study.

#### 4.2.4 Time of Work of Respondents

Here the researcher provided information for the study, the findings based on the time of work/ working experience for the respondents as provided in Tabulations provided in Table 4.5.

**Table 4.5: Time of work of respondents**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
1-3 Years	16	12.8
4- 6 Years	15	12.0
7-11 years	53	42.4
12 years above	41	32.8
<b>Total</b>	<b>125</b>	<b>100.0</b>

**Source: Field Data, 2022**

Results in Table 4.5 on the time of work of respondents indicated that majority respondents had worked in the company for a period of 7-11 years who were 53(42.4%) of the study, those of 12 years above were 41(32.8%), the respondents who had worked for 1-3 years were 16(12.8%) and finally those of 4-6 years with 15(12%) of the study population. The majority respondents for the study had worked in the business enterprises for long information attained is based on significant understanding by the researchers.

### 4.3 Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland

The first objective of the study was to determine the relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland. To fulfill the objective of the study the researcher employed descriptive statistics based on mean and standard deviation and their after run a correlation analysis to determine the relationship between pay management and employee performance.

#### 4.2.1 Pay Management and employee performance in national energy corporation of Somalia Garowe, Puntland

The first independent variable construct for the study is payment management, variables responses were based on a five Likert scale were respondents were asked to rate the payment management levels by indicating the extent to which they agree or disagree with each item and the responses were analyzed in SPSS based on mean and standard deviation provided in Table 4.6.

**Table 4.6: Descriptive statistics on Pay Management in national energy corporation of Somalia Garowe, Puntland**

<b>Payment Management</b>	<b>Mean</b>	<b>Std. D</b>	<b>Interpretation</b>
The payments policy in the organization is clearly stipulated	2.896	1.169	Fairly Good
The criteria for payments in the organization is known	2.880	1.161	Fairly Good
The payments for the employees is reviewed in the organization	3.192	1.255	Fairly good
There is a performance based payment for the employees	3.200	1.263	Fairly Good
The payment is based on the working experience for the staff	3.400	1.391	Fairly Good
There is extra payments based on extra assignments of duties to the employees	3.096	1.340	Fairly Good
<b>Mean</b>	<b>3.110</b>	<b>.854</b>	<b>Fairly Good</b>

**Source: Field Data, 2022**

In respect to the item of the payments policy in the organization is clearly stipulated, this variable was measured and respondents were asked to provide whether they agreed with the statement under investigation, responses revealed that it was rated as fairly good (Mean=2.896, standard deviation (SD=1.169) interpreted as fairly good implying that payment policy in national energy corporation of Somalia Garowe, Puntland are available in the organization.

On the item of “The criteria for payments in the organization is known provided the responses of 2.880, the standard deviation (SD=1.161) interpreted as fairly good. The study findings indicate that there is a well-known payment criterion amongst the employees in national energy corporation of Garowe Somalia.

The payments for the employees is reviewed in the organization revealed that the mean responses were (Mean=3.192), the responses the standard deviation was (SD=1.255) interpreted as fairly good, the findings imply that the payment for the company is periodically reviewed, the results imply that there is fair review of the information.

There is a performance-based payment for the employees had the means (M=3.200) the standard deviation (SD=1.263) interpreted as fairly good meaning that the state of the performance based pay for the employees is occurring in national energy corporation of Garowe Somalia.

The payment is based on the working experience for the staff, the results indicate that the mean responses was 3.400, standard deviation was SD=(1.391) interpreted as fairly good. The results show that the working experience is somehow a basis for the payment of the staff in national energy corporation of Garowe Somalia.

The study findings show that regarding the stakes of there is extra payments based on extra assignments of duties to the employees with mean of M(3.096), the standard deviation (SD=1.340), the results are interpreted as fairly good. The results for the study show that the stakes of the extra payment generally exist amongst the employees in the national energy corporation of Garowe Somalia.

Table 4.6 show descriptive statistics on Pay Management in national energy corporation of Somalia Garowe, Puntland, the overall mean was 3.11, standard deviation SD=.854 interpreted as fairly good. The study results indicate the overall pay management in the company is moderately developed with the icons of enhancing the growth of the national energy corporation interpreted as fairly good.

#### 4.2.2 Employee Performance in national energy corporation of Somalia Garowe, Puntland

The dependent variable in this study was employee performance in national energy corporation of Somalia Garowe, Puntland, for which respondents were required to ascertain the extent to which they agree or disagree with the items or statements by indicating the number which best describes their perceptions. This variable was measured using questions with response rate ranging between 5=strongly agree, 4=agree, 3= Not sure, 2=Disagree and 1=strongly disagree. The responses were analyzed and described using means and standard deviations as summarized below in table 4.7;

**Table 4.7: Descriptive statistics on employee Performance in national energy corporation of Somalia Garowe, Puntland**

<b>Employee Performance</b>	<b>Mean</b>	<b>Std. D</b>	<b>Interpretation</b>
The employees perform well above the standards	2.608	1.343	Fairly good
The employee performance is above the target set by the organization	3.000	1.361	Fairly Good
The employees are working clearly and satisfying the customers	2.816	1.422	Fairly good
The employees are creative in the assigned work	3.016	1.301	Fairly good
The employees are effectively working in a changing environment	3.024	1.340	Fairly good
The employees report to work on time	3.008	1.405	Fairly good
There is less absenteeism amongst workers in the organization	2.960	1.393	Fairly good
The employees are effectively working on the assigned deadlines	3.192	1.280	Fairly good
<b>Mean</b>	<b>2.947</b>	<b>1.088</b>	<b>Fairly good</b>

**Source: Field Data, 2022**

Results in Table 4.7 show descriptive statistics on employee Performance in national energy corporation of Somalia Garowe, Puntland, it was found that the average mean (M=2.947) and

standard deviation was  $SD=1.088$ ) interpreted as fairly good, the study results indicate that the employee performance in the corporation is generally fairly good. The study means that many issues of the performance measures in the company are undertaken to minimum contents in the company.

Results on the item of the employees perform well above the standards had the mean ( $M=2.608$ ), the standard deviation ( $SD=1.343$ ) interpreted as fairly good. The study results indicate that the employees of national energy corporation of Somalia Garowe, Puntland work standards are quite moderate in the company.

The employee performance is above the target set by the organization had the mean of 3.00, the standard deviation was 1.361, interpreted as fairly good, the study show that the responses show that employee performance target in the national energy corporation of Somalia Garowe, Puntland is generally performing above the standards.

The employees are working clearly and satisfying the customers had the mean of 2.816, standard deviation ( $SD= 1.421$ ) interpreted as fairly good, the research findings show that the employees work is fairly appreciated by the customers. The results show that the customers work in a fair manner to satisfy the customers.

Concerning the aspect of the employees are creative in the assigned work, the mean responses were 3.016, standard deviation was 1.301, interpreted as fairly good, the study results show that concerning the study, there is minimal levels of creativity amongst the employees in national energy corporation of Somalia Garowe, Puntland.

Concerning whether the employees are effectively working in a changing environment, the study findings show that the mean responses ( $M=3.024$ ), the standard deviation was  $SD=1.340$  interpreted as fairly good. The study results imply that there is effective working in the change of the environment in national energy corporation of Somalia Garowe, Puntland.

Results on whether the employees report to work on time, it was found that 3.024 respondents agree, the standard deviation ( $SD=1.405$ ) interpreted as fairly good, the study results show that the employees reporting to the work is not well timely. The study indicates that employees fairly try to on time.

Responses on whether there is less absenteeism amongst workers in the organization, it was found that mean responses were  $M(2.960$ , standard deviation was 1.393) interpreted as fairly

good, the study results indicate that there is less absenteeism amongst the employees in national energy corporation of Somalia Garowe, Puntland.

The findings on whether the employees are effectively working on the assigned deadlines, the study findings show that the mean responses were  $M(=3.192)$  standard deviation was  $SD=1.280$  interpreted as fairly good meaning that the employees are fairly effective in the assigned tasks to them in the company. The study results are in agreement with the overall responses which put the stake of the working to a close to fairly well in the company.

#### 4.2.3 Pearson relationship between Pay management and employee performance in national energy corporation of Somalia Garowe

The first objective in this study was to determine the relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland. But to achieve this objective and to test this null hypothesis, the researcher correlated the means on both variables Payment management and employee performance by using the Pearson's Linear Correlation Coefficient as indicated in table 4.8.

**Table 4.8: Pearson Relationship analysis between Pay management and employee performance in national energy corporation of Somalia Garowe**

		Pay Management	Employee Performance
Pay Management	Pearson Correlation	1	.720**
	Sig. (1-tailed)		.000
	N	125	125
Employee Performance	Pearson Correlation	.720**	1
	Sig. (1-tailed)	.000	
	N	125	125
**. Correlation is significant at the 0.01 level (1-tailed).			

**Source: Field Data, 2022**

Results in Table 4.8 indicated a positive relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, since the sig. value (.000) was far less than 0.05, which is the maximum level of significance, required declaring a significant relationship in social sciences. This finding can be seen in the r-values of 0.720 and a small

significant value of 0.000. This research finding means that any variation in pay management will lead to 0.720 variations in employee performance in national energy corporation of Somalia Garowe. The researcher therefore rejects Null hypothesis H0) which provided that there is no statistically significant relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland, the results are provided as accepted.

#### **4.3 Relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland.**

The second objective of the study was to establish the relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland for which respondents were required to ascertain the extent to which they agree or disagree with the items or statements by indicating the number which best describes their perceptions. This variable was measured using questions with response rate ranging between 5=strongly agree, 4=agree, 3= Not sure, 2=Disagree and 1=strongly disagree. The responses were analyzed and described using means and standard deviations as summarized below in table 4.9;

**Table 4.9: Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland**

<b>Promotions Management</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>Interpretation</b>
In this organization promotion is done according to qualification of staff	3.016	1.184	Fairly Good
Promotion puts into consideration the experience of a the staff	3.224	1.190	Fairly Good
There is timely promotion of staff in the organization	3.248	1.267	Fairly Good
The promotions for staff is regularly done yearly	3.184	1.352	Fairly Good
Promotions are based on the skills competence of the staff	3.128	1.425	Fairly Good
Promotions are based on a well-known criteria	3.008	1.358	Fairly Good
<b>Overall Mean</b>	<b>3.134</b>	<b>.913</b>	<b>Fairly Good</b>

**Source: Field Data, 2022**

Results in Table 4.9 show responses on the level of Promotions Management in the national energy corporation of Somalia Garowe, Puntland. The study results were attained with the mean of 3.134, standard deviation of .913 interpreted as fairly good, the results imply that generally promotions management in the NECSOM is moderately prevailing in a form of needs for the organization.

The first aspect of the study was that in this organization promotion is done according to qualification of staff with Mean (M= 3.016), standard deviation of 1.184, interpreted as fairly good meaning that the respondents agree with the presence of promotions in national energy corporation of Somalia.

Regarding whether Promotion puts into consideration the experience of a the staff, it was found that the mean responses were 3.224, standard deviation was 1.190 interpreted as fairly good, the study results show that experience of the employees is a basis for the promotion of staff at national energy corporation of Somalia.

The item of “There is timely promotion of staff in the organization” revealed that 3.248 mean was attained with the standard deviation presented as 1.267 interpreted as fairly good. The study results indicate that majority respondents agree that there are timely promotions for the staff in the company.

The promotions for staff is regularly done yearly had the mean responses of 3.184, standard deviation was 1.352 interpreted as fairly good with the standard deviation of 1.352 meaning that majority respondents agree that there is regularity of staff promotions in national energy corporation of Somalia.

Regarding whether Promotions are based on the skills competence of the staff, it was found that the mean responses was 3.128, standard deviation was 1.425 interpreted as fairly good, the results imply that the promotions are based on the skills of the staff meaning that the skills of the staff are a basis for the employee promotions in national energy corporation of Somalia.

The results show that Promotions are based on well-known criteria with 3.008 mean of the responses and the standard deviation being 1.358 interpreted as fairly good, the results imply that the promotions in national energy corporation of Somalia are based on the established known criteria in the company.

#### **4.3.2 Pearson relationship between Promotions management and employee performance in national energy corporation of Somalia Garowe**

The first objective in this study was to determine the relationship between Promotions management and employee performance in national energy corporation of Somalia Garowe, Puntland. But to achieve this objective and to test this null hypothesis, the researcher correlated the means on both variables Promotions management and employee performance by using the Pearson's Linear Correlation Coefficient as indicated in table 4.10;

**Table 4.10: Pearson Relationship analysis between Promotions Management and employee performance in national energy corporation of Somalia Garowe**

		Promotions Management	Employee Performance
Promotions Management	Pearson Correlation	1	.661**
	Sig. (1-tailed)		.000
	N	125	125
Employee Performance	Pearson Correlation	.661**	1
	Sig. (1-tailed)	.000	
	N	125	125
**. Correlation is significant at the 0.01 level (1-tailed).			

**Source: Field Data, 2022**

Results in Table 4.10 indicated a positive relationship between Promotions management and employee performance in national energy corporation of Somalia Garowe, since the sig. value (.000) was far less than 0.05, which is the maximum level of significance, required declaring a significant relationship in social sciences. This finding can be seen in the r-values of 0.720 and a small significant value of 0.000. This research finding means that any variation in promotions management will lead to 0.661 variations in employee performance in national energy corporation of Somalia Garowe. The researcher therefore rejects Null hypothesis H0) which provided that there is no statistically significant relationship between Promotions management and employee performance in national energy corporation of Somalia Garowe, Puntland, the results are provided as accepted.

#### **4.4 Relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland.**

The third objective of the study was to examine the relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland. The results based on the findings are provided in the Tabulations concerning the Fringe benefits in national energy corporation of Somalia Garowe, Puntland.

**Table 4.11: Fringe benefits in national energy corporation of Somalia Garowe, Puntland**

<b>Responses</b>	<b>Mean</b>	<b>Std. D</b>	<b>Interpretation</b>
There is a determined policy for the provision of fringe benefits	2.720	1.383	Fairly Good
The organization has criteria for the provision of fringe benefits in the company	2.760	1.328	Fairly Good
The company has a procedural mechanism for the provision of fringe benefits	2.632	1.467	Fairly Good
The fringe benefits are provided based on the performance excellence of the employees	2.712	1.452	Fairly Good
Fringe benefits are clearly stipulated in the organization manual	2.808	1.479	Fairly Good
There is a procedural mechanism for the development of fringe benefits	2.944	1.449	Fairly Good
<b>Fringe Benefits Management</b>	<b>2.762</b>	<b>1.039</b>	<b>Fairly Good</b>

**Source: Field Data, 2022**

The study results in Table 4.11 on the presence of the Fringe benefits in national energy corporation of Somalia Garowe, Puntland reveal that the mean responses was (M=2.762) standard deviation of SD=1.039 interpreted as fairly good. The study results show that fringe benefits of Energy Corporation in Somalia Garowe, Puntland.

The results on whether there is a determined policy for the provision of fringe benefits, it was found to have a result of Mean M= 2.720, standard deviation was SD= 1.383 interpreted as fairly good meaning that there is a policy for the provision of fringe benefits to the employees in Energy corporation of Garowe Somalia.

Concerning the organization having a criterion for the provision of fringe benefits in the company, it was found that 2.760 mean was attained in regard to the item of the criteria for fringe benefits, 1.328 was the standard deviation interpreted as fairly good. The study results show that there are some established criteria followed in the providing of fringe benefits to Energy Corporation in Somalia Garowe, Puntland.

Concerning whether the company has a procedural mechanism for the provision of fringe benefits, it was found that 2.632 was the mean of the respondents, standard deviation was 1.467, interpreted as fairly good. The study findings imply that there is some fairly established procedures for the provision of fringe benefits to employees in the Energy Corporation in Somalia Garowe, Puntland.

The fringe benefits are provided based on the performance excellence of the employees had the mean as 2.712, standard deviation was 1.452 interpreted as fairly good, the study results imply that the performance of the employees are based on excellence in the employees performance in the company.

Fringe benefits are clearly stipulated in the organization manual with the mean  $M= 2.808$ , standard deviation  $SD=1.479$  interpreted as fairly good meaning that the fringe benefits are provided in the manual, the results imply that there are stipulated manuals for the company.

There is a procedural mechanism for the development of fringe benefits had the mean provided as  $M=2.944$ , standard deviation was 1.449 interpreted as fairly good. The study results indicate that there is some procedural means for the developing in fringe benefits for the employees implying that the procedural mechanism are moderately provided in the company.

#### **4.4.2 Pearson relationship between Fringe Benefits management and employee performance in national energy corporation of Somalia Garowe**

The third objective in this study was to determine the relationship between Fringe management and employee performance in national energy corporation of Somalia Garowe, Puntland. But to achieve this objective and to test this null hypothesis, the researcher correlated the means on both variables Fringe benefits management and employee performance by using the Pearson's Linear Correlation Coefficient as indicated in table 4.12;

**Table 4.12: Pearson Relationship analysis between Fringe benefits Management and employee performance in national energy corporation of Somalia Garowe**

		Fringe Benefits Management	Employee Performance
Fringe Benefits Management	Pearson Correlation	1	.678**
	Sig. (2-tailed)		.000
	N	125	125
Employee Performance	Pearson Correlation	.678**	1
	Sig. (2-tailed)	.000	
	N	125	125
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source: Field Data, 2022**

Results in Table 4.12 indicated a positive relationship between Fringe benefits management and employee performance in national energy corporation of Somalia Garowe, since the sig. value (.000) was far less than 0.05, which is the maximum level of significance, required declaring a significant relationship in social sciences. This finding can be seen in the r-values 0.678 and a small significant value of 0.000. This research finding means that any variation in fringe benefits management will lead to 0.678 variations in employee performance in national energy corporation of Somalia Garowe. The researcher therefore rejects Null hypothesis H03) which provided that there is no statistically significant relationship between fringe benefits management and employee performance in national energy corporation of Somalia Garowe, Puntland, the results are provided as accepted.

#### 4.5 Reward Management and employee performance in national energy corporation of Somalia Garowe, Puntland

**Table 4.13: Reward Management and employee performance in national energy corporation of Somalia Garowe, Puntland**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.782 <sup>a</sup>	.611	.601	.68734		
a. Predictors: (Constant), Fringe Benefits Management, Promotions Management, Pay Management						
ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.726	3	29.909	63.307	.000 <sup>b</sup>
	Residual	57.165	121	.472		
	Total	146.892	124			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Fringe Benefits Management, Promotions Management, Pay Management						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.180	.244		-.736	.043
	Pay Management	.471	.112	.369	4.196	.000
	Promotions Management	.250	.100	.210	2.490	.014
	Fringe Benefits Management	.318	.083	.304	3.857	.000
a. Dependent Variable: Employee Performance						

**Source: Field Data, 2022**

Results in Table 4.13; the value of .782<sup>a</sup> the regression coefficient between reward management on pay management, promotions management and Fringe benefits management, the regression coefficient expresses that only 78.2% of the change in employee performance is caused reward management. The R<sup>2</sup>.611 on the other hand expresses that for this change to occur; only 61.1% of the data is accounted. The adjusted R<sup>2</sup>of 601. Show the effect of reward management on

employee performance, in this case reward management accounts for 61.1% percentage changes in employee performance. The standard error estimate of .68734 shows closeness of the data.

The table show analysis of variance explains further the relationship between reward management on employee performance, from the ANOVA table, the value of F was 276.364 is higher than the significant values of 0.050, because the p-Value is below 95% confidence interval of the P-value it implies that there is a significant effect of reward management of employee performance in national energy corporation of Somalia Garowe, Puntland.

On the coefficients of determination, the researcher contends that reward management and employee performance are significantly correlated. The p-value for employee performance was 0.043 and that of reward management for pay management was 0.000, Promotions Management had 0.014 and Fringe Benefits Management had 0.000 since these were below the 95% confidence interval, the results show that reward management has a significant effect on employee performance. It implies that increasing the reward management functionality induces the employee performance in national energy corporation of Somalia Garowe, Puntland.

## **CHAPTER FIVE**

### **DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presents the findings, conclusions, recommendations and suggested areas that need further research following the study objectives and study hypothesis.

#### **5.1 Discussion of findings**

The purpose of the study was to assess the relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland. The objectives were to determine the relationship between Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland. Secondly to establish the relationship between Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland. Thirdly to examine the relationship between Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland.

##### **5.1.1 Relationship between Pay management and employee performance**

The study results indicate that there was a statistically significant positive relationship between Pay management and employee performance in national energy corporation of Somalia Garowe. The study results show that pay management can significantly cause the employee performance in the company. The results agree with those of Woods (2018) in the study further revealed that the pay management that had no relevant impact of pay management on employee's performance, The most preferred rewards in the company were the financial based rewards with the non. The results are in agreement with those of Siegal et al (2019) who did a meta-analysis on reward on employees. There was no relationship with performance,  $r = -.01$ . Even if the effects of monitoring on job satisfaction and stress are small, taking the large number of employees who are monitored for several hours a day into account, these effects may have a severe and negative impact on employees' well-being. The results disagree with those of Syengo (2013) on relationship between pay and employee performance in Kenya state corporations. From the data analysis it was found that the salary paid to the employees was not attractive vis-à-vis what was on offer in the market. No significant relationship was found to exist between pay type and job satisfaction and also between pay type and organizational commitment

### **5.1.2 Relationship between Promotions Management and employee performance**

The study results indicate that there was a statistically significant positive relationship between Promotions management and employee performance in national energy corporation of Somalia Garowe. The study results show that Promotions management can significantly cause the employee performance in the company. The results agree with those of Rinny, Purba and Handiman (2020) conducted a study on the relationship between job promotion and employee performance of Mercubuana University. Due to variation in macroeconomic environment as well as legal framework, the results from other studies cannot however be applied to institutions in Kenya. The findings agree with those of Christina (2014) who assessed how job promotion affects performance of City Council staff in Tanzania. The researcher employed exploratory research design. Moreover, the study revealed that job promotion significantly affects performance of City Council staff. The results also revealed that job promotion improved on staff productivity and efficiency and their relationship with people. The findings are in agreement with those of Noor and Silitonga (2018) conducted a study on the relationship between job promotion and the performance of Pt. Harapan Mulia Berkah Tangerang regency. The population of the study was 93 employees and data were analyzed using descriptive and inferential statistics. The results indicated that job promotion had a significant effect on organizational commitment and organizational performance.

### **5.1.3 Relationship between Fringe benefits and employee performance**

The study results indicate that there was a statistically significant positive relationship between Fringe benefits management and employee performance in national energy corporation of Somalia Garowe. The study results show that the fringe benefits can significantly cause the employee performance in the company. The findings agree with Adeoye (2014) in Lagos on the relationship between medical insurance and employee job performance, the study was equally carried out in Lagos using the survey method of research and it was found that medical insurance has a positive relationship with employee job performance. Also agree with those of Kikoito (2014) conducted a study on the impact of fringe rewards on organizational performance in commercial banks in Mwanza city, Tanzania. The findings of this study showed that the three commercial banks in Mwanza city offer both extrinsic (salary, bonus and promotion) and intrinsic (praise, recognition and genuine appreciation) rewards to their employee. Also agree

with Osman and Ibrahim (2019) who investigated impact of fringe benefits management on employee performance at Salaam Somali Bank of Somalia. The study showed that the respondents did not recognize what was expected of their job since there was no clear job description.

## **5.2 Conclusions**

### **5.2.1 Relationship between Pay management and employee performance.**

The study results conclude that pay management can be used to induce the employee performance in the national energy corporation of Somalia Garowe. The study results show that pay management is significant in generating the employee performance.

### **5.2.2 Relationship between Promotions Management and employee performance**

The study conclude that promotions management is an avenue in enabling the employee performance, the study concludes that the enhancement of the promotions in national energy corporation of Somalia Garowe can generally induce the employee performance in the company amongst the employees.

### **5.2.3 Relationship between Fringe benefits and employee performance**

The study concludes that fringe benefits if induced can have an avenue of enabling the employee performance amongst the employees, the study results reveal and means that fringe benefits is good in generating the performance of the employees.

## **5.3 Recommendations**

### **5.3.1 Pay management and employee performance in national energy corporation of Somalia Garowe, Puntland.**

There is need for pay management, provision of payments based the employee performance/productivity or unit output of the employees. There is need for the development of the provision of payment-based experience of the staff and skills in the organization performance functionality.

### **5.3.2 Promotions Management and employee performance in national energy corporation of Somalia Garowe, Puntland.**

The study recommends that there is need for a productive consideration of mechanisms related to job promotions are fundamental in enhancing the performance for the employees and hence the organization performance.

### **5.3.3 Fringe benefits and employee performance in national energy corporation of Somalia Garowe, Puntland**

The study recommends that the national energy corporation of Somalia should expand and better facilitate its non-monetary reward schemes so as to encourage improved employee performance. Training should be offered to employees to transfer information from the experts to the employees so as to enhance knowledge, attitudes and/or skills, which as a result would enable the employee to better perform a current task or job.

### **5.4 Contribution to existing Knowledge**

The purpose of the study was to assess the relationship between reward management and employee Performance in National Energy Corporation of Somalia Garowe Puntland. The studies determine and confirm that Pay management can effectively generate employee performance; it was found that establishing the relationship between Promotions Management and employee performance. Thirdly it was found that Fringe benefits can generate employee performance in national energy corporation of Somalia Garowe, Puntland. The study contributes to knowledge of fringe benefits as a value that can generate employee performance in organization implying that the state rewards through fringe benefits are as good as monetary rewards if managed well.

### **5.5 Limitations of the study**

Sensitivity of information; some respondents were reluctant to respond to some of the questions since they deal with financial information. The researcher, however, assured them of maximum confidentiality for them to provide all the required information.

Many researchers are biased when it comes to collecting data; in this case respondents too become biased hence withhold information. To avoid bias the researcher presented a letter of introduction indicating that the study is academic and information to be provided will be kept confidential.

### **5.6 Future Scope of the Research**

There are certainly more scopes for conducting research studies concerning reward management and employee performance in the future. The researcher conducted their study in an institution of learning. There are other sectors like industrial sectors, marketing sectors, business sectors, banking etc. These are the main economic power provider for a country their performance analyses are vital hence further research on motivation and institutional performance in industrial, marketing, banking and business sector to enable the further grounding of studies on the study area.

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**APPENDICES:**

**Appendix I: Questionnaire to Respondents**

**Dear respondent,**

I am student of Kampala International University, pursuing Master degree of Business administration- Human resource management. You have been purposively selected to participate in this study etitled: **Reward Management and Employee Performance in National Energy Corporation Of Somalia Garowe Puntland** which is being carried out as part of an education research in partial fullfilment of Master of Business admnistration. Your cooperation in filling this questionnaire will add to the success of the survey. All responses shall be for academic purposes only and will be treated with confidentiality. Thus you do not need to write your name. Please fill this questionnaire and the research assistant will pick it within 5 days.

Thank you.

.....

**PART I: FACE SHEET: Profile of Respondents (Please tick any which applies)**

**1. Gender:**

\_\_\_ Male

\_\_\_ Female

**2. Age:**

\_\_\_ 20- 29

\_\_\_ 30- 39

\_\_\_ 40- 49

\_\_\_ 50 Years and above

**3. Education level:**

\_\_\_ Certificate

\_\_\_ Diploma

\_\_\_ Bachelors

\_\_\_ Masters and above

#### 4. Years of Experience

\_\_\_ 1-3 Years

\_\_\_ 4-6 Years

\_\_\_ 7- 11Years and above

\_\_\_ 12 Years above

#### Part 2: Reward Management

Direction: Please write your preferred option on the space provided before each item. Kindly use the rating guide below:

Response Made	Rating	Description
Strongly Agree (SA)	5	You agree with no doubt at all.
Agree (A)	4	You agree with some doubt
Neutral (N)	3	You are doubtful
Disagree (D)	2	You disagree with some doubt
Strongly Disagree (SD)	1	You disagree with no doubt at all

1	Pay Management	SD	D	NS	A	SA
1.	The payments policy in the organization is clearly stipulated					
2.	The criteria for payments in the organization is known					
3.	The payments for the employees is reviewed in the organization					
4.	There is a performance based payment for the employees					
5.	The payment is based on the working experience for the staff					
6.	There is extra payments based on extra assignments of duties to the employees					
	Promotions Management	SD	D	NS	A	SA
1.	In this organization promotion is done according to qualification of staff					

2.	Promotion puts into consideration the experience of a the staff					
3.	There is timely promotion of staff in the organization					
4.	The promotions for staff is regularly done yearly					
5.	Promotions are based on the skills competence of the staff					
6.	Promotions are based on a well-known criteria					
	<b>Fringe Benefits</b>	<b>SD</b>	<b>D</b>	<b>NS</b>	<b>A</b>	<b>SA</b>
1	There is a determined policy for the provision of fringe benefits					
2.	The organization has criteria for the provision of fringe benefits in the company					
3	The company has a procedural mechanism for the provision of fringe benefits					
4	The fringe benefits are provided based on the performance excellence of the employees					
5	Fringe benefits are clearly stipulated in the organization manual					
6	There is a procedural mechanism for the development of fringe benefits					

### Part 3: Employee Performance

		<b>SD</b>	<b>D</b>	<b>NS</b>	<b>A</b>	<b>SA</b>
1	The employees perform well above the standards					
2	The employee performance is above the target set by the organization					
3	The employees are working clearly and satisfying the customers					
4	The employees are creative in the assigned work					

5	The employees are effectively working in a changing environment					
6	The employees report to work on time					
7	There is less absenteeism amongst workers in the organization					
8	The employees are effectively working on the assigned deadlines					

**Appendix II: Research Budget**

<b>No.</b>	<b>ITEM</b>	<b>Quantity</b>	<b>Cost/Unit</b>	<b>Total cost</b>
1.	Stationery	1 (ream)	20,000	20,000
2.	Printing & Binding	-	150,000	150,000
3.	Communication	-	10,0000	100,000
4.	Transport	-	200,000	200,000
5.	Lunch	20 days	20,000	400,000
6.	Research Assistants	4	150,000	600,000
7	Data Analysis	1	800,000	800,000
8.	Miscellaneous	-	400,000	400,000
<b>TOTAL</b>				<b>2,670,000</b>

**Appendix III: Work Plan for the Research Project**

STAGE												
	Dec 2022			Jan-June 2023			July 2023		August 2023		September 2023	
Presentation	■											
Topic defense				■								
Proposal Writing					■							
Proposal corrections					■	■	■					
Proposal defence								■				
Data Collection									■			
Data Analysis											■	
Work in progress											■	
Submission for External & Internal Examination											■	
Viva defense												■
Submission												■

**Appendix IV: Krejucie, Robert V, Morgan, Daryle W, Table of 1970**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	<b>220</b>	<b>136</b>	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size

"S" is sample size.