**ORGANIZATIONAL FACTORS AND EMPLOYEE PERFORMANCE OF MACRUUF BUSINESS GROUP IN PUNTLAND, SOMALIA**

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**19/MHR/BU/G/1011**

**MASTER DEGREE IN BUSINESS ADMINISTRATION**

**(Human Resource Management)**

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**A Research Thesis Submitted to the School of Graduate Studies Bugema University in Partial Fulfillment towards the Awards of a Master Degree in Business**

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**ABSTRACT**

**IBRAHIM SAID DUALE**, School of Graduates Studies Bugema University, Kampala-Uganda, August 2022. “**ORGANIZATIONAL FACTORS AND EMPLOYEE PERFORMANCE OF MACRUUF BUSINESS GROUP IN PUNTLAND, SOMALIA**”,

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The study was on “Organizational Factors and Employee Performance of Macruuf Business Group in Puntland, Somalia.” Specific study objectives were; **to** establish the organizational factors and employee performance, to establish the relationship between reward and employee performance, to establish the relationship between working environment and employee performance, and to establish the relationship between culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. The study results indicates that there was a moderate level of reward given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.95, std = 0.758). In addition, there was a moderate level of Working Environmentgiven to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.21, std = 0.703). Also, there was a moderate level of organizational culture available or instilled to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.28, std = 0.701). On the other hand, overall, results show that there was a moderate level of employee performance (Grand mean = 3.19, std = 0.739) which implies that sometimes employees at Macruuf Business Group in Bossaso Puntland, Somalia are efficient, effective, productive and meet customer expectations. There was a significant positive relationship (r = 0.260\*\*, P value= 0.000<sig = 0.01) between reward and employee performance. There was a significant positive relationship (r = 0.341\*\*, P value= 0.000<sig = 0.01) between working environment and employee performance. There was a significant positive relationship (r = 0.358\*\*, P value= 0.000<sig = 0.01) between organization culture and employee performance. It was redocumented that the management of Macruuf Business Group in Bossaso Puntland, Somalia should improve employee reward by increasing their salary, bonuses, commissions, working environment and instilling a positive organizational culture.

**CHAPTER ONE**

**INTRODUCTION**

**Background of the Study**

World over, employees are considered as an important asset in any organization for better performance (Zwane, 2016). Historically, until the 1980's, employee performance was usually interpreted as the output of a combination of ability and motivation, given appropriate resources and hence motivating others became a key part of the most management (Torrington et al, 2008). Conceptually, organizational factors such as reward, working environment and organizational cultureare said to influence the level of employee performance in terms of efficiency, effectiveness and customer satisfaction (Armstrong, & Baron, 2015).

In the United States of America, most organizations report high level of employee performance due to organizational efforts to significantly reward, provide good working environment and organizational culture (Truong, 2012). Thus, when the full potential of HR is unlocked, an organization can achieve unlimited output, efficiency and effectiveness. Not all employees are equal in their working; as they have different modes of working. Some employees have the highest capability regardless of the incentive while others may have an occasional jump-start. None the less, if all employees are handled effectively, the results can be greater productivity and increased employee morale (Truong, 2012).

In a study by Manyaka (2018) in South Africa, the main concepts are employee performance as a dependent variable and organizational factors as an independent variable. According to Mathis and Jackson (2009), says employee performance in business organizations in South Africa is associated with quality of output, and timeliness of output, presence /attendance on the job, efficiency of the work completed and effectiveness of work completed.

In Kenya, employee performance is normally looked at in terms of outcomes. It is however, also looked at in terms of behavior (Kamau, 2016). Otieno (2017) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability (Nassazi, 2013). Efficiency and effectiveness; efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target (Otieno, 2017). In a study by Niyitegeka and Glitho (2012) in Uganda, it was realized and concluded that organizational factors related to reward, working environment and management styles influence employee performance.

In Somali, organizational factors such as reward, working environment, and organizational culture are said to influence employee performance level. For instance, in a study by [Said](https://www.researchgate.net/profile/Said-Mohamud-2), Armed, and Jamaal (2017); the results and findings indicated that monetary rewards, job enrichment have significant and positive effects on employee performance, in while there is positive and insignificant effect of training on employee performancealso results indicate there were good relationship between motivation and employee performance and the research results showed that employee motivation influences employee performance of Hormuud Company in Mogadishu Somalia. The researcher recommends that all employees should be motivated to ensure they are retained and this will improve performance. In this way overall organizational productivity and effectiveness can be enhanced.

Despite the fact that Saeed et al, (2013), Zahargier and Balasundaram (2011), Nassazi, (2013), and Amari (2014) indicates a relationship between organizational factors and employee performance, there is no study which has considered the combined influence of reward, working environment and organizational culture in influencing employee performance Macruuf Business Group in Bossaso Puntland, Somalia, despite, the three factors being recognized as central drivers of employee performance (Mohammed and Abukar, 2013, Femi, 2014, and Ahmad et al, 2014). It was against this background information that the researcher seeks to establish the relationship between organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Statement of the Problem**

Successful employees meet deadlines, make sales and build the brand via positive customer interactions (Vargas, 2015) in which, when employees do not perform effectively, consumers feel that the company is apathetic to their needs, and will seek help elsewhere (Amari, 2014).

A number of studies done by different scholars have identified manager’s attitude, organizational culture, personal problems, job content, financial rewards, communication, norms & standards used at work as some of the factors affecting employee performance (Saeed et al, 2013; and Zahargier and Balasundaram 2011; and Nassazi, 2013; and Amari, 2014).

This does not seem to be the case in Macruuf Business Group in Bossaso Puntland, Somalia where statistics provided by the Human Resource shows that the desired 100% there has been a decline in employee performance at 98 efficiency in terms of work timeliness and 94.7% effectiveness in terms of work quality in 2018 to 83.7 efficiency and 81.3% effectiveness in 2019, 81.5% efficiency, 78.4% effectiveness in 2020 and 79.7% efficiency, 77.9% effectiveness in 2021 respectively, attributed by employee lateness to work, delay in completion of their duties, under production to meet customer demands as well as poor customer care management and poor quality services (Macruuf Business Group HR, 2021).

In addition, previous studies elsewhere Truong (2012) in United States of America and Manyaka (2018) in South Africa, indicates a significant relationship between organizational factors such as rewards, working environment/organizational culture and employee performance in terms of efficiency productivity and customer satisfaction, yet such a study has not been conducted among Macruuf Business Group in Bossaso Puntland, Somalia. This study therefore, sought to establish the relationship between organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Research Questions**

1. What is the level of organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia?
2. What is the relationship between reward and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia?
3. What is the relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia?
4. What is the relationship between culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia?

**General Objective**

Main purpose of this study established the relationship between organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Specific Objectives**

1. To establish the organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.
2. To establish the relationship between reward and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.
3. To establish the relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.
4. To establish the relationship between culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Hypothesis of the Study**

1. There is no significant relationship between reward and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.
2. There is no significant relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.
3. There is no significant relationship between culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Significance of the Study**

The results may help the Macruuf Business Group management understand how organizational factors such as reward, working environment and organizational culture influence employee performance. By so doing, the management will be able to evaluate and assess the said factors to ensure that they are positively provided to employees to promote their performance.

The results may provide vital information to policy makers such as the government, private sector regarding how organizational factors such as reward, working environment and organizational culture influence employee performance. With such information, policy makers will come up with new policies to ensure that organizational factors such as reward, working environment and organizational culture have a positive influence on employee performance.

The researcher may be able to accomplish one of the Graduate degree requirements of Bugema University. Also he may gain vital knowledge and experience about conducting research about how organizational factors such as reward, working environment and organizational culture influence employee performance. This knowhow may be useful in future research execution by the researcher.

The results of this study may be useful to other researcher and scholars as they may be able to use the information as literature review or citations in their future studies about how organizational factors such as reward, working environment and organizational culture influence employee performance.

**Scope of the Study**

Geographical Scope: This study was carried out at Macruuf Business Group in Bossaso Puntland, Somalia. Bosaso ([Somali](https://en.wikipedia.org/wiki/Somali_language): *Boosaaso*) is an [administrative divisions of Somalia](https://en.wikipedia.org/wiki/Administrative_divisions_of_Somalia) in the northeastern [Bari](https://en.wikipedia.org/wiki/Bari,_Somalia) region of [Somalia](https://en.wikipedia.org/wiki/Somalia). Its capital lies at [Bosaso](https://en.wikipedia.org/wiki/Bosaso" \o "Bosaso). It is also the commercial capital of [Puntland](https://en.wikipedia.org/wiki/Puntland) state of Somalia and one of Somalia's commercial capitals, the city appreciates its indigenous clan who warmly welcomed all people reached there in the last 25 years. The choice for Macruuf Business Group in Bossaso Puntland, Somalia is motivated by the underlying problem of employee underperformance (Management, 2021).

Content Scope: The main focus of this study was to establish the relationship between organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. The independent variable (organizational factors) is indicated by reward, working environment and organizational culture while the dependent variable is employee performance which is indicated by efficiency, effectiveness, productivity, and customer satisfaction.

Time Scope: This study timeframe was from February 2022 to July 2022 whereby Macruuf Business Group enterprises which had been in operation not less than 2021 were considered as unit of analysis for this study.

**Theoretical Framework**

This study was modeled on the theory of Taylor’s Scientific Management authored by Frederick Taylor in 1909. Taylor developed four principles of scientific management simply known as "Taylorism" and these are; replace working by "rule of thumb," or simple habit and common sense, and instead use the scientific method to study work and determine the most efficient way to perform specific tasks, rather than simply assign workers to just any job, match workers to their jobs based on capability and motivation, and train them to work at maximum efficiency, monitor worker performance, and provide instructions and supervision to ensure that they're using the most efficient ways of working, allocate the work between managers and workers so that the managers spend their time planning and training, allowing the workers to perform their tasks efficiently.

The relevance of this theory to the research study is that it provides a way to study workplace efficiency, timeliness and productivity; and it encourages the idea of systematic organizational design (Taylor, 1996).

This study is addressing reward, working environment and organizational culture which are some of the elements discussed in the theory of Taylor’s Scientific Management authored by Frederick Taylor towards employee performance measured in terms of efficiency, effectiveness, productivity and customer satisfaction. Therefore, this theory is considered as a guiding model in this study. Therefore, with the organizational factors of reward, working environment and organizational culture said to be influencing towards employee performance, this study is confident that objective one on level of organizational factors as well as objective two on level of employee performance will be well addressed. In addition, the theory specifically guided this study in determining the relationship between the study variables of organizational factors and employee performance at Macruuf Business Group, Somalia.

**Limitation of the Study**

The use of a questionnaire as the main tool of data collection is advantageous in terms of collecting quantitative data. However, the questionnaire may not give the respondents the opportunity to express their feelings and suggestions due to the guide of the 5 point Likert Scale which requires the respondents to only chose a specific response of either strongly disagree, disagree, not sure, agree or strongly agree. However, in order to support the quantitative data gathered with a questionnaire, the researcher intends to involve key informants who was interviewed to provide qualitative data for the study.

**Conceptual Framework**

Figure 1 shows the association between the independent variable and the dependent variable focusing. The main focus of this study is to establish the relationship between organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

The independent variable (organizational factors) is indicated by reward, working environment and organizational culture while the dependent variable is employee performance which is indicated by efficiency, effectiveness, productivity, and customer satisfaction.

**Independent Variables Dependent Variable**

**Organizational Factors;**

1. **Reward**

**Financial Rewards**

* Salaries
* Hourly Wages
* Bonuses

**Non-financial Rewards**

* Coaching/training opportunities
* Recognition and awards
* Fringe benefits

1. **Working Environment**

**Physical Working Environment**

* Office building space
* Presence of working tools

**Behavioural Working Environment**

* Team Work
* Absence of noise

1. **Organizational culture**

* Competitive culture
* Integrity Culture

**Employee Performance;**

* Employee Efficiency
* Employee Effectiveness
* Productivity
* Customer Satisfaction

***Figure 1: Conceptual framework; Source: Armstrong, & Baron (2015)***

Based on the link between the independent and the dependent variable it is assumed in this study that organizational factors such as reward (salaries, wages, bonuses), non-financial rewards (coaching, recognition, and fringe benefits), as well as working environment (physical working environment like office building space, working tools and behavioral working environment like team work and absence of noise) together with organizational culture, if positively taken care of or applied, then the level of employee performance in terms of efficiency, effectiveness, productivity and customer satisfaction will as well improve. However, if such organizational factors are not assessed, then the organization employee performance will be negatively affected.

**Operational Definition of Terms**

**Reward:** In this study, it refers to forms of financial or non-financial compensation given to employees of Macruuf Business Group in Bossaso Puntland, Somalia. This was measured in terms of mean and standard deviation to establish its level.

**Financial Reward**: In this study, t refers to salaries, hourly wages and bonuses paid to employees of Macruuf Business Group. The level of financial reward was measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low financial reward (1 – 1.79), 2. Disagree interpreted as low financial reward (1.80 – 2.59), 3. Not sure interpreted as moderate financial reward (2.60 – 3.39), 4. Agree interpreted as high financial reward (3.40 - 4.19) 5. Strongly Agree interpreted as very high financial reward (4.20 - 5.00).

**Non-financial Rewards:** In this study, it refers to non-monetary compensations such as coaching/training opportunities, recognition and awards, and fringe benefits given to employees of Macruuf Business Group. The level of non-financial reward was measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low non-financial reward (1 – 1.79), 2. Disagree interpreted as low non-financial reward (1.80 – 2.59), 3. Not sure interpreted as moderate non-financial reward (2.60 – 3.39), 4. Agree interpreted as high non-financial reward (3.40 - 4.19) 5. Strongly Agree interpreted as very high non-financial reward (4.20 - 5.00).

**Working Environment:** In this study, it refers to the physical and behavioral environment accessible by employees of Macruuf Business Group in Bossaso Puntland, Somalia. This was measured in terms of mean and standard deviation to establish its level.

**Physical Working Environment:** In this study, it refers to office building space, presence of working tools and office Layout of Macruuf Business Group in Bossaso Puntland, Somalia. The level of physical working environment was measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low physical working environment (1 – 1.79), 2. Disagree interpreted as low physical working environment (1.80 – 2.59), 3. Not sure interpreted as moderate physical working environment (2.60 – 3.39), 4. Agree interpreted as high physical working environment (3.40 - 4.19) 5. Strongly Agree interpreted as very high physical working environment (4.20 - 5.00).

**Behavioral Working Environment: In this study, it refers to t**eam Work and absence of noise at Macruuf Business Group in Bossaso Puntland, Somalia. The level of behavioral working environment will be measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low behavioral working environment (1 – 1.79), 2. Disagree interpreted as low behavioral working environment (1.80 – 2.59), 3. Not sure interpreted as moderate behavioral working environment (2.60 – 3.39), 4. Agree interpreted as high behavioral working environment (3.40 - 4.19) 5. Strongly Agree interpreted as very high behavioral working environment (4.20 - 5.00).

**Organizational Culture**: This referred to the practices, conducts and beliefs or philosophies of Macruuf Business Group in Bossaso Puntland, Somalia in terms of being completive in the market as well as culture of integrity. This was measured in terms of mean and standard deviation to establish its level.

**Employee Performance:** In this study, it referred to employee efficiency, employee effectiveness, productivity and customer satisfaction of Macruuf Business Group in Bossaso Puntland, Somalia. This was measured in terms of mean and standard deviation to establish its level.

**Employee Efficiency:** In this study, it referred to timeliness, speed in serving customers, listening to customer queries, production as well as customer care services among employees of Macruuf Business Group in Bossaso Puntland, Somalia. The level of employee efficiency will be measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low employee efficiency (1 – 1.79), 2. Disagree interpreted as low employee efficiency (1.80 – 2.59), 3. Not sure interpreted as moderate employee efficiency (2.60 – 3.39), 4. Agree interpreted as high employee efficiency (3.40 - 4.19) 5. Strongly Agree interpreted as very high employee efficiency (4.20 - 5.00).

**Employee Effectiveness:** In this study, it referred to the accuracy, quality and free of error in serving customers as well as production of goods and services among employees of Macruuf Business Group in Bossaso Puntland, Somalia. The level of employee effectiveness will be measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low employee effectiveness (1 – 1.79), 2. Disagree interpreted as low employee effectiveness (1.80 – 2.59), 3. Not sure interpreted as moderate employee effectiveness (2.60 – 3.39), 4. Agree interpreted as high employee effectiveness (3.40 - 4.19) 5. Strongly Agree interpreted as very high employee effectiveness (4.20 - 5.00).

**Productivity:** In this study, it referred to how employees of Macruuf Business Group in Bossaso Puntland, Somalia have helped the business group generate goods, services, revenue and profit. The level of productivity will be measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low productivity (1 – 1.79), 2. Disagree interpreted as low productivity (1.80 – 2.59), 3. Not sure interpreted as moderate productivity (2.60 – 3.39), 4. Agree interpreted as high productivity (3.40 - 4.19) 5. Strongly Agree interpreted as very high productivity (4.20 - 5.00).

**Customer Satisfaction:** In this study, it referred to how happy, satisfied customers are as displayed by their level of loyalty, and word of mouth about the services and operations of Macruuf Business Group in Bossaso Puntland, Somalia. The level of customer satisfaction was measured using 5-point Likert Scale: 1. Strongly Disagree interpreted as very low customer satisfaction (1 – 1.79), 2. Disagree interpreted as low customer satisfaction (1.80 – 2.59), 3. Not sure interpreted as moderate customer satisfaction (2.60 – 3.39), 4. Agree interpreted as high customer satisfaction (3.40 - 4.19) 5. Strongly Agree interpreted as very high customer satisfaction (4.20 - 5.00).

**CHAPTER TWO**

**LITERATURE REVIEW**

**Introduction**

This chapter contains literature review on organizational factors and employee performance consideration to reward, working environment and organizational culture on how they influence employee performance. The sources of the literature were basically published reports, journals, business books and articles. The aim was to gain the views of other researchers and scholars then being able to identify the study gaps.

**Organizational Factors**

This study considered a review of literature on organizational factors with consideration to factors such as reward, working environment, and organization culture and how they influence employee performance. The literature reviewed in this study is mainly empirical literature from previous studies.

**Financial Reward**

Regarding financial reward, the literature elaborates information or secondary data in terms of salaries, wages, and bonuses.

**Salary**

An empirical study by Yamoah (2013) seeks to examine the relationship between salary reward and employee performance in the banking industry in Ghana. Using case study approach, a descriptive survey was carried out to collect data from employees of Ghana Commercial Bank in the greater Accra Region of Ghana. Data was analyzed in terms of descriptive statistics. Pearson chi square was used to test the significance of relationship between employee reward and productivity. The results indicated a significant relationship between salary reward and employee performance or productivity which is not yet proven through research at Macruuf Business Group in Bossaso Puntland, Somalia.

According to Rynes (2014) in his study on the influence of salary on firm production performance which used both descriptive and correlational research designs and data collected from 278 employees of selected firms in Malaysia, concluded that there was a direct influence of salary compensation on firm production performance because employee performance increases with increase or satisfaction with the amount of salary hence leading to increased production. However, extrinsic motivators are not logically inherent part of the work, as Amabile (2013) describes. She states that they are intended to control the performance of the work. Examples are: promised rewards, praises, critical feedback, deadlines, surveillance and specifications on how the work needs to be done.

According to Schunk & Dibenedetto (2020), salary pay has an important part to play in raising the quality and improving the responsiveness of workers as well as their overall performance. Well paid employers perform better. On the contrary, Sickles, & Zelenyuk (2019), states that a worker does not only perform best because of his salary, he states that some employees perform to their best when they are performing tasks they love not necessarily for the pay. A person earning a high pay may still underperform and the other earning less may still highly perform as well just because they love the task they are assigned to do. The literature links pay with employee performance, hence calling for this study to assess how rewards in terms of pay promotes employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Hourly Wages**

Recent research of Ansar, Cantor & Sparks (2017) resulted in considerable evidence that higher wages directly affect job and organizational performance. They also argue that in the case that labour turnover is costly for an organisation (because of severance, training and hiring costs), firms could pay higher wages to decrease quit rates and save on turnover costs. These statements are confirmed by Rynes (2014); he argues that pay is probably the most important motivational factor. And Hamidi (2014) concluded that job applicants seemed to believe that pay is the most important attribute to everyone except themselves.

Ansar (2017) also argues that lowering wage levels to market party can even reduce worker productivity. However, Rynes (2014); argues that pay can decrease intrinsic motivation. Rynes (2014); proved in his research that if payments are non-contingently presented it decreases intrinsic motivation and it does not if payments are contingently presented.

**Bonuses**

Marjolein (2010), has shown that an employee satisfied with higher bonus pay is more productive and motivated. A well-paid employee feels valued by his organization. He knows management is not just paying him to get the job done; he is also respected for his subject matter expertise. This employee is more likely to be satisfied with his job and not feel the need to look for a similar position with better pay. The literature assess how rewards in terms of pay promotes employee performance, but not at Macruuf Business Group in Bossaso Puntland, Somalia, hence calling for this study.

Contrary to Marsden and Richardson (2012), & Zeynep (2011) who support wages and salary as positive influencers towards employee performance, Hussein (2016) states that wages may not be the most important in making employees more effective in their performance but bonuses may be effective in making employees put more efforts and commitment to their work for the extra pay. It should be noted that most of the times, employees look at wages as a way of appreciation from their employers. It also reflects the size of value attached to their work to their family members, community and close friends. High and reasonable wages make human resource to be committed and loyal to the company.

The advantages of a high salary can often be eclipsed by performance-based pay (Chron, 2020). Using a performance-based pay strategy can provide a worker with extra motivation to do his job to the very best of his ability. This can be an effective way to align a worker’s incentive to earn additional monetary bonuses with the goals of the company. If he knows he will receive extra money when achieving a target set by his supervisor, it’s likely he’ll do everything in his power to exceed expectations.

**Non-financial Rewards**

This study considers non-financial rewards in terms of coaching, training opportunities, recognition and fringe benefits. The literature is relating the association between the non-financial reward indicators with employee performance as illustrated in this section.

**Coaching/training opportunities**

Elnaga and Imra (2013) define employee training as programs that provide workers with information, new skills, or professional development opportunities. It can take place in numerous ways, on the job or off the job; in the organization or outside organization. Regardless of the view, the term training draws elements of acquiring new knowledge to help manage both current and future situations.

Mbithe (2012) states that managers should initiate activities which can help employees improve their weaknesses like engaging them in training and development exercises to attain the required skills which in return results to improved performance. He further argued that some employees’ strengths should be rewarded hence motivating them to add more effort on their work and improve their performance. More so, Mbithe (2012) further asserts that organizations which are ignorant on employee performance might end up collapsing since managers do not monitor the employee achievements which might not relate to the set organizational goals and objectives. The literature links training to employee performance, but does not address the situation at the literature links pay with employee performance, hence calling for this study to assess how rewards in terms of pay promotes employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

According to Hellriegel, Jackson, & Slocum (2019) employee training is more effective towards promoting employee performance because learning the job is the key to job performance, and general cognitive ability predicts learning. Therefore, general cognitive ability is the key predictor of job performance. General cognitive ability together with job knowledge indicates job performance and allows the employee’s supervisor to rate performance. According to Hellriegel, Jackson, & Slocum (2019) this is simplified but an effective and objective way to measure employee performance John & Mohammed (2020) add to the statement of Seligman (202) that employees with good abilities in combination with sufficient experience are twice as productive after two years and therefore learning the job is indeed a key to performance.

**Recognition and awards**

Employees will be well motivated if they are recognized by the supervisors (Saunderson, 2014). Recognition means valuing and caring about the employees' contributions. It is essential for companies to recognize their employees. Other studies show that it is better to recognize employees rather than give incentives (Deci & Ryan, 2010). Employee recognition involves both monetary as well as non-monetary program. The example of employee recognition involves writing their names in the company’s newsletter, letters of commendation, extra time off and verbal appreciation. This is a form of caring and appraising the employees. The non-monetary awards are more motivating than the financial award. In this way, the employees think that they are being valued.

Workplace recognition motivates, provides a sense of accomplishment and makes employees feel valued for their work. Recognition not only boosts individual employee engagement, but it also has been found to increase productivity and loyalty to the company, leading to higher retention. Beyond communicating appreciation and providing motivation to the recognized employee, the act of recognition also sends messages to other employees about what success looks like. In this way, recognition is both a tool for personal reward and an opportunity to reinforce the [desired culture of the organization](https://www.gallup.com/workplace/229832/culture.aspx) to other employees (Rizwan & Ali, 2010).

**Fringe benefits**

A study conducted by Gareth and George (2010) revealed that some types of fringe be offered by today’s organizations that is to say social security, medical expenses, retirement benefits, Paid holidays and other benefits such as food services, free traveling facility, have a direct correction with employees’ motivation and consequently improved performance.

On the other hand, as a form of reward, numerous businesses are starting to offer vacation advantage to hold skilled workers. Workers are permitted time off to rejuvenate; and the manager spares cash by holding ability rather than investing funds to supplant workers who end up quitting the organization (Knudson, 2016). Time offs are a period of time off work that an employee is rewarded by his employers, during these holidays, the employee is entitled to his full pay since he/she is granted by the company as a way of reward. After accomplishing specific tasks or even performing beyond the expectations of managers, a company can reward one with a paid holiday to go reenergize and feel the depth of appreciation from the company. This has a way it motivates employees and improves their performance at work with an expectation for a holiday (Shellengarger, 2011).

**Working Environment**

Working environment is a broad term and means all your surroundings when working. Your physical working environment is, for example, your work tools as well as air, noise and light. But your working environment also includes the psychological aspects of how your work is organized and your wellbeing at work (Emmanuel, 2012). Healthy work environments will be free from problems associated with sick building syndrome, which is often due to poor ventilation or off-gassing of chemicals used during construction.  The accumulation of molds and mildew may also lead to sick building syndrome (Chandrasekar, 2015). It is evident that working environment has a great influence towards employee performance. However, the literature does not talk about the situation at Macruuf Business Group in Bossaso Puntland, Somalia.

**Physical Working Environment**

In addressing physical working environment, the literature is reviewed in consideration of office building space and presence of working tools.

**Office building space**

Studies have examined the effect of physical work environment on workers’ job satisfaction performance. For example, Scott, (2012) reported that working conditions associates with employees’ job involvement and job satisfaction. Dieleman (2017) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers’ performance. Researches on quality of work life have also established the importance of safe and healthy working conditions in determining employees‟ job performance by indicating that working in a well-spaced and ventilated work place promotes employee performance (Potter, Brough, 2014).

**Presence of working tools**

The working environment can be composed of physical conditions, such as office temperature, or equipment, such as personal computers. It can also be related to factors such as work processes or procedures. The work environment can involve the social interactions at the workplace, including interactions with peers, subordinates, and managers. Generally, and within limits, employees are entitled to a work environment that is free from harassment. A hostile work environment exists when unwelcome sexual conduct interferes with an employee's job performance, or creates a hostile, intimidating, or offensive work environment. The term work environment can also be associated with the physical condition of the building (Amir & Shamim, 2017). The literature indicates how employee relationship with each other, supervisors and management make the working environment good promoting their performance. However, it is yet to be established how such a situation is experienced at Macruuf Business Group in Bossaso Puntland, Somalia.

**Behavioral Working Environment**

In consideration to the behavioral working environment, the literature is focusing on what other researchers talk about team work, absence of noise at work place in relation to employee performance.

**Team Work**

The influence of working environment, which is mostly composed of physical, social and psychological factors, has been extensively examined in past two decades. In a number of studies, employees motivation, job satisfaction, job involvement, job performance, and health have been found to be markedly influenced by psycho-social condition of work organization associate with team work among employees and the management (Nowier, 2016), with the argument that employees are highly satisfied when they work as a team as well as when they get help from their supervisors and support from the management.

**Absence of noise**

A study by Barry (2018) investigated the relationship between building, social and personal factors on levels of perceived comfort by workers. Self-administered questionnaires from 5732 respondents in 59 office buildings and building-specific data from the European Health Optimization Protocol for Energy-efficient buildings (HOPE) study were used. The results of the current study found perceived comfort and health to be influence by much more than ambient working condition exclusively (e.g., perceived indoor air quality, noise, lighting, and thermal comfort responses) on employee performance.

To effectively motivate and retain employees, a manager needs to deal with each person one at a time asking questions of, listening to, and working together one-on-one. A “good manager” therefore, is one who will help talented people find satisfaction in their work, and “satisfaction” is key to an employee’s decision to stay or leave an organization as well as improve the employees’ work performance (Oduro-Owusu, 2010). Similarly, Mullins (2015) argues that organization should harness the talents and commitment of all their employees and get the best out of people in an attempt to improve job satisfaction demand a spirit of teamwork and co-operation, and allowing people a greater say in decisions that affect them at work all buttress. Bowen et al., (2018) however found various facets of human relations such as being part of a team and participating in decision making; undertaking challenging and creative work as well as receiving recognition for achievements over and above normal responsibilities all influenced job satisfaction which in the end affect employee performance.

**Organizational Culture**

Cancialosi (2017) observes that organizational culture outlines the expectations of an organization, their experiences, underlying philosophies and values that regulate personnel conduct. It is manifested in the self-image of organizational personnel, their internal activities, relationship with the exterior environment and their long-run anticipations. Organizational culture is built on common predispositions, traditions, as well as documented and undocumented guidelines formulated in the past but which are still regarded as significantly valid (Ravasi and Schultz, 2016).

**Competitive culture**

Organizational culture is an essential managerial principle developed to coordinate and moderate behaviours and activities of employees towards the realization of organizational goals through cooperation, harmonization and unified efforts making the workers more competitive at work (Owoyemi and Ekwoaba, 2014). Companies design unique cultures to portray what they stand for, why they exist, what they expect to achieve and how the organization, as well as its members, should behave and operate (Kokilia and Ramalingam, 2015). These being said, it is not an easy task to get all employees in an organization to commit to a certain set of values and beliefs (Mathis and Jackson 2018). Nevertheless, it would appear that with good leadership and clearly-thought out strategies for efficiency and productivity, an organization can successfully get its employees to buy into its unique culture. Organizational culture if not consciously and properly conceived and nurtured could affect job attraction, satisfaction and retention, as well as job performance positively or negatively (Osei-Owusu, 2016; Habib, Aslam, Hussain, Yasmeen and Ibrahim, 2014; Saad and Abbas, 2018).

**Integrity Culture**

An empirical study by Motunrayo (2020) investigated the impact of integrit corporate culture on employee performance in IHS Towers Nigeria. The study’s objectives were hinged on the tenets of Hofstede’s (1980) 6-D model. This is because very few studies have used a simplified model of culture, such as Hofstede (1980) 6-D model, to assess the effects of organizational culture on performance in a multinational telecommunication firm with diverse culture, and situated in a growing economy in Africa. This study tackles this gap by examining the effect of organizational culture, risk-taking, teamwork, competitiveness, strategic goal orientation and organization’s spend culture on employee performance. Being a positivist cross-sectional research, an online structured Likert scale questionnaire was used to survey 286 entry-level to senior staff. The research adopted a quantitative approach to validate and analyze the data received. Multiple regression analysis was employed in testing the six hypotheses developed from existing literature review. The findings from the data analysis showed that integrity driven organizational culture did not influence employee performance in the organization. On the other hand, teamwork and strategic goal orientation significantly influenced employee performance. Other interesting findings revealed by the study were that, teamwork can thrive among employees within a high-power distance multinational corporate setting.

**Summary of the reviewed literature and Identified Gaps**

In this study, a methodological gap exists because some of the researchers have not indicated the research designs, target population, data collection and analysis before giving their views regarding factors influencing employee performance. For instance, Schunk & Dibenedetto (2020) explains that pay has an important part to play in raising the quality and improving the responsiveness of workers as well as their overall performance. In addition, Sickles, & Zelenyuk (2019) states that a worker does not only perform best because of his salary, he states that some employees perform to their best when they are performing tasks they love not necessarily for the pay. Also, Marjolein (2010) shows that an employee satisfied with higher pay is more productive and motivated. A well-paid employee feels valued by his organization. However, none of this researcher gave any methodological description of their studies yet this study intends to use both quantitative and qualitative approaches as well as descriptive and correlational research designs targeting SME operators as the respondents who will answer questionnaires and analyzed using SPSS, presented in tables.

In addition, the knowledge gap in this study is revealed in that researchers and scholars have related organizational factors with employee performance in other areas but not in relation to the study area. For instance, by Yamoah (2013) seeks to examine the relationship between reward and employee performance in the banking industry in Ghana, Muthusi & Orwa (2016) on the relationship between reward and employee performance in Kenya, and Motunrayo (2020) investigated the impact of corporate culture on employee performance in IHS Towers Nigeria. To fill this gap, called for this study to assess the relationship between organizational factors and employee performance in Macruuf Business Group in Bossaso Puntland, Somalia

**CHAPTER THREE**

**METHODOLOGY**

This chapter presents the methods used in the study to collect information from the respondents. It presents the research design, study population, sample size determination, sampling technique, research instruments that was used and how the research instruments was tested for validity and reliability.

**Research Design**

Both descriptive and correlational research designs were used in this study. In addition, this research is a case study of Macruuf Business Group in Bossaso Puntland, Somalia. The research therefore used both qualitative and quantitative approaches to research where quantitative approach was used as a strategy for generating quantitative data to describe what is being studied so as to build an explanatory theory (Ahuja, 2005). The qualitative approach was used for purposes of gaining a greater understanding of not just the way things are but also why they were the way they are (Denscombe, 2009).

The descriptive research design was used to assess the level of organizational factors (reward, working environment and organization culture) as well as determine the level of employee performance. Thus, the raw data was converted into mean and standard deviation. The study also used Correlational research design to establish the relationship between organizational factors and employee performance atMacruuf Business Group in Bossaso Puntland, Somalia.

**Locale of the Study**

This study was carried out at Macruuf Business Group in Bossaso Puntland, Somalia. Bosaso ([Somali](https://en.wikipedia.org/wiki/Somali_language): *Boosaaso*) is an [administrative divisions of Somalia](https://en.wikipedia.org/wiki/Administrative_divisions_of_Somalia) in the northeastern [Bari](https://en.wikipedia.org/wiki/Bari,_Somalia) region of [Somalia](https://en.wikipedia.org/wiki/Somalia). Its capital lies at [Bosaso](https://en.wikipedia.org/wiki/Bosaso" \o "Bosaso). It is also the commercial capital of [Puntland](https://en.wikipedia.org/wiki/Puntland) state of Somalia and one of Somalia's commercial capitals, the city appreciates its indigenous clan who warmly welcomed all people reached there in the last 25 years. The choice for Macruuf Business Group in Bossaso Puntland, Somalia is motivated by the underlying problem of employee underperformance (Management, 2021).

**Target Population**

The study targeted 401 employees who are on the Macruuf Business Group payroll from different departments which include 206 employees in the production department being targeted for their active involvement in the production performance of the business groups, 74 employees in the sales department for being actively involved in the marketing of the business group products and services, 52 employees in the finance department for their participation in the financial evaluation of the business group, 38 in the security department, 26 in the transport and logistics department, and 5 management team members (Macruuf Business Group Human Resource report, 2022). The choice of this respondents is based on their knolwdge and experience in regard to reward, work environment and organizational culture and how this influences their performance. Therefore, these respondents are able to provide the required data for this study.

**Sample Size**

The following mathematical formula by Taro Yamane (1970) was used to determine the sample size, whereby 401 targeted respondents gave a sample size of 200 respondents.

Where; N = total population [401]

n= total sample size.

e= desired margin error [0.05]

Table 1: Table of respondents

|  |  |  |  |
| --- | --- | --- | --- |
| **Departments** | **Population** | **Sample size** | **Sample procedure** |
| Managers | 5 | 2 | Purposive and Simple Random |
| Production | 206 | 103 | Purposive and Simple Random |
| Sales | 74 | 37 | Purposive and Simple Random |
| Finance | 52 | 26 | Purposive and Simple Random |
| Security | 38 | 19 | Purposive and Simple Random |
| Transport and logistics | 26 | 13 | Purposive and Simple Random |
| **Total** | **401** | **200** | Purposive and Simple Random |

***Source: Macruuf Business Group Human Resource report, 2022***

The formula by Kothari (2004) of proportionate allocation sampling was used to distribute the respondents from the target and sample size population in each of the respondent department categories under this study as illustrated underneath.

**Managers**, the sample was;

**Production**, the sample was;

**Sales**, the sample was;

**Finance**, the sample was;

**Security**, the sample was;

**Transport and Logistics**, the sample was;

**Sampling Procedure**

This study applied random and purposive sampling techniques. Purposive sampling technique was applicable in this study considering knowledge, and experience of Macruuf Business Group employee but not any other organization because this study targets the organization based on its challenges in regard to employee performance. The simple random sampling technique in which a lottery practice of randomized sampling was applied to select respondents from the production department, sales department, finance department, transport and logistics, security and others. Thus, the researcher prepared pieces of papers which was labeled numbers 1,2,3 till number 206 to represent employees in the production department, then fold and place in a jug. Afterwards, the researcher visited the departments where the responds belong and request the employees to pick one paper at a time. Those who picked papers indicated numbers 1 to 101 (representing the sample size of the department) was given a questionnaire to answer while those who picked papers indicated 102 to 206 was left out of the study. In addition, the study also applied purposive sampling technique to the managers who was interviewed by the researcher. The researcher relied on misjudgment when choosing the 2 sampled managers from the 5 to participate in the study.

**Data Collection** **Methods and Research Instruments**

This study used both a questionnaire survey and key informant interview data collection methods in order to gather quantitative and qualitative data respectively. These methods are cost and time effective since they save time and are cheap to produce and collect data within a very short time.

**Self-administered Questionnaire**

The study used a self-administered questionnaire, which had a set of well formulated statements to probe and obtain responses from respondents who confidentially either agreed, disagreed, somehow agreed, disagreed or strongly disagreed with the statements. It consisted of four sections. The introductory section introducing the researcher, university and topic under study. Section A sought to obtain demographic information of the respondents; section B statements on organizational factors and employee performance and section D sought for suggestions and recommendations from the respondents.

**Table 2: Showing the operationalized Likert Scale**

|  |  |  |  |
| --- | --- | --- | --- |
| **Scale** | **Mean Range** | **Response Mode** | **Interpretation** |
| 5 | 4.20-5.00 | Strongly Agree | Very High |
| 4 | 3.40-4.19 | Agree | High |
| 3 | 2.60-3.39 | Somehow agree | Moderate |
| 2 | 1.80-2.59 | Disagree | Low |
| 1 | 1.00-1.79 | Strongly disagree | Very Low |

Source: Vagias (2006)

**Key Informant Interview Guide**

A Key informant interview guide was used as a primary instrument to collect in-depth data where the researcher set some questions for use in interviewing two key informants who was conveniently and purposely selected by the researcher based on his personal judgment and interaction opportunities.

**Validity and Reliability of the Instruments**

Before data collection, validity and reliability of the Instrument was determined as follows:

**Validity of the Instrument****s**

The researcher used the Content Valid Index (CVI), a scale that was developed by computing the relevant items in the questionnaire by checking their clarity, their meaningfulness in line with the objectives stated dividing by the total number of items. The results got should be greater than 0.7 as recommended by Creswell (2012) for the researcher to consider the instrument valid. Based on the judgment of the proposal presentation panel and the supervisors, the tools were considered valid hence the researcher used them for data collection.

**Reliability of Instruments**

In determining the reliability of the research instrument, a pre-test was done using 25 questionnaires administered to 25 employees of Barwaago Group of Businesses located in Mogadishu Somalia. The choice of the organization for pre-test is motivated by the fact that the two business groups have similar business operation characteristics. This is supported by Sudman (1983) who states that 20-50 respondents can be used to get the reliability of the instrument. The 25 questionnaires were coded and thereafter entered in SPSS computer package to test for the reliability. The researcher sought to find reliability which is in line with the accepted coefficient. Cronbach’s alpha scale recommends a coefficient of 0.7 and above as an adequate measure of internal consistency as recommended by Creswell (2012).

**Table 4: Reliability Statistics**

|  |  |
| --- | --- |
| Cronbach's Alpha | N of Items |
| .853 | 64 |

**Data Collection Procedures**

The researcher got an introductory letter from the Dean School of Graduate Studies, introducing him to the Human Resource of Macruuf Business Group as a student of Bugema University carrying out research on the topic under investigation. The researcher then worked hand in hand with department heads, supervisors and management team in order to craft a working formula on how he can carry out data collection from the employees of the targeted organization. Taking note of the COVID 19 pandemic that is being experienced around the globe, the researcher will follow all the guidelines put by the Ministry of Health to help reduce on the spread of COVID-19. This will include wearing a face mask, sanitizing and keeping social distance of at least two meters always.

**Data Analysis**

This section was concerned with organizing and presentation of the collected data through; editing: Detecting and eliminating errors and keeping them to a minimum in completed questionnaire. This helped the researcher to check for completeness of the questionnaire in answering question. Central editing: This was employed when the entire questionnaire was completed as to collect errors like entering in wrong places, numerical error and correct answer by reviewing the information that was required in schedule. Coding: This process of assigning numerals or other symbols to answers so that responses were able to put into limited number of classes and categories. It was done on all sections of quantitative questionnaires and open-ended question which have similar answers and assigned same code. Classification: This was done according to attributes; data was classified based on common characteristic such as education level, age and others. Tabulation: This involved the data being arranged in logical order for the purpose of statistical analysis and was done by the researcher after sorting the data and know the number of tables required, the data would be analyzed using SPSS.

For data analysis, SPSS (Statistical Package for Social Sciences) version 26 was used. Objectives 1 and 2 were analysed using descriptive statistics (mean, and standard deviation). Objective 3 and the study hypothesis was analysed using inferential statistics in particular the Pearson’s moment of correlation. According to Creswell (2015), r = 0.00 – 0.199 (very low / very weak linear correlation), 0.20 – 0.399 (low correlation/weak linear correlation), 0.40 – 0.599 (average/medium linear correlation), 0.60 – 0.799 (high/ correlation linear correlation), above 0.799 is a (very high /very big linear correlation) between 2 variables. Further multiple linear regression was applied to establish the contributions of each organizational factors (reward, working environment and organization culture) on employee performance. At P-value<0.05, the findings will indicate existence of a significant relationship between organizational factors and employee performance, hence the null hypothesis was rejected and its alternative positive hypothesis considered. At P Value>0.05, the results will indicate no significant relationship between organizational factors and employee performance hence the null hypothesis was upheld. The qualitative data from key informant was analyzed using a narration approach whereby views given or narrated by the key informants were discussed in the study as they are. The key informants’ views were in form of quotes written in italics.

**CHAPTER FOUR**

**RESULTS AND DISCUSSION**

This chapter presents results and discussion of the study findings based on specific objectives.

**Profile of the Respondents at Macruuf Business Group in Bossaso Puntland, Somalia**

The study managed to gather data from 200 respondents representing 100% response rate, where descriptive statistics of frequency and percentages was used to analyze the demographic characteristics of the respondents in terms of; sex, age, job experience, and education level. The profile of the respondents is summarized in Table 4. The main purpose of involving or studying respondents’ demographic information is because their personal characteristics can influence the study findings (Amin, 2005).

**Table 4: Profile of the Respondents at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |  |
| --- | --- | --- | --- |
| **Items** | | **Frequency** | **Percent** |
| **Sex** | Male | 133 | 66.5 |
| Female | 67 | 33.5 |
| Age | 18-25 Years | 13 | 6.5 |
| 26-29 Years | 33 | 16.5 |
| 30-35 Years | 49 | 24.5 |
| 36-45 Years | 70 | 35.0 |
| 46 and above years | 35 | 17.5 |
| **Job experience** | 0-3 Years | 7 | 3.5 |
| 4-6 Years | 36 | 18.0 |
| 7-9 Years | 95 | 47.5 |
| 10-15 Years | 55 | 27.5 |
| 16 and above Years | 7 | 3.5 |
| **Level of education** | PLE | 14 | 7.0 |
| Secondary | 63 | 31.5 |
| Diploma | 89 | 44.5 |
| Degree | 27 | 13.5 |
| Master | 7 | 3.5 |

N=200, Source: Primary Data from the Field (2022)

**Sex**

Concerning the sex character of the respondents, Table 4 findings indicates that majority 133(67%) of the respondents were male and 67(33%) were female. This suggests that there is a dominance of male workers at at Macruuf Business Group in Bossaso Puntland, Somalia which attributed to the cultural and religious nature of the area residents that men should work while women stay at home taking care of the family.

**Age**

In terms of age, findings indicate that majority approximately more than half 105(53%) were aged 35 and above years while 95(47%) were in their youthful age bracket of below 35 years. Highly mature persons participated in this study hence it was able to gather relevant data from experienced employees.

**Job Experience**

Concerning the job experience character of the respondents, Table 4 findings indicates that almost half 95(48%) of the respondents had 7-9 years of experience while fewer 7(3%) had either less than 3 years or 16 and above years of experience.

**Level of education**

Concerning the education level character of the respondents, Table 4 findings indicates that nearly half 89(44%) of the respondents had diploma level of education while fewer 14(7%) had primary level of education (PLE). Educated persons were involved in the study and made it easy for the researcher to collect data from the employees.

**Organizational Factors and Employee Performance at Macruuf Business Group in Bossaso Puntland, Somalia**

Objective 1 of the study was to establish the organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. This objective was analyzed descriptively in terms of mean and standard deviation.

**Organizational Factors**

The description of level of organizational factors was assessed based on the computed 5-mean range Likert scale as follows; 1.00-1.79 (very low level of organizational factors), (1.80-2.59 (low level of organizational factors), 2.60-3.39 (moderate level of organizational factors), (3.40-4.19 (high level of organizational factors) and, 4.20-5.00 (very high level of organizational factors).

**Table 5: Assessment of organizational factors at Macruuf Business Group in Bossaso Puntland, Somalia**

**Table 5: Organizational factors at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |
| --- | --- | --- |
| **Financial Compensation** | **Mean** | **Std. D** |
| Salaries | **2.76** | **0.538** |
| Hourly wages | 3.49 | 0.964 |
| Bonuses | 2.31 | 0.720 |
| Coaching and training opportunities | 2.88 | 0.748 |
| Recognition and rewards | 3.08 | 0.779 |
| Fringe benefits | 3.15 | 0.801 |
| **Total Aggregate Mean and S.D** | **2.95** | **0.758** |
| **Working Environment** |  |  |
| Office Building Space | 3.39 | 0.797 |
| Presence of Working Tools | 3.10 | 0.701 |
| Team Work | 3.24 | 0.769 |
| Absence of Noise | 3.12 | 0.783 |
| **Total Aggregate Mean and S.D** | **3.21** | **0.703** |
| **Organization Culture** |  |  |
| Competitive culture | 3.32 | 0.698 |
| Integrity Culture | 3.23 | 0.704 |
| **Total Aggregate Mean and S.D** | **3.28** | **0.701** |
| **Grand Mean and S.D** | **3.15** | **0.721** |

N=200, Source: Primary Data from the Field (2022)

Legend: *1.00-1.79 (very low), (1.80-2.59 (low), 2.60-3.39 (moderate), (3.40-4.19 (high) 4.20-5.00 (very high).*

**Salary**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of salary given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.76, std = 0.538). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees sometimes receive salary that is equal to the work they do, receive their salary in time, do not have salary arrears, and their salary has been increased in the last two years. These findings are supported by the previous findings stated by Rynes (2014) in his study on the influence of salary on firm production performance which used both descriptive and correlational research designs and data collected from 278 employees of selected firms in Malaysia, concluded that there was a direct influence of salary compensation on firm production performance because employee performance increases with increase or satisfaction with the amount of salary hence leading to increased production. However, extrinsic motivators are not logically inherent part of the work, as Amabile (2013) describes. She states that they are intended to control the performance of the work. Examples are: promised rewards, praises, critical feedback, deadlines, surveillance and specifications on how the work needs to be done.

**Hourly Wages**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a high level of hourly wages given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.49, std = 0.964). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees agreed that their hourly wages are paid in time, they receive hourly wages equivalent to the task they do, and they have received a raise in their hourly wages. Recent research of Ansar, Cantor & Sparks (2017) resulted in considerable evidence that higher wages directly affect job and organizational performance in which they support these current findings on hourly wages. They also argue that in the case that labor turnover is costly for an organization (because of severance, training and hiring costs), firms could pay higher wages to decrease quit rates and save on turnover costs. These statements are confirmed by Rynes (2014); he argues that pay is probably the most important motivational factor. And Hamidi (2014) concluded that job applicants seemed to believe that pay is the most important attribute to everyone except themselves.

**Bonuses**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a low level of bonuses given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.31, std = 0.720). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees disagreed that their job bonuses are paid in time, they are happy with the amount paid as bonuses, and that they receive bonuses each month. These current findings go hand in hand with the recent findings on bonuses as per the literature puts it by Marjolein (2010) who has shown that an employee satisfied with higher bonus pay is more productive and motivated. A well-paid employee feels valued by his organization. He knows management is not just paying him to get the job done; he is also respected for his subject matter expertise. This employee is more likely to be satisfied with his job and not feel the need to look for a similar position with better pay.

**Coaching and training opportunities**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of Coaching and training opportunities given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.88, std = 0.748). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees sometimes they are trained regularly on new technology to widen their knowledge, sometimes get training on how to use new working tools, and the coaching enables them to handle higher responsibilities. The previous findings support these current findings as it supported by the literature by Mbithe (2012) who states that managers should initiate activities which can help employees improve their weaknesses like engaging them in training and development exercises to attain the required skills which in return results to improved performance. He further argued that some employees’ strengths should be rewarded hence motivating them to add more effort on their work and improve their performance. More so, Mbithe (2012) further asserts that organizations which are ignorant on employee performance might end up collapsing since managers do not monitor the employee achievements which might not relate to the set organizational goals and objectives. The literature links training to employee performance, but does not address the situation at the literature links pay with employee performance, hence calling for this study to assess how rewards in terms of pay promotes employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Recognition and rewards**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of Recognition and rewards given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.08, std = 0.779). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees sometimes they were rewarded with fairness in their job, normally receive merit pay, and excellent work is always acknowledged. The results are supported by Other studies that show that it is better to recognize employees rather than give incentives (Deci & Ryan, 2010). Employee recognition involves both monetary as well as non-monetary program. The example of employee recognition involves writing their names in the company’s newsletter, letters of commendation, extra time off and verbal appreciation. This is a form of caring and appraising the employees. The non-monetary awards are more motivating than the financial award. In this way, the employees think that they are being valued.

**Fringe benefits**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of Fringe benefits given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.15, std = 0.801). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees sometimes they are sure of getting pension when they retire, they sometimes get free meals from the company, and they sometimes live in a company house. The previous findings support these current findings which are stated by a study conducted by Gareth and George (2010) that revealed that some types of fringe be offered by today’s organizations that is to say social security, medical expenses, retirement benefits, Paid holidays and other benefits such as food services, free traveling facility, have a direct correction with employees’ motivation and consequently improved performance.

**Reward**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of reward given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.95, std = 0.758). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees were somehow satisfied with the level of salary, bonuses, coaching/training, recognition and fringe benefits. The results are supported by Yamoah (2013) who sought to examine the relationship between reward and employee performance in the banking industry in Ghana. Using case study approach, a descriptive survey was carried out to collect data from employees of Ghana Commercial Bank in the Greater Accra Region of Ghana. Data was analyzed in terms of descriptive statistics. Pearson chi square was used to test the significance of relationship between employee reward and productivity.

**Working Environment**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of Working Environment given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.21, std = 0.703). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees were somehow satisfied with the level of office building space, presence of working tools, team work and absence of noise. The results support Emmanuel (2012) who states that working environment is a broad term and means all your surroundings when working. Your physical working environment is, for example, your work tools as well as air, noise and light. But your working environment also includes the psychological aspects of how your work is organized and your wellbeing at work. Healthy work environments will be free from problems associated with sick building syndrome, which is often due to poor ventilation or off-gassing of chemicals used during construction.  The accumulation of molds and mildew may also lead to sick building syndrome (Chandrasekar, 2015). It is evident that working environment has a great influence towards employee performance.

**Organization Culture**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of organizational culture available or instilled to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.28, std = 0.701). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees are encouraged by the organization competitive culture and integrity culture which somehow promotes their performance. The results are in line with the views of Cancialosi (2017) who observes that organizational culture outlines the expectations of an organization, their experiences, underlying philosophies and values that regulate personnel conduct. It is manifested in the self-image of organizational personnel, their internal activities, relationship with the exterior environment and their long-run anticipations.

**Organizational factors**

Results in Table 5, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of organizational factors experienced or affecting employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.15, std = 0.721).

**Employee Performance**

The description of level of employee performance was assessed based on the computed 5-mean range Likert scale as follows; 1.00-1.79 (very low level of employee performance), (1.80-2.59 (low level of employee performance), 2.60-3.39 (moderate level of employee performance), (3.40-4.19 (high level of employee performance) and, 4.20-5.00 (very high level of employee performance).

**Table 6: Assessment of employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Compensation** | **Mean** | **Std. D** | **Interpretation** |
| Efficiency | 3.26 | 0.820 | Moderate level of employee performance |
| Effectiveness | 3.36 | 0.819 | Moderate level of employee performance |
| Productivity | 3.30 | 0.695 | Moderate level of employee performance |
| Customer Satisfaction | 2.85 | 0.621 | Moderate level of employee performance |
| **Grand Mean and Std. D** | **3.19** | **0.739** | **Moderate level of employee performance** |

N=200, Source: Primary Data from the Field (2022)

Legend: *1.00-1.79 (very low), (1.80-2.59 (low), 2.60-3.39 (moderate), (3.40-4.19 (high) 4.20-5.00 (very high).*

**Efficiency**

Results in Table 6, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of employee efficiency at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.26, std = 0.820). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees were sometimes efficient to complete their targets in time, love working beyond the working hours, meet their daily working targets as scheduled, regularly meet their deadline and achieve their daily work activities and responsibilities. The study results are in line with the views of Armstrong, & Baron (2015) who explains that organization performance in terms of work efficiency in many organizations in the developed world determines the level of employee performance.

**Effectiveness**

Results in Table 6, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of employee effectiveness at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.36, std = 0.819). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees were sometimes effective when doing their work as they sometimes observe and ensure that they meet the required work quality, work under limited supervision, their work is highly valued and that the quality of their work is sometimes respected. The results are supported by the previous findings by Manyaka (2018) in South Africa who states that many organizations achieve a moderate level of employee performance which affects the level of work or production effectiveness.

**Productivity**

Results in Table 6, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of employee productivity at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.30, std = 0.695). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees were sometimes productive when doing their work as they sometimes ensure that they are not absent from work, satisfy their customers with providing them with good work, and that their supervisors are satisfied with their work commitment. The current study results are in line with the views of Otieno (2017) who stated that employee's performance in terms of productivity is measured against the performance standards set by the organization in which most of the employees are moderately performing.

**Customer Satisfaction**

Results in Table 6, based on the mean range and standard deviation of a 5 five Likert scale, indicate that there was a moderate level of customer satisfaction with services provided by employees of Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.85, std = 0.621). The finding suggests that at Macruuf Business Group in Bossaso Puntland, Somalia, employees work is sometimes given good recommendation by customers, customers come back to the enterprises for more purchases, and customers are loyal to the business.

In conclusion, the study shows that there was a moderate level of employee performance (Grand mean = 3.19, std = 0.739) which implies that sometimes employees at Macruuf Business Group in Bossaso Puntland, Somalia are efficient, effective, productive and meet customer expectations.

The current study results are in line with Zwane (2016) who explains that world over, employees are considered as an important asset in any organization for better performance. Historically, until the 1980's, employee performance was usually interpreted as the output of a combination of ability and motivation, given appropriate resources and hence motivating others became a key part of the most management (Torrington et al, 2008). Conceptually, organizational factors such as reward, working environment and organizational cultureare said to influence the level of employee performance in terms of efficiency, effectiveness and customer satisfaction (Armstrong, & Baron, 2015).

**Relationship between Reward and Employee Performance at Macruuf Business Group in Bossaso Puntland, Somalia**

Objective 2 of the study was to establish the relationship between reward and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. Data were analyzed using inferential statistics, specifically the Pearson’s correlation moment analysis. The strength of linear relationship was based on Creswell (2015) assessment criterion; r = 0.00 – 0.199 (very low / very weak linear correlation), 0.20 – 0.399 (low correlation/weak linear correlation), 0.40 – 0.599 (average/medium linear correlation), 0.60 – 0.799 (high/ correlation linear correlation), above 0.799 is a (very high /very big linear correlation) between 2 variables.

**Table 7: Correlation of Reward and Employee Performance at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Reward | Employee performance |
| Reward | Pearson Correlation | 1 | .260\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 200 | 200 |
| Employee performance | Pearson Correlation | .260\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 200 | 200 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | |

N=200, Source: Primary Data from the Field (2022)

Table 7 presented information on the relationship between reward and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

The findings revealed a significant positive relationship (r = 0.260\*\*, P value= 0.000<sig = 0.01) between reward and employee performance. The results in relation to Macruuf Business Group in Bossaso Puntland, Somalia imply that reward significantly influence employee performance by (0.260\*0.260=0.0676\*100=6.8%) 6.8%. This means that when employees of Macruuf Business Group in Bossaso Puntland, Somalia are well rewarded, their performance level improves.

The current study findings support earlier findings by Yamoah (2013) who seeks to examine the relationship between salary reward and employee performance in the banking industry in Ghana. Using case study approach, a descriptive survey was carried out to collect data from employees of Ghana Commercial Bank in the Greater Accra Region of Ghana. Data was analyzed in terms of descriptive statistics. Pearson chi square was used to test the significance of relationship between employee reward and employee performance.

**Relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

Objective 3 of the study was to establish the relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. Data were analyzed using inferential statistics, specifically the Pearson’s correlation moment analysis. The strength of linear relationship was based on Creswell (2015) assessment criterion; r = 0.00 – 0.199 (very low / very weak linear correlation), 0.20 – 0.399 (low correlation/weak linear correlation), 0.40 – 0.599 (average/medium linear correlation), 0.60 – 0.799 (high/ correlation linear correlation), above 0.799 is a (very high /very big linear correlation) between 2 variables.

**Table 8: Correlation of working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |  |
| --- | --- | --- | --- |
| **Correlations** | | | |
|  | | Working environment | Employee performance |
| Working environment | Pearson Correlation | 1 | .341\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 200 | 200 |
| Employee performance | Pearson Correlation | .341\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 200 | 200 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | |

N=200, Source: Primary Data from the Field (2022)

Table 8 presented information on the relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

The findings revealed a significant positive relationship (r = 0.341\*\*, P value= 0.000<sig = 0.01) between working environment and employee performance. The results in relation to Macruuf Business Group in Bossaso Puntland, Somalia imply that working environment significantly influence employee performance by (0.341\*0.341=0.116\*100=11.6%) 11.6%. This means that when employees of Macruuf Business Group in Bossaso Puntland, Somalia are provided with a conducive and good working environment, their performance level improves.

The current study results are supported by previous study by Scott, (2012) who reported that working conditions associates with employees’ job involvement and job satisfaction. Dieleman (2017) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers’ performance. Researches on quality of work life have also established the importance of safe and healthy working conditions in determining employees‟ job performance by indicating that working in a well-spaced and ventilated work place promotes employee performance (Potter, Brough, 2014).

**Relationship between organization culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

Objective 4 of the study was to establish the relationship between organization culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. Data were analyzed using inferential statistics, specifically the Pearson’s correlation moment analysis. The strength of linear relationship was based on Creswell (2015) assessment criterion; r = 0.00 – 0.199 (very low / very weak linear correlation), 0.20 – 0.399 (low correlation/weak linear correlation), 0.40 – 0.599 (average/medium linear correlation), 0.60 – 0.799 (high/ correlation linear correlation), above 0.799 is a (very high /very big linear correlation) between 2 variables.

**Table 9: Correlation of organization culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |  |
| --- | --- | --- | --- |
| **Correlations** | | | |
|  | | Organization culture | Employee performance |
| Organization culture | Pearson Correlation | 1 | .358\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 200 | 200 |
| Employee performance | Pearson Correlation | .358\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 200 | 200 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | |

N=200, Source: Primary Data from the Field (2022)

Table 9 presented information on the relationship between organization culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

The findings revealed a significant positive relationship (r = 0.358\*\*, P value= 0.000<sig = 0.01) between organization culture and employee performance. The results in relation to Macruuf Business Group in Bossaso Puntland, Somalia imply that organizational significantly influence employee performance by (0.358\*0.358=0.128\*100=12.5%) 12.8%. This means that when employees of Macruuf Business Group in Bossaso Puntland, Somalia are provided with a conducive and good organizational culture, their performance level improves.

The current study results are supported by previous study by Osei-Owusu, (2016); Habib, Aslam, Hussain, Yasmeen and Ibrahim, (2014); Saad and Abbas, (20180 WHO in their studies concluded that there is a significant relationship between organization culture and employee performance, and further explains that it would appear that with good leadership and clearly-thought out strategies for efficiency and productivity, an organization can successfully get its employees to buy into its unique culture. Organizational culture if not consciously and properly conceived and nurtured could affect job attraction, satisfaction and retention, as well as job performance positively or negatively.

**Multilinear regression of organizational factors on employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

Further analysis was done using multilinear regression to establish the contribution of each of the organizational factors on employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Table 10: Multilinear regression of organizational factors on employee performance at Macruuf Business Group in Bossaso Puntland, Somalia**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Coefficientsa** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 13.956 | 7.162 |  | 1.949 | .053 |
| Reward | .223 | .081 | .179 | 2.753 | .006 |
| Working environment | .245 | .079 | .211 | 3.081 | .002 |
| Organization culture | .352 | .088 | .267 | 3.982 | .000 |
| a. Dependent Variable: Employee performance | | | | | | |

**Reward**

The multilinear regression results in Table 10 shows that a one-unit increase in reward results to 17.9% increase in employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. (beta=0.179, P=0.006<0.05). The relationship was statistically significant at 5%. The current study results are supported by previous study results by Yamoah (2013) who examined the relationship between salary reward and employee performance in the banking industry in Ghana. Using case study approach, a descriptive survey was carried out to collect data from employees of Ghana Commercial Bank in the greater Accra Region of Ghana. Data was analyzed in terms of descriptive statistics. Pearson chi square was used to test the significance of relationship between employee reward and productivity. The results indicated a significant relationship between salary reward and employee performance or productivity which is not yet proven through research at Macruuf Business Group in Bossaso Puntland, Somalia.

**Working environment**

The multilinear regression results in Table 10 shows that a one-unit increase in working environment results to 21.1% increase in employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. (beta=0.211, P=0.002<0.05). The relationship was statistically significant at 5%. The current study results are supported by previous study results by Chandrasekar (2015) who concluded that there is a significant positive relationship between working environment and employee performance, and further explains that it is evident that working environment has a great influence towards employee performance.

**Organization culture**

The multilinear regression results in Table 10 shows that a one-unit increase in organization culture results to 26.7% increase in employee performance at Macruuf Business Group in Bossaso Puntland, Somalia (beta=0.267, P=0.000<0.05). The relationship was statistically significant at 5%. The current study results are supported by previous study results by Cancialosi (2017) who observes that organizational culture outlines the expectations of an organization, their experiences, underlying philosophies and values that regulate personnel conduct, and concludes that there is a positive significant relationship between organizational culture and employee performance.

**Hypothesis Testing**

The results confirm the rejection of null hypotheses for reward (*p* = 0.005 ≤ 0.05), working environment (*p* = 0.002 ≤ 0.05) and organizational culture (p = 0.000 ≤ 0.05) suggesting that there exists enough evidence that the three reward, working environment and organizational culture affects employee performance at Macruuf Business Group in Bossaso Puntland, Somalia. Therefore, the 3-null hypothesis of the study were rejected and the alternative positive hypotheses considered. This therefore, implies that there is a significant relationship between reward and employee performance, there is a significant relationship between working environment and employee performance, and there is a significant relationship between organization culture and employee performance at 5% significance level. The results are in line with the theory of Taylor’s Scientific Management authored by Frederick Taylor in 1909, which addressing reward, working environment and organizational culture which are some of the elements discussed in the theory of Taylor’s Scientific Management authored towards employee performance measured in terms of efficiency, effectiveness, productivity and customer satisfaction. The relevance of this theory to the research study is that it provides a way to study workplace efficiency, timeliness and productivity; and it encourages the idea of systematic organizational design reflecting a significant relationship between reward, working environment and organization culture towards employee performance.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

This chapter includes the summary, conclusion and recommendations of the organized, presented and analyzed data in the preceding chapters. The summary and conclusions are drawn from the discussed findings in regard with the study objectives.

**Summary of Findings**

The study was on “Organizational Factors and Employee Performance of Macruuf Business Group in Puntland, Somalia.” Specific study objectives were; Specific objectives were; to establish the organizational factors and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia, to establish the relationship between reward and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia to establish the relationship between working environment and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia, and to establish the relationship between culture and employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Key Findings**

The study results indicates that there was a moderate level of reward given to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.95, std = 0.758). In addition, there was a moderate level of Working Environmentgiven to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.21, std = 0.703). Also, there was a moderate level of organizational culture available or instilled to employees at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.28, std = 0.701).

On the other hand, it was realized that there was a moderate level of employee efficiency at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.26, std = 0.820). Similarly, it was learned that there was a moderate level of employee effectiveness at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.36, std = 0.819). In addition, there was a moderate level of employee productivity at Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 3.30, std = 0.695). Also, there was a moderate level of customer satisfaction with services provided by employees of Macruuf Business Group in Bossaso Puntland, Somalia (Grand mean = 2.85, std = 0.621). Overall, results on employee performance show that there was a moderate level of employee performance (Grand mean = 3.19, std = 0.739) which implies that sometimes employees at Macruuf Business Group in Bossaso Puntland, Somalia are efficient, effective, productive and meet customer expectations.

The findings revealed a significant positive relationship (r = 0.260\*\*, P value= 0.000<sig = 0.01) between reward and employee performance. The results in relation to Macruuf Business Group in Bossaso Puntland, Somalia imply that reward significantly influence employee performance by (0.260\*0.260=0.0676\*100=6.8%) 6.8%. This means that when employees of Macruuf Business Group in Bossaso Puntland, Somalia are well rewarded, their performance level improves.

The findings revealed a significant positive relationship (r = 0.341\*\*, P value= 0.000<sig = 0.01) between working environment and employee performance. The results in relation to Macruuf Business Group in Bossaso Puntland, Somalia imply that working environment significantly influence employee performance by (0.341\*0.341=0.116\*100=11.6%) 11.6%.

The findings revealed a significant positive relationship (r = 0.358\*\*, P value= 0.000<sig = 0.01) between organization culture and employee performance. The results in relation to Macruuf Business Group in Bossaso Puntland, Somalia imply that organizational significantly influence employee performance by (0.358\*0.358=0.128\*100=12.5%) 12.8%.

**Conclusion**

Based on the study results, it was concluded that there was a moderate level of reward, working environment and organizational culture to employees at Macruuf Business Group in Bossaso Puntland, Somalia

In addition, it was realized that there was a moderate level of employee efficiency, effectiveness, productivity and customer satisfaction with services provided by employees of Macruuf Business Group in Bossaso Puntland, Somalia. Thus, there was a moderate level of employee performance implying that sometimes employees at Macruuf Business Group in Bossaso Puntland, Somalia are efficient, effective, productive and meet customer expectations.

Also, it was realized that there reward, working environment and organizational culture significantly influenced employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

**Recommendations**

Since there was a moderate level of organizational factors, it was recommended that Macruuf Business Group in Bossaso Puntland, Somalia should increase financial and non-financial reward to workers after a clear review of the reward system and level. In addition, the organization should promote the working environment for the employees and organize for seminars to instill the organizational culture to the workers. Thus, it was recommended that the management of Macruuf Business Group in Bossaso Puntland, Somalia should improve employee reward by increasing their salary, bonuses, commissions, working environment and instilling a positive organizational culture.

Since there was a moderate level of employee performance, the study recommended that the organization should have a discussion through a seminar or workshop to discuss with the employees about the causes of their under performance and therefore, come up with measures to promote employee performance.

Further studies should be carried out on other factors affecting employee performance at Macruuf Business Group in Bossaso Puntland, Somalia.

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**APPENDIX I**

**Questionnaire**

Dear Respondent,

The researcher is a student at Bugema University pursuing Masters of Business Administration in HRM carrying a research ORGANIZATIONAL FACTORS AND EMPLOYEE PERFORMANCE OF MACRUUF BUSINESS GROUP IN PUNTLAND, SOMALIA**.** The researcher therefore, requests you to fill this questionnaire with the relevant information. The information provided will be treated with at most confidentiality. For this reason, not even your name should appear on this questionnaire. Thank you for your cooperation in advance.

1. **Demographic Data of Respondents**

(Kindly tick [√] in the most appropriate box where applicable)

1. Gender: (i) male [ ] (ii) female [ ]
2. Age: (i) 18-25 [ ] (ii) 26-29 [ ] (iii) 30-35 [ ] (iv) 36-45[ ] (v) 46 &above [ ]
3. Level of experience: (i) 0-3 years [ ] (ii) 4-6 years [ ] (iii) 7-9 years (iv) 10-15 years [ ] (v)16 and above [ ]
4. Level of education: (i) PLE [ ] (ii) Secondary [ ] (iii) Diploma [ ] (iv) Degree [ ] (v) Masters [ ] others please specify………………………………….
5. **Objective Questions**

SCALE: **1=strongly disagree, 2=disagree, 3=Somehow agree, 4= agree, 5= strongly agree**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Compensation** | **SD** | **D** | **NS** | **A** | **SA** |
| **Salaries** |  |  |  |  |  |
| 1. I receive salary that is equal to the work I do |  |  |  |  |  |
| 1. We receive our salary in time |  |  |  |  |  |
| 1. I do not have salary arrears |  |  |  |  |  |
| 1. Our salary has been increased in the last two years |  |  |  |  |  |
| **Hourly wages** |  |  |  |  |  |
| 1. Our hourly wages are paid in time. |  |  |  |  |  |
| 1. I receive hourly wages equivalent to the task I do |  |  |  |  |  |
| 1. I have received a raise in my hourly wages |  |  |  |  |  |
| **Bonuses** |  |  |  |  |  |
| 1. Our job bonuses are paid in time. |  |  |  |  |  |
| 1. I am happy with the amount paid as bonuses |  |  |  |  |  |
| 1. I receive bonuses each month |  |  |  |  |  |
| 1. **Non-financial Rewards** | SD | D | SHA | A | SA |
| **Coaching and training opportunities** |  |  |  |  |  |
| 1. I am trained regularly on new technology to widen my knowledge |  |  |  |  |  |
| 1. We always get training on how to use new working tools. |  |  |  |  |  |
| 1. The coaching enables me to handle higher responsibilities |  |  |  |  |  |
| **Recognition and rewards** |  |  |  |  |  |
| 1. I am rewarded with fairness in my job |  |  |  |  |  |
| 1. I normally receive merit pay |  |  |  |  |  |
| 1. My excellent work is always acknowledged |  |  |  |  |  |
| **Fringe benefits** |  |  |  |  |  |
| 1. I am sure of getting pension when I retire |  |  |  |  |  |
| 1. I get free meals from the company |  |  |  |  |  |
| 1. I live in a company house |  |  |  |  |  |
| **Working Environment** | **SD** | **D** | **NS** | **A** | **SA** |
| **Physical Working Environment** | **1** | **2** | **3** | **4** | **5** |
| **Office Building Space** | **1** | **2** | **3** | **4** | **5** |
| 1. I have an office of my own |  |  |  |  |  |
| 1. The office which I share with other employees has enough space for my table and chair |  |  |  |  |  |
| 1. It is easy to move within the office because there is adequate space between the office furniture |  |  |  |  |  |
| 1. The space between the office floor and the ceiling is standard |  |  |  |  |  |
| **Presence of Working Tools** | **1** | **2** | **3** | **4** | **5** |
| 1. I have been provided with a computer by the organization |  |  |  |  |  |
| 1. The organization has provided me with a comfortable seat and office desk |  |  |  |  |  |
| 1. We have printers at the office |  |  |  |  |  |
| 1. There is an office phone which assist in communication |  |  |  |  |  |
| 1. I have gloves which I use when performing manual work |  |  |  |  |  |
| 1. I have been given gumboots which I use when in the field |  |  |  |  |  |
| 1. I have a headgear or helmet to protect me from injuries when in the production site. |  |  |  |  |  |
| **Behavioral Working Environment** | **SD** | **D** | **NS** | **A** | **SA** |
| **Team Work** | **1** | **2** | **3** | **4** | **5** |
| 1. I involve my colleagues in work responsibilities |  |  |  |  |  |
| 1. I love working closely with the supervisors |  |  |  |  |  |
| 1. Me and the management have a good working relationship |  |  |  |  |  |
| 1. I consult first before making any work decisions |  |  |  |  |  |
| 1. I always consider views of other workers |  |  |  |  |  |
| **Absence of Noise** | **1** | **2** | **3** | **4** | **5** |
| 1. Offices are far from the production section |  |  |  |  |  |
| 1. The business offices are located far from roads |  |  |  |  |  |
| 1. Walls of the offices are sound proof |  |  |  |  |  |
| 1. We ensure that we don’t make unnecessary noise when at work place |  |  |  |  |  |
| **Organizational culture** | **SD** | **D** | **NS** | **A** | **SA** |
| **Competitive culture** | **1** | **2** | **3** | **4** | **5** |
| 1. We ensure that our businesses make more sales than our competitors |  |  |  |  |  |
| 1. We offer the best quality services to our customers than our competitors |  |  |  |  |  |
| 1. We invest heavily in our business promotional activities compared to our competitors |  |  |  |  |  |
| 1. We strive to be the best business group in the area |  |  |  |  |  |
| **Integrity Culture** | **1** | **2** | **3** | **4** | **5** |
| 1. We don’t exploit our customers as we sell our goods and services at the set price |  |  |  |  |  |
| 1. We ensure that goods and services sold to our clients meet the set standards |  |  |  |  |  |
| 1. Workers in our business group are required to be always honest with clients and other stakeholders |  |  |  |  |  |
| 1. We don’t entertain corrupt dealers in our business groups |  |  |  |  |  |
| **Employee Performance** |  |  |  |  |  |
| **Efficiency** | 1 | 2 | 3 | 4 | 5 |
| 1. I complete all targets given to me in time. |  |  |  |  |  |
| 1. I enjoy working beyond normal working hours to meet my targets. |  |  |  |  |  |
| 1. I always meet the daily targets as per the work schedule |  |  |  |  |  |
| 1. I regularly meet my deadlines even under pressure |  |  |  |  |  |
| 1. I record my daily activities in my to do list and achieve them |  |  |  |  |  |
| **Effectiveness** | 1 | 2 | 3 | 4 | 5 |
| 1. I always do quality job |  |  |  |  |  |
| 1. The degree to which I work satisfies my clients |  |  |  |  |  |
| 1. I do quality work even under limited supervision |  |  |  |  |  |
| 1. The work I do is valued because of its quality |  |  |  |  |  |
| 1. The quality of my work is respected by my supervisors |  |  |  |  |  |
| **Productivity** |  |  |  |  |  |
| 1. I am never absent from work |  |  |  |  |  |
| 1. My Work satisfies our customers |  |  |  |  |  |
| 1. Supervisors are satisfied with my work |  |  |  |  |  |
| **Customer Satisfaction** | **1** | **2** | **3** | **4** | **5** |
| 1. Customer give good recommendations about us |  |  |  |  |  |
| 1. Customers come back and purchase from the business |  |  |  |  |  |
| 1. Our customers are loyal to the business |  |  |  |  |  |

1. **SUGGESTIONS**

1. What do you think should be done to promote employee performance in the organization?

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| **Financial Compensation** | Mean | Std. D |
| **Salaries** |  |  |
| I receive salary that is equal to the work I do | 2.76 | .506 |
| We receive our salary in time | 2.93 | .526 |
| I do not have salary arrears | 2.76 | .630 |
| Our salary has been increased in the last two years | 2.60 | .491 |
| **Aggr Mean and S.D** | **2.76** | **0.538** |
| **Hourly wages** |  |  |
| Our hourly wages are paid in time. | 3.24 | .978 |
| I receive hourly wages equivalent to the task I do | 3.89 | .968 |
| I have received a raise in my hourly wages | 3.33 | .946 |
| **Aggr Mean and S.D** | **3.49** | **0.964** |
| **Bonuses** |  |  |
| Our job bonuses are paid in time. | 2.40 | .838 |
| I am happy with the amount paid as bonuses | 2.30 | .832 |
| I receive bonuses each month | 2.22 | .490 |
| **Aggr Mean and S.D** | **2.31** | **0.720** |
| **Non-financial Rewards** |  |  |
| **Coaching and training opportunities** |  |  |
| I am trained regularly on new technology to widen my knowledge | 3.69 | .993 |
| We always get training on how to use new working tools. | 2.42 | .621 |
| The coaching enables me to handle higher responsibilities | 2.54 | .624 |
| **Aggr Mean and S.D** | **2.88** | **0.748** |
| **Recognition and rewards** |  |  |
| I am rewarded with fairness in my job | 2.35 | .608 |
| I normally receive merit pay | 3.73 | .948 |
| My excellent work is always acknowledged | 3.15 | .781 |
| **Aggr Mean and S.D** | **3.08** | **0.779** |
| **Fringe benefits** |  |  |
| I am sure of getting pension when I retire | 3.06 | .812 |
| I get free meals from the company | 3.75 | .878 |
| I live in a company house | 2.65 | .714 |
| **Aggr Mean and S.D** | **3.15** | **0.801** |
| **Physical Working Environment** |  |  |
| **Office Building Space** |  |  |
| I have an office of my own | 3.15 | .943 |
| office which I share with other employees has enough space for my table and chair | 3.14 | .512 |
| It is easy to move within the office because there is adequate space between the office furniture | 3.64 | .802 |
| The space between the office floor and the ceiling is standard | 3.64 | .929 |
| **Aggr Mean and S.D** | **3.39** | **0.797** |
| **Presence of Working Tools** |  |  |
| I have been provided with a computer by the organization | 3.10 | .720 |
| The organization has provided me with a comfortable seat and office desk | 3.75 | .981 |
| We have printers at the office | 2.96 | .937 |
| There is an office phone which assist in communication | 3.00 | .530 |
| I have gloves which I use when performing manual work | 2.88 | .598 |
| I have gloves which I use when performing manual work | 3.00 | .530 |
| I have been given gumboots which I use when in the field | 3.08 | .584 |
| I have a headgear or helmet to protect me from injuries when in the production site. | 3.01 | .731 |
| **Aggr Mean and S.D** | **3.10** | **0.701** |
| **Behavioral Working Environment** |  |  |
| **Team Work** |  |  |
| I involve my colleagues in work responsibilities | 3.03 | .500 |
| I love working closely with the supervisors | 3.04 | .675 |
| Me and the management have a good working relationship | 3.72 | .953 |
| I consult first before making any work decisions | 3.08 | .910 |
| I always consider views of other workers | 3.35 | .808 |
| **Aggr Mean and S.D** | **3.24** | **0.769** |
| **Absence of Noise** |  |  |
| Offices are far from the production section | 3.07 | .698 |
| business offices are located far from roads | 3.00 | .747 |
| Walls of the offices are sound proof | 3.27 | .959 |
| We ensure that we don’t make unnecessary noise when at work place | 3.13 | .729 |
| **Aggr Mean and S.D** | **3.12** | **0.783** |
| **Organizational Culture** |  |  |
| **Competitive culture** |  |  |
| We ensure that our businesses make more sales than our competitors | 3.38 | .727 |
| We offer the best quality services to our customers than our competitors | 3.39 | .721 |
| We invest heavily in our business promotional activities compared to our competitors | 3.10 | .669 |
| We strive to be the best business group in the area | 3.40 | .673 |
| **Aggr Mean and S.D** | **3.32** | **0.698** |
| **Integrity Culture** |  |  |
| We don’t exploit our customers as we sell our goods and services at the set price | 3.34 | .660 |
| We ensure that goods and services sold to our clients meet the set standards | 3.88 | .802 |
| Workers in our business group are required to be always honest with clients and other stakeholders | 2.69 | .706 |
| We don’t entertain corrupt dealers in our business groups | 3.00 | .646 |
| **Aggr Mean and S.D** | **3.23** | **0.704** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Compensation** | **Mean** | **Std. D** | **Interpretation** |
| **Efficiency** |  |  |  |
| I complete all targets given to me in time. | 3.62 | .773 | High level of employee performance |
| I enjoy working beyond normal working hours to meet my targets. | 3.15 | .979 | Moderate level of employee performance |
| I always meet the daily targets as per the work schedule | 3.57 | .812 | High level of employee performance |
| I regularly meet my deadlines even under pressure | 2.95 | .636 | Moderate level of employee performance |
| I record my daily activities in my to do list and achieve them | 3.03 | .902 | Moderate level of employee performance |
| **Aggre Mean and Std. D** | **3.26** | **0.820** | **Moderate level of employee performance** |
| **Effectiveness** |  |  |  |
| I always do quality job | 3.32 | .883 | Moderate level of employee performance |
| The degree to which I work satisfies my clients | 3.28 | .815 | Moderate level of employee performance |
| I do quality work even under limited supervision | 3.29 | .787 | Moderate level of employee performance |
| The work I do is valued because of its quality | 3.14 | .872 | Moderate level of employee performance |
| quality of my work is respected by my supervisors | 3.79 | .741 | Moderate level of employee performance |
| **Aggre Mean and Std. D** | **3.36** | **0.819** | **Moderate level of employee performance** |
| **Productivity** |  |  |  |
| I am never absent from work | 3.83 | .857 | High level of employee performance |
| My Work satisfies our customers | 3.07 | .449 | Moderate level of employee performance |
| Supervisors are satisfied with my work | 2.99 | .780 | Moderate level of employee performance |
| **Aggre Mean and Std. D** | **3.30** | **0.695** | **Moderate level of employee performance** |
| **Customer Satisfaction** |  |  |  |
| Customer give good recommendations about us | 2.94 | .650 | Moderate level of employee performance |
| Customers come back and purchase from the business | 2.66 | .712 | Moderate level of employee performance |
| Our customers are loyal to the business | 2.96 | .500 | Moderate level of employee performance |
| **Aggre Mean and Std. D** | **2.85** | **0.621** | **Moderate level of employee performance** |
| **Grand Mean and Std. D** | **3.19** | **0.739** | **Moderate level of employee performance** |