


**EFFECT OF COMPENSATION ON EMPLOYEE COMMITMENT IN HORMUUD TELECOM
MOGADISHU, SOMALIA**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 10 June 2023</p> <p>Accepted 06 September 2023</p>	<p>Purpose: Any businesses are experimenting with more flexible compensation packages that include components of variable pay according to job performance, competence skill development, desired team, and leadership characteristics. Reward systems may need to be adaptable if businesses require a high level of flexibility Performance-based compensation inspires employees to achieve the HR function's strategic goals by aligning personal interests with company goals. The purpose of this study is to assess the effect of compensation on employee commitment in Mogadishu, Somalia.</p>
<p>Keywords:</p> <p>Compensation; Commitment; Models of Employee Commitment.</p> <div data-bbox="172 913 480 1167" style="text-align: center;">  </div>	<p>Design/Methodology/Approach: The approach as mixed. To achieve the objectives of this study data was collected through close ended questionnaire and interview from a sample of 68 staff and 3 managers of the Homuud telecom mogadishu somalia, and the design was cress sectional in order to get different respondents at one time, these respondents were selected using simple random sampling and census inquiry techniques, Data collected from the questionnaire and interview guide were analyzed using descriptive and linear regression analysis and content analysis in order to obtain findings according to study objectives.</p> <p>Findings: The finding indicated that there is a positive and significant effect compensation on employee commitment in Hormuud Telecom Mogadishu, Somali. Furthermore, this implied that compensation was positively correlated with employee commitment in Hormuud Telecom. This meant that the good level of employee commitment increased with good compensation packages. It found that if employees were satisfied with how the organization operates and communicates its compensation policies, they would remain committed to the organization. Either, the organization's reward system is more likely to affect the performance of the employees and their desire to remain employed and perform well in the organization.</p> <p>Research Limitation Implication: The practical implications the research study enables us to explore the employee training on employee commitment in hormuud telecom mogadishu -somalia the limitations faced by the study included time constraints and limited resources taken to complete the study.</p> <p>Originality/Value: This investigation differs from previous researches explores as it examines the effect of compensation on employee commitment in Hormuud Telecom Mogadishu, Somalia. Furthermore, this study is specifically based on the Mogadishu Somalia.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i9.3333</p>

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EFEITO DA REMUNERAÇÃO NO COMPROMISSO DO FUNCIONÁRIO NA HORMUD TELECOM MOGADÍSCIO, SOMÁLIA

RESUMO

Objetivo: Qualquer empresa está experimentando pacotes de remuneração mais flexíveis que incluem componentes de pagamento variável de acordo com as características de desempenho do cargo, competência, desenvolvimento de habilidades, equipe desejada e liderança. Os sistemas de recompensas talvez precisem ser adaptáveis se os negócios exigirem um alto nível de flexibilidade. A remuneração baseada em desempenho inspira os funcionários a atingir os objetivos estratégicos da função de RH alinhando os interesses pessoais com os objetivos da empresa. O objetivo deste estudo é avaliar o efeito da remuneração sobre o comprometimento dos funcionários em Mogadíscio, Somália.

Design/Methodologia/Abordagem: A abordagem é mista. Para alcançar os objetivos deste estudo, os dados foram coletados por meio de um questionário fechado e entrevista a partir de uma amostra de 68 funcionários e 3 gerentes da Homuud telecom mogadishu somalia, e o projeto foi seccional agressão para obter diferentes respondentes de uma só vez, estes respondentes foram selecionados usando técnicas simples de amostragem aleatória e inquérito de censo, os dados coletados do questionário e guia de entrevista foram analisados usando análise de regressão descritiva e linear e análise de conteúdo, a fim de obter resultados de acordo com os objetivos do estudo.

Constatações: A constatação indicou que há um efeito positivo e significativo da remuneração sobre o comprometimento dos funcionários na Hormuud Telecom Mogadishu, Somali. Além disso, isso implicava que a remuneração estava positivamente correlacionada com o compromisso dos funcionários na Hormuud Telecom. Isso significava que o bom nível de comprometimento dos funcionários aumentava com bons pacotes de remuneração. Ele descobriu que se os funcionários estivessem satisfeitos com a forma como a organização opera e comunica suas políticas de remuneração, eles permaneceriam comprometidos com a organização. Ou, o sistema de recompensa da organização é mais susceptível de afetar o desempenho dos funcionários e seu desejo de permanecer empregado e ter um bom desempenho na organização.

Implicação da Limitação de Pesquisa: As implicações práticas que o estudo de pesquisa nos permite explorar o treinamento de funcionários sobre o compromisso do funcionário em hormuud telecom mogadishu - somalia as limitações enfrentadas pelo estudo incluíram restrições de tempo e recursos limitados tomados para completar o estudo.

Originalidade/valor: Esta investigação difere de pesquisas anteriores exploradas como ele examina o efeito da remuneração sobre o compromisso do empregado em Hormuud Telecom Mogadishu, Somália. Além disso, este estudo baseia-se especificamente na Somália de Mogadíscio.

Palavras-chave: Compensação, Compromisso, Modelos de Compromisso do Funcionário.

EFFECTO DE LA INDEMNIZACIÓN EN EL COMPROMISO DE LOS EMPLEADOS EN HORMUD TELECOM MOGADISHU, SOMALIA

RESUMEN

Propósito: Cualquier empresa está experimentando con paquetes de compensación más flexibles que incluyen componentes de pago variable según el desempeño laboral, la competencia, el desarrollo de habilidades, el equipo deseado y las características de liderazgo. Los sistemas de recompensas pueden tener que ser adaptables si las empresas requieren un alto nivel de flexibilidad La compensación basada en el rendimiento inspira a los empleados a alcanzar los objetivos estratégicos de la función de recursos humanos alineando los intereses personales con los objetivos de la empresa. El propósito de este estudio es evaluar el efecto de la indemnización en el compromiso de los empleados en Mogadishu (Somalia).

Diseño/Methodología/Enfoque: El enfoque es mixto. Para lograr los objetivos de este estudio se recolectaron datos mediante cuestionario cerrado y entrevista a una muestra de 68 funcionarios y 3 directivos de la empresa Homuud telecom mogadishu somalia, y el diseño fue de corte transversal con el fin de obtener diferentes encuestados a la vez, estos fueron seleccionados mediante muestreo aleatorio simple y técnicas de encuesta censal, los datos recolectados del cuestionario y guía de entrevista fueron analizados mediante análisis de regresión descriptivo y lineal y análisis de contenido con el fin de obtener los hallazgos de acuerdo a los objetivos del estudio.

Conclusiones: La conclusión indicó que hay un efecto positivo y significativo de la compensación en el compromiso de los empleados en Hormuud Telecom Mogadishu, Somalia. Además, esto implicaba que la compensación estaba positivamente correlacionada con el compromiso de los empleados en Hormuud Telecom. Esto significaba que el buen nivel de compromiso de los empleados aumentaba con buenos paquetes de compensación. Se determinó que si los empleados estaban satisfechos con la forma en que la organización opera y comunica sus políticas de compensación, seguirían comprometidos con la organización. En ambos casos, es más

probable que el sistema de recompensas de la organización afecte al rendimiento de los empleados y a su deseo de seguir empleados y de rendir bien en la organización.

Implicación de la limitación de la investigación: Las implicaciones prácticas del estudio de investigación nos permite explorar la formación de los empleados sobre el compromiso de los empleados en hormuud telecom mogadiscio -somalia. Las limitaciones que enfrentó el estudio incluyeron limitaciones de tiempo y recursos limitados utilizados para completar el estudio.

Originalidad/Valor: Esta investigación difiere de investigaciones anteriores exploradas ya que examina el efecto de la compensación en el compromiso de los empleados en Hormuud Telecom Mogadiscio, Somalia. Además, este estudio se basa específicamente en el caso de Mogadishu Somalia.

Palabras clave: Indemnización, Compromiso, Modelos de Compromiso del Empleado.

INTRODUCTION

In today's competitive and rapidly moving world, Employee commitment plays a very predominant role in achieving the goals of the company within the predetermined period. Thus commitment of the employee is influenced by various factors like organizational culture, critical success factors, standards and benefits. And also compensation is identified as one such important factor. The term compensation means any form of payment made to an individual for the work done for the organization or any form of service rendered to the company. Compensation are based on Compensation Philosophies and strategies and contain arrangement in the shape of Policies and strategies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation (Bob, 2011).

Meyer and Allen (1990) Commitment is a psychological state that identifies the employees' relationship with the organisation and has consequences for the decision to continue membership in the organisation. employees in the organizations are expected to be committed to the organization to achieve its goals and objectives. Organizational members who are committed to an organization develop a bond with an organization, extend work schedules, they complete their tasks on time, accept additional responsibilities, produce new ideas for organizational development, arrive at work on time, and they interact with their colleagues well at work organization. However, Warsame (2012) in his study on the effects of communication on employee performance in Hormuud Telecom in Somalia reported issues of poor relationships amongst employees, lack of trust, and increase in rate of conflict, poor coordination of activities all of which affected the performance of employees in this company. In fact, some researchers also reported on Somalia's Private Sector to which Hormuud Telecom falls and confirmed that turnover for such companies has proved to be high for most hired employees who, after employment, do not perform their work, are irregular for duty, their

interaction of other colleagues is not good, they don't produce new ideas for development, they don't complete their tasks on time, and their extension of work schedules are low. It's therefore evident from the above that there exist low levels of commitment among employees in Private Sector companies such as Hormuud Telecom. This study, therefore, seeks to assess the effect of compensation on employee commitment in Hormuud Telecom, Mogadishu, Somalia. The research hypothesis Ho1 which stated that; - "Compensation promptness, structure and timeliness do not have statistically significant effect on employee commitment in Hormuud Telecom"

LITERATURE REVIEW

According to Williams et al., (2017), employees will stay loyal to an organization if they are satisfied with how it operates and communicates its remuneration practices. Either way, the organization's compensation system is more likely to influence employee performance and their willingness to stay employed. Reward and compensation management is critical to attracting, motivating, and retaining the finest people, which leads to increased organizational efficiency and effectiveness, resulting in increased productivity and profitability (Milkovich and Newman, 2005).

Compensation implies having a compensation structure in which the employees who perform better are paid more than the average performing employees (Pearce, 2010). When the compensation system does an effect on employee performance and commitment when the organization provides fairness. Compensation policies must be developed and administered by all organizations regardless of size (Milkovich and Newman, 2005). when organization develop good compensation policies and managed well it can help employee to become committed to their jobs and perform well in the organization. Compensation system for employees is likely to stay longer and perform well. To support organizational goals that contribute to organizational growth, financial remuneration is frequently handled in the human resource management strategic plan. A badly structured pay package, according to Milkovich et al. (2005), fails to ensure employee commitment, especially when it is perceived as being unfair, inequitable, and inconsistent, and is a source of unhappiness and employee turnover. A fair remuneration structure may encourage employees to stay with the company, resulting in increased job satisfaction and expectations (Munap, Mohd, and Abdul, 2013). In this regard, Riggio (2013) stated explicitly that workers are motivated by money and tangible gains. The more employee gains the more they become motivated in the organization.

Incentives, rewards and recognition are the prime factors that impact on employee motivation and this is according to Zakaria et al., (2011) argued that, employees who are well motivated serve as the competitive advantage for any company because their performance leads an organization to accomplishment of its goals. Thus commitment of the employees is influenced by various factors like organizational culture, critical success factors, standards and benefits. And also compensation timeliness is identified as one such important factor. This implies that compensation means any form of payment made to an individual for the work done timely for the organization or any form of service rendered to the company. Harrison, (2011) argues that staff do not only need attractive compensation and benefits, but also expect from organization that their efforts are valued, and paid timely and appreciated. If the organization fail to pay and compensate their employee timely, it is more likely employee become less committed to their job and do not perform well in the organization.

Good employees are likely to quit unless the whole pay package is seen as internally fair and externally competitive (Jackson and Schuler, 2005). Many businesses are experimenting with more flexible compensation packages that include components of variable pay according to job performance, competence, skill development, desired team, and leadership characteristics. Reward systems may need to be adaptable if businesses require a high level of flexibility (Holbeche, 2014). Compensation satisfaction plays a crucial role in employee retention and commitment, according to a number of studies. According to Williams et al., (2017), employees will stay loyal to an organization if they are satisfied with how it operates and communicates its remuneration practices. Either way, the organization's compensation system is more likely to influence employee performance and their willingness to stay employed (Barnberger et al., 2010).

To support organizational goals that contribute to organizational growth, financial remuneration is frequently handled in the human resource management strategic plan. Many firms use monetary pay as a means of attracting exceptional employees, motivating them to stay with the company, and increasing their retention rate (Ahmad et al., 2013). A fair remuneration structure may encourage employees to stay with the company, resulting in increased job satisfaction and expectations (Munap, Mohd, and Abdul, 2013). In this regard, Riggio (2013) stated explicitly that workers are motivated by money and tangible gains.

According to Rajagopd (2010), sales force effectiveness is influenced by salary as well as sales territory design. Compensation is utilized as a technique for directing sales force energy, activity, and performance, according to (Krafft, et al 2012). Financial compensation

promptness may also include reimbursement of sales expenses and transportation, in addition to pay and commission. Non-monetary incentives may also be incorporated in a compensation plan (Hair et al. 2010). As a sales force grows accustomed to a relatively stable compensation plan, it can lose its effectiveness as a motivator, emphasizing the need for sales managers to employ other non-financial motivational techniques.

Models Of Employee Commitment

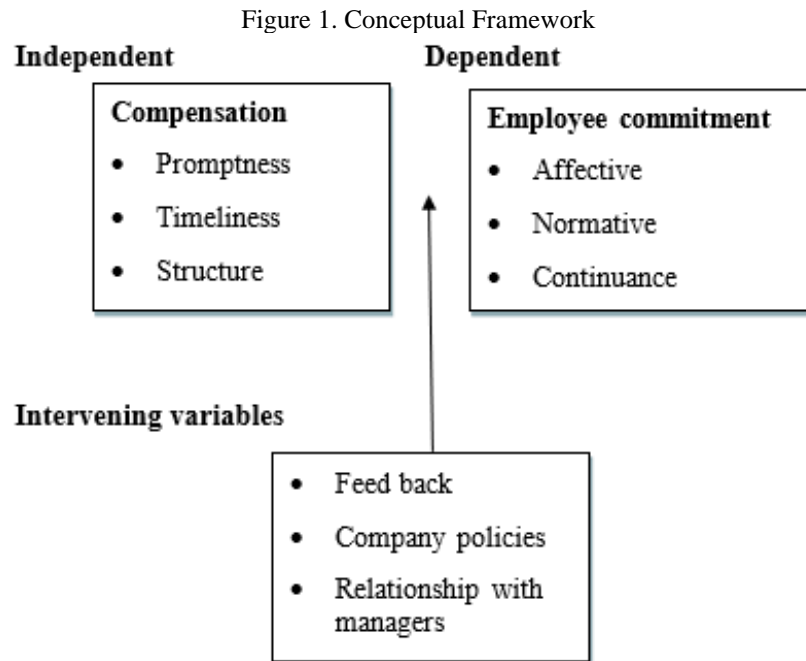
The term "organisational commitment" is one that researchers frequently use today. It takes into account the degree to which employees are aware of and desire to be a part of the organisation. The level of commitment that employees have to the company is indicated by this. The employee's belief in the company's objectives and mission is also taken into consideration (Mohammed & Rashid, 2023). This state is mostly determined by how loyal an employee is to the organisation, how they perceive the business's objectives and ideals, and other factors. Strong commitment from management increases motivation and engagement among staff members, which enhances performance and productivity (Hung & Huy(2023).

Commitment is a psychological state that identifies the employees' relationship with the organisation and has consequences for the decision to continue membership in the organisation. Employee commitment method workforce psychological and physical engagement at their work worker commitment performs a totally main role in achieving the goals of the company in the predetermined period as a result commitment of the employee is motivated via different factors like organizational lifestyle crucial success elements standards and benefits and additionally training is recognized as one such vital aspect the achievement of corporations is basically the nice of its human assets inspired workforce with superior overall performance are a primary gain for organizations distinguish themselves from their competitors (Muhammad alasan 2020).

Meyer and Allen (1990) initially developed their three-component model to address observed similarities and differences in existing multidimensional conceptualizations of organizational commitment and they argued, that the commitment binds an individual to an organization and thereby reduces the likelihood of turnover. The main differences were in the mindsets presumed to characterize the commitment. These mindsets reflected three distinguishable themes: affective attachment to the organization, obligation to remain, and perceived cost of leaving. Affective, normative and continuance commitment.

Research Framework

The conceptual framework diagrammatically shows the effect of the different variables in the study. The independent variable is perceived as compensation and dependent variable is employee commitment.



Source: Author (2023)

According to the above conceptual framework, the independent variable is Compensation, which includes; compensation structure, timeliness and Comensurancy. whereas the dependent variable is employee commitment, which comprises of affective commitment, continuance commitment and normative commitment and the intervening variables are Company policies, relationship with managers and feedback.

METHOD AND METHODOLOGY

In order to evaluate the effect of compensation on employee commitment in Hormuud Mogadishu, Somali. A mixed approach with a cross sectional research design were used, a total study population was 84, out of which a sample of 71 was obtained through simple random sampling process, census inquiry and with the use of Krejcie and Morgan (1970) sampling formula, close-ended questionnaire and interview guide were used for data collection. Descriptive statistics of frequencies and percentages was used to obtain specific findings, while linear regression analyses were used to obtain major findings.

RESULTS AND DISCUSSIONS

Demographic Information Demographic Characteristics of Respondents in this section, data on demographic characteristics of respondents who participated in the study in relation to sex, age, level qualifications and work experience are presented.

Table 1. Demographic Characteristics of Respondents

Demographic questions		Frequency	Percentage (%)
Sex	Male	47	72.3%
	Female	18	27.7%
Total		65	100.0
Ages	21-30	19	29.2%
	31-40	27	41.4%
	41-50	14	21.5
	51and Above	5	7.6
Total		65	100.0
Level of qualification	Masters	19	29.2
	Bachelor Degree	31	47.7
	Diploma	13	20.0
	PhD	2	3.0.
Total		65	100.0
work experience	Less 2Years	15	23.0
	2-3Years	30	46.1
	4-5Years	14	21.5
	5years and above	6	9.2
Total		65	100.0

Source: Author (2023)

Table 1 indicates that 47(72.3%) of the respondents were male, while 18(27.7%) were female. This implies that the responses were representative for both sex. It also indicates that the majority of the responses were collected from the males.

And also shows that 19(29.2%) were between 20-29 years, 27(41.1) were between 30-39 years, 14(21.5) were between 40-49, and while 5(7.6%) were above 50. The finding revealed that all respondents were above 19 years. This implied that they were mature enough to participate in the study. And also the table information indicates that 18(29.2%) were master's degree holders, 31(47.6%) had bachelors' degrees, 13(15.3%) had diploma, whereas 2(3.0%). The finding revealed that all respondents had attained at least the minimum professional qualification and acceptable level of literacy and were able to read, comprehend and respond to the questions to the question to provide reliable responses. And also the table indicates that less than two years' experience were 15 (23.0%) of the respondents, 30(46.1%) ad 2-3 years' experience. While 14(21.5%) and 6(9.2%) had 4-5 years and 5 years and above experience respectively.

Table 2. Items of Questionnaire

Compensation Promptness
Compensation puts into consideration the efforts of employees
The organization compensate me when I exceed the level of my performance
Accessing and using my compensation and benefits is a simple
Accessing and using my compensation and benefits is a straightforward process
Organization provides competitive compensation compared to others in local market.
Compensation Structure
The compensation scheme offered by the organization is well-known
Compensation package matches my performance in the organization
Compensation guidelines are sensitized all employees
Compensation procedures are well communicated to all employees
Compensation standards are uniform for all employees
Compensation Timeliness
The company provide reasonable compensation for extra time
The organization compensate me in relation to time spent in doing my work
The organization is able to meet deadlines regarding payment
Employee compensation is timely
Accessing and using my compensation is very easy when I need
SECTION B Employee Commitment
Employees in Hormuud Telecom feel valued by the organization
Employee in Hormuud Telecom have commitment to staying with the organization
Employee in Hormuud Telecom act as ambassadors for the organization.
Employees in Hormuud Telecom protect the image of the organization
The employees in Hormuud Telecom feel a sense of belonging to the organization
Employees in Hormuud Telecom feel a sense of responsibility to the organization
Employees in the Hormuud Telecom generates ideas for organization growth
Employees in Hormuud Telecom generate ideas for personal growth within the organization
Employees in the Hormuud Telecom consult with their colleagues and leaders over organizational issues
Employees in Hormuud Telecom protect the image of the organization

Source: Author (2023)

SPECIFIC FINDING

Regression Analysis for Compensation and Employee Commitment

Regression analysis was run to find out the effect of compensation on employee commitment in Hormuud Telecom. Results of regression analysis are presented in table 3.

Table 3 Regression Coefficient for Compensation and Employee Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11.22	1.251		8.967	.000
Promptness	.721	.054	.723	13.468	.000

a. Dependent Variable: Employee Commitment

Source: Author (2023)

Regression results in table 3 revealed that promptness had a significant and positive effect on the employee commitment ($\beta = .723$, $t = 13.468$, and $p < 0.0001$).

This implied that if the company provided good compensation package to the employees, their level of commitment would increase by. Their productivity and contribution to the company increases. Basing on the finding, the research hypothesis Ho1 which stated that; - “Compensation promptness does not have statistically significant effect on employee commitment in Hormuud Telecom” was rejected. It is important therefore for the company to provide attractive compensation package to its employees since it was found to have significant positive on their commitment and productivity. Compensation offers an opportunity for security, autonomy, recognition and improved self-worth (Hoyt and Gerdloff, 2010).

Descriptive findings reveal that compensation promptness indicated that 41(63%) of the responses revealed that employee effort is considered in employee payment, 55(84.5%) agreed that the organization compensate me when i exceed the level of my performance, 49(75.3%) of the respondents agreed that Accessing and using my compensation and benefits is a simple. While 36(55.4%) of the respondents indicated that Accessing and using my compensation is a straightforward process and 36(55.4%) of the respondents agreed that the organization provides competitive compensation compared to others in local market. The study also found out that salary scales of employees were determined according to the positions. This finding was in agreement with quantitative finding. It is therefore important for the company to provide additional packages based on employee performance to increase their commitment.

Regression Analysis for Compensation Structure and Employee Commitment

Linear regression analysis was conducted in order to determine the effect of compensation structure on employee commitment at Hormuud Telecom. Results for analysis are presented in table 4.

Table 4. Regression Coefficient for Compensation Structure and Employee Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.916	1.577		2.482	.014
Structure	.926	.061	.763	15.219	.000

a. Dependent Variable: Employee Commitment

Source: Author (2023)

Linear Regression results in table revealed that compensation structure had a positive and significant effect on the employee commitment as indicated by ($\beta = .763^{**}$, $t = 15.219$, $p < 0.001$).

According to the results, considering effort of the company in payment, prompt payment, communicating compensation procedure, establishing uniform compensation procedure and sensitization of employees on compensation guidelines had a positive effect on their commitment, has a significant positive effect on their commitment. Basing on the results, the research hypothesis Ho1 which stated that ‘compensation structure does not have statistically significant effect on employee commitment in Hormuud Telecom’ was rejected. This implies that when the compensation structure is well communicated and fair the employees become committed and do better in the organization.

Descriptive findings revealed that 36(60%) of the responses indicated that he compensation scheme offered by the organization is well-known, 48(73%) revealed that compensation package matches my performance in the organization, 33(50.8%) revealed that Compensation guidelines are sensitized all employees, 43(66.1%) indicated that compensation procedures are well communicated to all employees, 36(55.3%) indicated that Compensation standards are uniform for all employees. According to the results, considering effort of the company in payment, prompt payment, communicating compensation procedure, establishing uniform compensation procedure and sensitization of employees on compensation guidelines had a positive effect on their commitment.

Regression Analysis for Timeliness of Compensation

Regression analysis was run to find out the effect of performance evaluation on employee commitment in Hormuud Telecom. Results of regression analysis are presented in table 5.

Table 5. Regression Coefficient for Performance Evaluation and Employee Commitment

Model	Unstandardised Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.727	1.056		6.434	.000
Timeliness	.917	.045	.843	20.186	.000

a. Dependent Variable: Employee Commitment
Source: Author (2023)

Regression results in table 5 revealed that Compensation timeliness has a significant positive effect on employee commitment ($\beta = .843^{**}$, $t = 20.186$, $p < 0.001$).

Descriptive findings revealed that 36(60%) of the responses indicated that the company provide reasonable compensation for extra time, 48(73%) revealed that The organization compensate me in relation to time spent in doing my work, 33(50.8%) revealed that the

organization is able to meet deadlines regarding payment, 43(66.1%) indicated that employee compensation is timely, 36(55.3%) indicated that compensation scheme up to date. According to the results, clearly communicating performance evaluation criteria to the employees, regularly evaluating employees, focusing on skills gaps with intent to fill them, making employee performance evaluation interactive and providing performance evaluation feedback is likely to increase the level of employee commitment. Basing on the above finding, the hypothesis Ho3 that stated, “compensation timeliness does not have statistically significant effect on employee commitment in Hormuud Telecom” was rejected. This implies that when organization compensate their employees timely they most likely to become committed and do better in the organization.

RESULTS AND DISCUSSIONS

The research question was the effect of compensation in employee commitment in Hormuud Telecom Mogadishu, Somalia and it was found the The first objective examine the effect Of Promptness Compensation on employee commitment In Hormuud Telecom, Mogadishu, Somalia. The Linear regression results revealed that promptness had a positive and significant effect on employee commitment in Hormuud Telecom ($\beta = .723^{**}$, $t = 15.219$, $p < 0.001$). This implied that the more employees promotness compensate, the more they become committed to their job. The second objective was effect of compensation structure on employee commitment In Hormuud Telecom, Mogadishu, Somalia. The Linear regression results revealed that compensation had a positive and significant relationship with employee commitment in Hormuud Telecom ($r = .763^{**}$, $p < 0.001$). This was measured by the extent to which the company is prompt in payment of salaries, consideration of employee effort in payment, communicating compensation procedure and following proper guidelines in ensuring uniform compensation. The results make the implication that the more Hormuud Telecom properly compensates employees, the more they will be committed to the company. The third objective was the analyze the effect of timeliness compensation on employee eommitment In Hormuud Telecom, Mogadishu, Somalia. the linear regression results revealed that compensation had a positive and significant relationship with employee commitment in Hormuud Telecom ($r = .843^{**}$, $n = 65$, $p < 0.001$). the qualitative findings agreed the items of questionnanire.

CONCLUSIONS

The study sought to examine the effect of compensation on employee commitment in Hormuud Telecom. This implies that the compensation had a strong effect on employee commitment. The results make the implication that the more the organization compensates employees, the more they will be committed to the company and also this will improve their performance in the organization.

Basing on the findings from the study, the researcher recommends that: Attractive employee compensation packages be prioritized and be provided to the employees as it has been found to have a very significant positive effect on employee commitment as compared to training and performance evaluation, compensation package should be based on the individual employee effort and contribution to the company in order to make the less committed employees to be motivated to become more committed and to reward the more hard working employees, compensation should be timely, formulation and implementation of all policies especially those concerning employees' compensation should be transparent and communicated properly to minimize perceptions of cronyism, nepotism and favoritism, organization must consider the efforts of employee rewarding their performance.

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