

EMPLOYEE PERCEPTION ON THE IMPACT OF COMPENSATION ON
PERFORMANCE IN KANO ELECTRICITY DISTRIBUTION COMPANY

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Abstract

Compensation is a systematic approach to providing monetary and nonmonetary reward to employees in exchange for work performed. An ideal compensation management will help significantly boost the performance of employees and create a more engaged workforce that's willing to go the extra mile for the organization. This study assess the extent to which compensation packages enhance employee performance in the privatized Kano Electricity Distribution Company (KEDCO). Both primary and secondary sources of data were used; primary data were through administration of questionnaires and interview. 288 sample size of the respondent were selected; interview was also conducted to 20 management staff of KEDCO headquarter and regional offices in Kano, Katsina and Jigawa state. The secondary data used in this study include publications such as annual reports, journals, conference papers, gazettes, circulars, unpublished dissertations as well as internet data. Both descriptive and inferential statistics were used in presenting and analyzing the data for the study. The study found that there is a significant relationship between compensation package and employee performance in Kano

Electricity Distribution Company. The study recommends that a concerted effort should be made by the management of Kano Electricity Distribution Company to ensure that employee earning stability is maintained and improved, the study also recommend among others that; The study recommends that concerted effort should be made by the management of Kano Electricity Distribution Company to ensure employee earning stability is maintain and improved. The study also recommend that; management should ensure that employee promotions meets the criteria of performance, merit and seniority in order to motivate and boost employee morale at all levels in the organisation.

Key words: Compensation, Electricity Distribution Company, Employee performance

Introduction

Employee Compensation has become a topic of intense discussion and the most strategic aspect of human resources management. This is because of its economic implication to both employer and employee in the organization. Employee compensation plays such a key role because it is at the heart of the employment relationship. Employees typically depend on wages, salaries, and so forth to provide a large share of their income and benefits to provide health and security. For employers, compensation decisions influence their cost of doing business and also the highest recurrent expenditure incurred on monthly basis.

Compensation is the remuneration received by an employee in return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness. Human resources are the most vital assets for any organization. It is responsible for each and every decision taken, in the same vein organization must attract, motivate and retain competent employees, because achievement of these goal is largely depend on firm compensation system for each and every work done and each and every result. Employees should be managed properly and motivated by providing best remuneration and compensation as per the industry standards. The lucrative compensation will also serve the need for attracting and retaining the best employees, (Patnaik& Chandra2012).

Employee compensation practices differ across employment units, the major determinant of employee compensation is centered around; Type of Organization,

labour market situation, the Job itself and the employee skills (Gerhart&Milkovich, 1992),(Gerhart, Milkovich, & Murray, 1992). The focus of the employee compensation literature has been on defining these dimensions, understanding why organizations differ on them (determinants), and assessing whether such differences have consequences for employee attitudes and behaviors, and for organizational effectiveness.(Gerhart and Milkovich (1990, 1992)).

In Nigeria, monetary aspect of compensation has become the major deciding factor for employee attraction, retention and employee turnover, this is due to the impact of monetary compensation on the standard of living of employee. Apart from monetary aspect of compensation, employees also assess the level of earning stability, ability to grow, fringe benefit and other forms of incentives provided available by the organization as a deciding factor for employee attraction, retention and performance.(Tafida 2019).

Kano Electricity Distribution Company is one of the major Distribution Companies operate in the northwest geopolitical zone of Nigeria, the company generates, distributes and market electricity in three states of Jigawa, kano and Katsina. the company is among the state own enterprises that are recently privatized and taken over by Sahelian Consortium SPV on 1st November 2013 in what can be described as a competitive bidding Process, as part of power sector reforms. KEDCO became public liability company on November 7th 2005 after the implementation of the electricity sector reform act of 2005 (EPSRA 2005). As a Distribution company, its core business activities are as described under section 67 of the EPSRA 2005 as follows; connect the customer for the purpose of receiving a supply, Installation , maintenance and funding of Meters, billing and collection, and such other distribution service may be prescribed for the purposes of this section. Today, the company discharges its functions of distribution and marketing of electricity through nine regional offices located across three states.

The compensation policy of the previous state owned enterprise is guided by seniority, working experience and periodic promotional examination, which is competitive and mandatory to pass before elevation in to next level of career designation, while the salary is considered to be sufficient, with quarterly housing allowances and thirteen month bonus of basic salary at each end of the year. The emergence of new private management to the organization led to subsequent change in Compensation policy, it was revealed that, all those benefit were tied together to form a monthly salary paid to all the employees in the organization,

while on issue of career progression the companies established guidelines on salary upgrade and bonus for performance, and principle of seniority, working experience and qualification as a yardstick for employee promotion which the employee of the organization are yet to benefit four years after the taking over by private investors.

The subsequent change of KEDCOs Compensation policy as a private investors company is said to accused by their teaming workforce, especially for the delay in salary payments, irregular promotion policy among the others. Daily Trust news paper reports that KEDCO, which covers Kano, Katsina and Jigawa states, was among the first set of DISCOs to benefit from the N213 billion power sector bailout fund issued by the Central Bank of Nigeria (CBN) recently. The fund was meant to augment power sector performance both in human resources and technical infrastructure. Despite the bail out, Some quarter of employee In KEDCO claimed that they earned only half of their salaries in October 2015 which the company spokesperson, Mohammed Baba Kandi opined that the KEDCO paid 60 per cent of salaries to its staff in October 2015 due to a shortfall in revenue which can be attributed to poor compensation policy put in place by the management and unstable nature of organization on transition to private oriented organization. (Daily Trust Nov 16, 2015).

Those Electricity Distribution Company, (Discos) were handed over to private investors with obligation of performance agreements, which provides for a five-year performance measurement tenure stipulated in the Memorandum of Understanding and Power Privatization Act during which the core investors in the DISCOs are required to fully achieve far-reaching efficiency improvement target (Nigerian electricity hub.com). Those among other were the predicament that force KEDCO to demonstrated effort and review compensation strategies that will help attract, motivate and retain a competitive workforce, this is through enhancing compensation policy and ensuring employee earning stability. The effort led to attraction of qualified, skillful and able candidates from other reputable organizations who resign their post to join the service of Kano Electricity Distribution Company. It's in the light of the above background that one fundamental question this research work wants to ask is; how does the compensation packages help improved employee performance in Kano Electricity Distribution.

Research Objective

The main objective of this study is to assess the perception of employee on compensation on employee performance In KEDCO specifically; the study assesses how compensation factors led to increase in employee performance in Kano Electricity Distribution Company. The specific objective of this study is to find out how compensation packages help improve employee performance in Kano Electricity Distribution Company from 2014 to 2018 and the information collected from the questionnaire will be used to test the hypothesis that states; 'There is no significant relationship between compensation packages and employee performance in Kano Electricity Distribution Company'.

2. Literature Review

Hewitt (2009) Define Compensation Management as the name suggests, implies having a compensation structure in which the employees who perform better are paid more than the average performing employees. This encourages top-performers to work harder and helps to build a competitive atmosphere in the organization. This definition is said to affirm with piece rate system of compensation where employee are rewarded in accordance to their contribution and value for the job they perform in the organization and also coincide with pay per performance, new literature in HRM practice. Armstrong and Brown (2005) postulate that compensation management is an integral part of Human resources Management (HRM) approach to managing people and as such it supports the achievement of business objectives and it is strategic in the sense that it addresses longer term issues relating to how people should be valued for what they want to achieve; It is therefore integrated with other HRM functions, especially those concerned with human resources development. This scenario depict that compensation is essential terms used to reward employee for his performance within the organization and has to be encompasses with other indices of Human resources management.

The main reward or compensation for performing work is salary or wages. Aside salary and wages, many employers also offer pension benefits, paid lunch, child education, health insurance, official car, beneficial loans, bonuses, and many more, if those two were put together they are called total compensation system. Reward system is an important tool that management uses to influence employees motivation. In other words, management uses reward system to attract people to join the organization, keep them coming to work and motivate them to perform to high levels (Agwu, 2013). This definition elaborate various forms of employee compensation beyond monetary aspect and its impact to organizational stability and

performance, it also portrays the negative consequences of insufficient compensation such as truancy, turnover and poor performance.

Cascio (1987) considers compensation rewards as “including direct financial payments and indirect payments in form of fringe benefits”. A critical look at this definition can observe that it is not all encompassing. Cascio use of the term “fringe benefits” can be called to question because compensation (reward) system goes beyond ordinary financial rewards and fringe benefits. Later Cascio (1995), Mobly et al (1988) came up with a more acceptable definition of compensation. They described compensation as all rewards (direct financial payments plus indirect payments/benefits, incentives which individuals receive in an organization plus non-compensation rewards), all those aspects of the pleasant work environment that serve to enhance their sense of respect and esteem by others. The recent definition by Cascio and Mobley captured almost every component of rewards which goes beyond economic reward to compensate employee for the value of Job perform in organization. Compensation is the process of assessing the employees contributions to the organization fairly and equitably direct and indirect rewards in exchange for his performance. Total compensation helps the organization to retain good employees, enhance competitiveness, growth, survival and profitability of the organization concerned. This is because human beings in the organization are responsible for control and management of materials and other resources for attainment of organizational objectives. If human beings in the organization are poorly treated, they will not put in their best performance and this will consequently affect the overall performance of the organization. Organizations that fail to embrace total compensation package usually experience poor employee performance, and also find it difficult to face the dynamic and competitive business environment (Ugwudioha, 2004 cited in Umar 2018).

The overall objective of compensation is to reward employee for his effort and also to help enhance his performance in the organization context. Performance is usually defined as the extent to which an organizational member contributes to achieving the goals of the organization. Employees are a primary source of competitive advantage in service-oriented organizations (Luthans and Stajkovic, 1999; Pfeffer, 1994). In addition, a commitment performance approach views employees as resources or assets, and values their voice. Employee performance plays an important role for organizational performance. Employee performance is originally what an employee does or does not do. Performance of employees could include:

quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Güngör, 2011). Macky and Johnson pointed that improved individual employee performance could improve organizational performance as well. Deadrick and Gardner's (1997) points out that; employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as a distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's pattern of performance over time. On the other hand, Darden and Babin (1994) said employee's performance is a rating system used in many corporations to decide the abilities and output of an employee. Good employee performance has been linked with increased consumer perception of service quality, while poor employee performance has been linked with increased customer complaints and brand switching. To conclude, employee performance could be simply understood as the related activities expected of a worker and how well those activities were executed. Then, many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help employees identify suggested areas for improvement. In summary employee performance can be described as all the effort, commitment, dedication and loyalty geared by the employee directly or indirectly towards achieving organizational goals. Thus term effort, commitment and loyalty can only be assured if organization has a mechanism put in place to attract, retain and motivate skill full Human resources, usually through compensation system.

According to Huselid(1995), employees within firms contribute for organizational performance and HRM practices can affect individual employee performance through their influence over employees' skills and motivation and through organizational structures that allow employees to improve how their jobs are performed. Also, he used labor turnover, productivity as employee performance measurement when he test the influence of HRM practices on employee performance. Labor turnover is the rate at which an employer gains and losses employees. The explanation made by Houselid affirmed the relationship of employee performance and other HRM practices which constitute how employee are rewarded in the form of compensation for their loyalty and work they performed in the organization.

Performance is a very central issue which deals with many areas of the service of an organization; it normally touched the structure of the organization, the identification of duties of personnel, their recruitment, placement, motivation,

procedures, behavior and conduct their commitment to duties, enforcement of rules and regulation, punishment and reward system. But what is more central to performance is the clear identification of goals and procedure of attaining them. Thus performance is more defined on the end result. In measuring the performance level of organization to determine whether it's high or low, Montgomery and Siffin cited in Rafindadi (2014) distinguished two aspect of performance levels "They are distinguished by the words, "Effectiveness and efficiency". Effectiveness refers to the extent to which by participant confirm the role expectation of the other in the same social system. While efficiency refers to refers to the extent to which action reflect the disposition of actors so as not to produce the consequences which negated or frustrated the intended action'. Thus means that when Formal means are employed and the desired response is secured, the resulting behavior is called efficient. A high level performance is therefore; result if behavior is both effective and efficient.

Empirical review of Related Studies

Yamoah (2013) Conducted exploratory studies on the effect of reward on job performance with reference to public school in Ghana. The research used case study approach. Both primary and secondary source were used in data collection. The data collected was analyzed using descriptive and Chi-Square was used to test the significant relationship between teachers reward and Job performance. The findings discovered other motivational factors apart of reward, such as job design and talent management were contributing factor to Job performance. The study recommends that school management should initiate additional reward programs such as free launch and beneficial loan to increase teacher's performance.

Hameed Et-al (2014) conducted a study "Impact of Compensation on employee performance; An Empirical evidence of Banking sector in Pakistan; The study used both primary and secondary sources of data from selected Bank in Pakistan to determine the relationship of compensation packages like salary, bonus and other forms of indirect reward on employee performance, correlation and regression analysis was used to find the extent of the relationship between Independent variables and dependent variable. Findings show that compensation has positive impact on Employee Performance. This study analyzed the impact of compensation In Banking sector in Pakistan, which provide gap for our study since their study centered on banking sector in Pakistan. Our study concentrated on the privatized electricity Distribution Company specifically Kano Electricity Distribution Company.

Nkoli, A. (2011) in his research 'Human resources management and productivity in Nigerian Public sector dealt with issue on How Human resources management effect productivity in Nigerian public sector. To determine the effect of motivation and compensation on the productivity of public sector organizations in Nigeria. The study made emphasis on the role of Compensation and motivation and their effect on work attitudes, ethics, recruitment and selection. It creates gap to our Study which seek to find out how does compensation package enhance employee performance in Kano Electricity Distribution Company.

Ebele, M.O & Onwuchekwa, F. (2018) conducted a research "Compensation management and organizational performance in selected Pharmaceutical Company in Akwa Anambra state. The study is aim to established the influence of compensation policy on employee commitment. The data was collected through self administered questionnaire, information collected were analyzed using simple percentage table and Pearson product correlation. The study discovers that compensation policy influence employee commitment and enhances performance. The study also recommends that appropriate and equitable compensation policy should designed to facilitate increased employee commitment.

Riza et-al (2015) conducted investigation on the effect of compensation on motivation, employee commitment to the organization and employee performance at local revenue management organization in Indonesia. Data collected from the questionnaire respondent was analyzed using structural equation model. The findings of the research revealed that employee compensation significantly effect effect employee motivation and their commitment to the organization

Ayeesha C. Et-al (2017) in their research work "Impact of Human resources management on organizational performance" The study used both primary and secondary source of data. 200 employees were conveniently selected from Telecommunication Company of Pakistan, data collected was analyzed using descriptive and inferential statistic. The finding shows that there is positive relationship between compensation management, employee development and organizational performance. This research also left a gap for our studies because it concentrate on compensation management, employee training and development with their impact on organizational performance in Telecommunication sector in Pakistan, while our study single handedly pick compensation Impact on employee performance in Kano electricity Distribution Company.

Jonathan Et-al (2016) Conducted research "The effect of Compensation administration on employee productivity" Empirical literature of Dangote group headquarter, the study adopt survey research design which allow the use of primary and secondary sources of data. 50 respondents were conveniently selected. The data collected was analyzed using regression statistical tool. The findings discovered that effective compensation administration in Dangote Plc lead to improvement in employee productivity. The study also recommends among others that organization that want to ensure improved productivity among workers should ensure that the company compensation system must include policies, procedures and rules that provide clear and unambiguous determination and administration of workers compensation. This research is centered on effect of compensation administration on employee productivity in particular at Dangote Nigeria PLC, thus left a gap for our research work which aims to find the impact the compensation packages on employee performance specifically in Kano Electricity Distribution Company.

This study came at forefront when most of the researchers of Compensation focused their attention on Public and private sector. The phenomenon of employee performance is more pervasive to organizations that are experiencing transformation through change of ownership and management style. This is due to the fact that poor performance of the organization was the major reason that leads to transfer of ownership through privatization, while this study seeks to find the extent of compensation impact on employee performance in organization under transition from the state owned enterprise to private sector management style, at the same scenario, employee performance is a function of employee expectation, conviction and motivation many existing empirical literatures have proved compensation packages as one of the driving force that direct employee behavior to perform effectively toward achieving organizational objectives.

Theoretical Frame work

This study is based on Expectancy theory of Victor Broom. According to Broom Performance is a function of ability and motivation. Ability can be identified as individual employee personal skills, technical expertise, experience and willingness while motivation are those instrument put in place by the management of organization to encourage, energize and direct behavior of employee toward improved performance. Broom postulated that Effort, reward and performance are linked to person Motivation. He used the variables of Expectancy, Instrumentality and Valence to account for that. According to Idemobi (2010), the Expectancy Theory is a process theory developed which basically concentrates on the

outcomes. What Vroom explained in his theory is that in order to motivate employees or people, the effort put in by the employees, the performance generated and motivation must be linked to one another. According to Vroom, employee expectations can affect an individual's motivation. Therefore, the amount of effort employees exerts on a specific task depends on their expectations of the outcome. Vroom contends that employees ask three basic questions before committing maximum effort to a task: Can I accomplish the task? If I do accomplish it, what's my compensation? Is the compensation worth the effort?

Building on the Vroom model, Ejiofor (1987) identifies four critical variables in worker motivation. They are; the capacity of the worker (Ability), attractiveness of the compensations due to him (Valence), causal relationship between effort and compensations (instrumentality) and the existence of infrastructural support (Tools). Regarding the effects of these variables on motivation and employee performance, each of them has a direct relationship with motivation. He argued that when holding workers' ability, attractiveness of the compensation and infrastructural support constant, only an incentive system based strictly on perfect instrumentality can keep worker motivation and performance at optimum. He submits that perfect instrumentality is a missing link in Nigerian establishment. It is in this case that compensation administration comes in as an instrument or infrastructure to induce enhanced employees performance. This study agrees with the research carried out by Ejiofor (1987) that instrumentality is the missing link in the motivational strategies and policies of most Nigerian organizations. It is only compensation or compensation system based strictly on perfect instrumentality can keep worker motivation at optimum.

The workers expectancy (expectation) in this study is that they will be compensated for the value of the job they perform through promotion, salary pay, bonus, health and other fringe benefits, while Organization expectation is that employee has personal skills, Knowledge, technical competence, experience and willingness. While instrumentality are those enabling environment and opportunities provided by the organization for employee to feel they are compensated, secured and able grow, such as company policy; Job security, Increased autonomy, training and development, feeling of belonging and bonus for performance. The term valence is the outcomes of employee behavior (employee performance) it could be positive or otherwise depending how employees expectation are met and the instrumentality that led to the realization of those expectation such as increase in employee performance, increase in organizational performance or shortfall of such

insinuation. Employee expectation=Increased of good compensation=Increase Performance.

3. Methodology

The study adopted survey research design; the population of the study comprises the entire population of Kano Electricity Distribution Company which includes all the regional unit in Kano, Katsina and Jigawa state and KEDCO headquarter with total of 2418 population. Krejcie and Morgan Sample Size table was used in determining the sample size of the respondent; KEDCO headquarter has 487 population size and 67 as sample size, Kano regional offices has 1075 population and 147 sample size, Katsina regional offices has 556 population and 76 sample size and also Jigawa regional office has 300 population 41 sample size of the population using Krejcie and Morgan 1970). Multi-stage sampling technique was used in this study. The sources of data are both primary and secondary; the primary data include questionnaire and interview while secondary sources include text books, journals, internet etc. The study used both descriptive statistics and inferential statistics in describing and analyzing the data. Linear regression was used as a tool for analysis.

4. Result and Discussion

The data collected from the questionnaire distributed was analyzed here using simple percentage frequency distribution table as follows.

4.2 Data presentation on Hypothesis

Analysis of the data from Hypothesis that states "There is no significant relationship between compensation package and Employee performance in Kano Electricity Distribution Company in Kano Electricity Distribution Company". The data collected were presented and analyzed as follows.

Table 4.1 Compensation policy is good enough to attract and retain employee in this organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	25	8.7	8.7	8.7
Disagree	53	18.4	18.4	27.1
Undecided	48	16.7	16.7	43.8
Agree	135	46.9	46.9	90.6
Strongly agree	27	9.4	9.4	100.0
Total	288	100.0	100.0	

Sources: Researcher's Survey 2018

The table 4.1 above present the responses on whether the compensation packages are good enough to attract and retain the employee in this organization. 25(8.7%) strongly disagreed, 53(18,4%) disagreed, 48(16.7%) undecided, 135(46,9%) agree, while 27(9,4) of the total respondent strongly agree. Findings from the majority of the respondent 163(56,3%) agreed that the compensation packages of the organization is good enough to attract and retain employee,

Complementing these views the responses from the interview with the Management of KEDCO headquarters majority of the interviewee has hinted that; a part of the Salary there is also other forms of welfare packages and incentive that can attract and retain employee, such as free medical service, salary upgrade and bonuses paid as part of employee compensation.

Therefore, majority of the interviewees go with the opinion of the majority of the respondents from the questionnaires. This simply indicates that there is adequate compensation policy that can attract and retain employee in Kano electricity Distribution Company.

Table 4.2

The salary is good enough to ensure employee standard of living and earning stability in this organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	50	17.4	17.4	17.4
Disagree	45	15.6	15.6	42.4
Undecided	40	13.8	13.8	64.9
Agree	112	38.9	38.9	97.2
Strongly agree	41	14.3	14.3	100.0
Total	288	100.0	100.0	

Sources: Researcher's Survey 2018

The above table 4.2 present response on the assertion that says "The salary is good enough to ensure employee standard of living and earning stability" 50 (17.4%) strongly disagreed, 45 (15.6%) disagreed, 40 (13.8%) undecided. 112 (38.9%) agreed, while the remaining 41 (14.3%) of the respondent strongly agreed. Investigation discovered that majority of the responses 153 (53.2,%) agreed that the salary is good enough to ensure employee standard of living and earning stability in Kano electricity Distribution Company.

However, corroborating with the findings above large portion of the interviews respondents from KEDCO regional offices and Headquarter management concurred with questionnaires responses where majority of the responses agreed that the salary is good enough to ensure employee standard of living and earning stability.

Therefore, based on these submissions we can say that the salary is good enough to ensure employee earning stability and standard of living.

Table 4.3

There is established criteria used for employee promotion and increase compensation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	9	3.1	3.1	3.1
Disagree	49	17.0	17.0	20.1
Undecided	50	17.4	17.4	59.7
Agree	116	40.3	40.3	96.5
Strongly agree	64	22.2	22.2	100.0
Total	288	100.0	100.0	

Sources: Researcher's Survey 2018

Table 4.3 above present the view of the respondent on question that says "there is established criteria used for employee promotion and better compensation". 9 (3.1%) strongly disagree, 49 (17.0%) disagree, 50(17.4%) undecided, 116 (40.3%) agreed. While the remaining 64 (22.2%) of the total respondent strongly agree. Findings shows that majority of the responses 180 (62.5%) agreed that there is established criteria used for employees promotion and increase compensation.

Moreover, responses from interview conducted with the management of KEDCO Headquarter proofs that rigorous criteria such as employee performance, qualification, working experience, award for excellence in discharging duties are followed before finally shortlisting candidates for written promotional interview. In view of better compensation the management also opined that an employee is upgraded for excellent performance with 8% increase of his salary permanently above those in the same salary level with him. Another revelation shows that over 1500 employees were promoted in the year 2019 . Therefore, this simply indicates that KEDCO has a criterion to promote and compensate its teaming employee.

Table 4.4 Welfare packages and bonuses are good incentives to enhancing employee performance in this organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	30	10.4	10.4	10.4
	Disagree	55	19.1	19.1	29.5
	Undecided	43	14.9	14.9	44.4
	Agree	127	44.1	44.1	88.5
	Strongly agree	33	11.5	11.5	100.0
	Total	288	100.0	100.0	

Sources: Researcher's Survey, 2018

The table 4.4 above present the response on the assertion that says 'The welfare packages and bonuses in this organization are good incentives to enhancing employee performance' 30 (10.04%) strongly disagreed, 55 (19.1%) disagreed, 43 (14.9%) undecided, 127 (44.1%) agreed while the remaining 33 (11.5%) of the total respondent strongly agreed. The findings revealed that majority of the responses 160 (55.6%) agreed that bonuses and welfare packages are good incentives to enhancing employee performance in Kano Electricity Distribution company.

Moreover, complementing this views from the interview conducted with the management staff of KEDCO headquarter and regional offices shows that bonuses are paid for employee performance. It went further to state that in April 2018 the target of N 2.9 billion revenue was given to employee and at the end of the month almost N2.6 billion was achieved. Summarily, N30 million bonuses, were shared to all employees in Kano electricity Distribution Company for their performance. On welfare packages the interviewees assert that employees are enjoying free medical services fully paid by the organization.

Table 4.5
Regression results

Variable	Coefficient	Standard error	t-statistic	p-value
Compensation package	.850	.052	16.224	.000***
Constant	.855	.176	4.849	.000***
R		.692 ^a		
R-square		.579		
Adjusted R-square		.577		
f-statistic		263.210		.000***
		1.909		

Source: SPSS Output, 2019. *** 1% level significance

The table 4.5 above shows an adjusted R square of 0.577 indicating that compensation package is able to account for changes in employee performance to approximately 58%. Further the table reveal that an f statistic value of 262.210 with a p-value of 0.000 which is significant at 1%. This suggests that the model is fit and that compensation package has a significant effect on employee performance. In addition, the table showed a coefficient value of 0.85 and a p-value of 0.000 which implies that compensation packages have a positive influence on the employee performance. This signifies that good salary, welfare packages and bonuses are good motivation in improving the performance of employee in an organization, and alternate hypothesis is therefore accepted while null hypothesis is rejected.

4.2.2 Decision Rule

We accept the null hypothesis where the probability value (Sig.) of a particular independent variable is greater than 0.05 and we reject the null hypothesis if the probability value (Sig.) is lower than 0.05.

4.3 Discussion of Findings

The study revealed that there is significant relationship between Compensation and employee performance in Kano electricity Distribution Company. Compensation policy is also good in attracting and retaining employee, compare to other organizations that have same operational mandate. Complementing this view with the findings from the table 4.4 shows that the majority of the respondent 163(56,3%) agreed that the compensation packages of the organization are good enough to attract and retain employee.

Kano Electricity Distribution Company Conducted promotion exercise since the emergence of private sector management, the Company was able to promote more than 1500(about 65%) of its teaming employee in June 2019. This is in recognition of their contribution and value of their performance in achieving the organizations objectives which is attested to increase in monthly revenue generation as cited in the interview conducted.

5. Conclusion and recommendations

The study came at time when there is serious concern over the performance of the privatized Electricity Distribution Company both from the government, stakeholders and general public. The study used the expectancy theory as its theoretical frame work to ascertain employee performance as a factor of employee expectation on compensation packages or policies of KEDCO. The data collected were presented and analyzed using simple percentages and tables. Hypothesis was tested using regression analysis. The study concluded that the compensation packages put in place by KEDCO are quite sufficient to attract, retain, motivate and enhance employee performance.

The study recommends that a concerted effort should be made by the management of Kano Electricity Distribution Company to ensure employee earning stability is maintain and improved.

The study also recommends that, management should ensure that employee promotion meets the criteria of performance, merit and seniority in order to motivate and boost employee morale at all levels in the organization.

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