

**EFFECTS OF JOB SATISFACTION STRATEGIES ON ORGANIZATIONAL
COMMITMENT OF ELECTRONIC COMPANIES IN MOGADISHU, SOMALIA**

ABDIRASHID DAHIR AHMED

Tel: +252615557520 E-mail:-Rashkasms @hotmail.com

(MSC Business Administrations Strategic management of Jomo Kenyatta University of
Agriculture and Technology)

Dr Lucy Gichinga

Lgichinga@Yahoo.com

(Lecturer, Department of Business Management of School of human resource development,
Jomo Kenyatta University of Agriculture and Technology, Kenya)

ABSTRACT

The purpose of this research was to examine the effect of job satisfaction strategy on organizational commitment in electronic companies in Mogadishu-Somalia. The study would adopt a quantitative research with the specific research design being a descriptive design. The population of the study is the classified electronic companies located in Bakara market, and they are 15 electronic companies in Bakara market, the employees work that 15 electronic companies are 340 employees. The sampling frame is 340 employees in 15 electronic companies arising from the sample size of 184 employees are extensively survey to ascertain the influence of job satisfaction drivers on their commitment. The sampling technique would use is purposive sampling. Primary data is collect by use of questionnaires which are administering through drop and pick method. Data screening would be done to identify any missing data and it is further taste for reliability and normality. Data would be analyzing using SPSS version 20. Descriptive statistics e.g standard deviations and inferential statistics such as Pearson's correlation, ANOVA and multiple regression analysis would be used for further analysis. From the findings of the regression analysis, the study found that there was a variation of 94.9% on organizational commitment of electronic companies in Mogadishu due to changes in compensation strategy, promotion strategy, and working environment strategy at 95% confidence interval. This shows the significant that 94.9% of the variations in the organizational commitment of electronic companies in Mogadishu are accounted for by the variations in the independent variables and the remaining 5.1% are accounted by other factors contained in the standard error. The study further revealed that there was positive strong relationship between compensation strategy, promotion strategy, and working environment strategy and organizational commitment of change as shown by strong positive correlation coefficient.

Keywords: Compensation, commitment, promotion working Environment

1. Introduction

The term “job satisfaction” is defined by Carmichael, (2005) as a contribution of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared with what he or she actually receives” (Simone, 2015) defined job satisfaction as a positive emotional feeling, a result of one’s evaluation towards his or her job experience by comparing between what he or she expects from his or her job and what he or she actually gets from it.

According to (Ryan, 2007) defined organizational commitment as “the relative strength of an individual’s identification with and involvement in a particular organization” Rizal *et al* (2014) proposed a three-component model of organizational commitment, including affective commitment, continuance commitment, and normative commitment. Affective commitment implies employees’ emotional attachment to the organization. Continuance commitment refers to employees’ feelings of obligation to remain with the organization. Normative commitment is based on the costs that employees would have to incur if they decided to leave the organization.

1.2 Statement of problem

Job satisfaction is a very important attribute which is frequently measured by organizations since employers benefit from satisfied employees as they are more likely to profit from low turnover and high productivity, one of the signs of deteriorating conditions in organizations is low job motivation and job satisfaction. It leads to strike, go slow, absenteeism and employee turnover.

Job satisfaction has been and continues to be a subject of concern to managers and employees since it is through this that an individual worker will develop and ultimately contribute to the general growth and development of the organization (Lunenburg, 2011).

Job satisfaction and organizational commitment has received considerable attention from scholars and researchers in the field of organizational behavior, organizational psychology and human resource management (Meyer & Allen, 2005). This is because committed and satisfied

employees are normally high performers that contribute towards organizational productivity which is broadly defined as the “psychological bond between people and organizations” (Tett & Meyer, 2006).

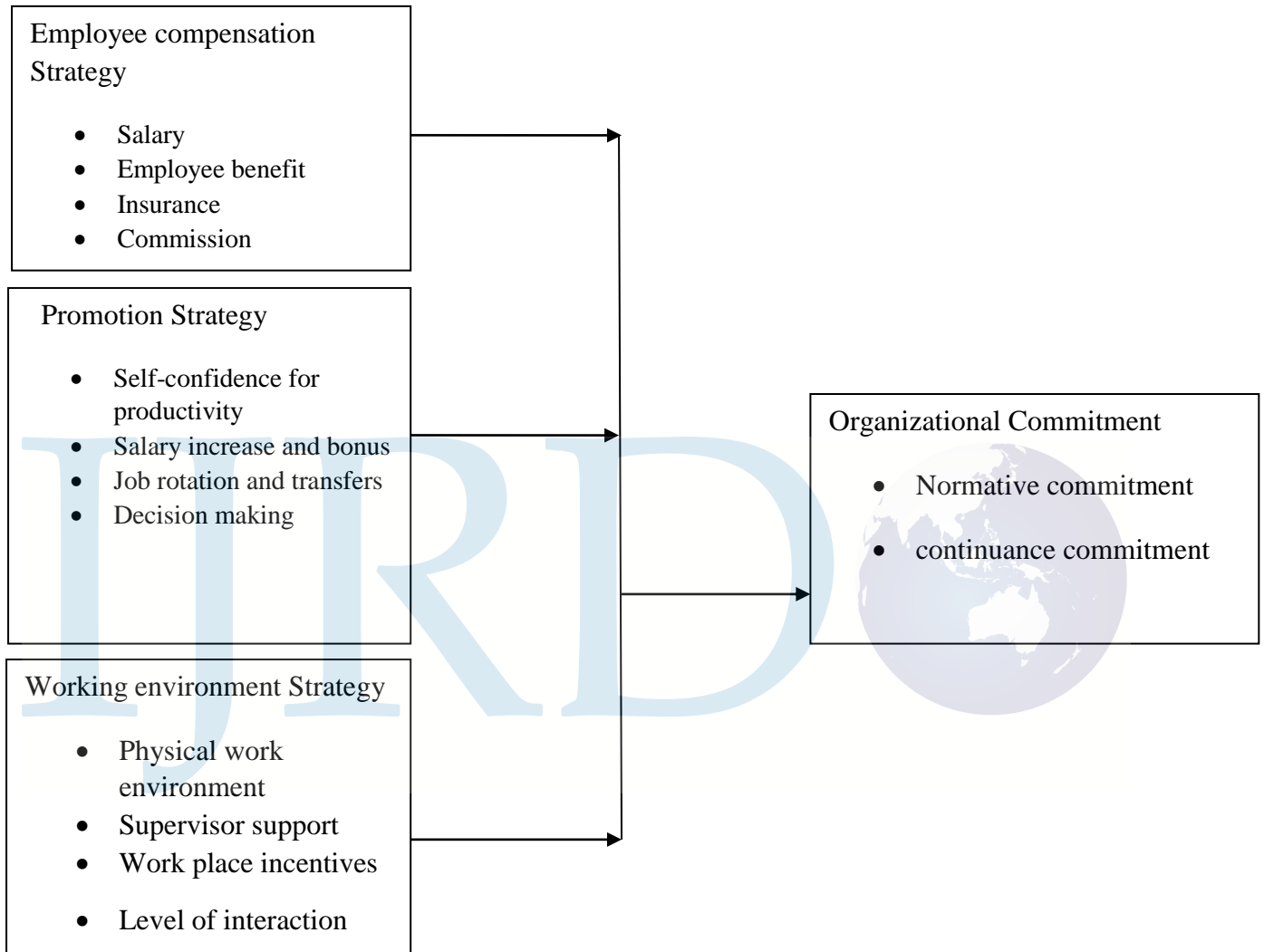
.In Somalia electronic companies invest a lot of money to satisfy their employees according to their positions, job security, incentives and etc. thus we observe that some employees are still quitting their jobs some are absent and some employees seems their job senseless and they are not committed to their organizations. However, for employees working for electronic companies seemed not to be satisfied with their job. This is because of a high rate of employee absenteeism, a high rate of staff turnover, low morale, So we need to find if there is relationship between job satisfaction strategy and organizational commitment, thus in our best knowledge; there is lack of evidence in the literature with regard to studies scrutinizes the association between job satisfaction strategy and organizational commitment in electronic companies in Mogadishu-Somalia, the researchers have a high regard for filling this gap.

1.3 Specific objectives

The specific objectives of the study include:

1. To establish the effects of employee compensation strategy on organizational commitment in electronic companies in Mogadishu-Somalia.
2. To assess the effects of employee promotion strategy on organizational on organizational commitment in electronic companies in Mogadishu-Somalia.
3. To determine the effects of working environment strategy on organizational commitment in electronic companies in Mogadishu Somalia.

2.2 Conceptual Framework



2.3 Employee Compensation

According to Odunlade (2012) compensation as a concept refers to all forms of financial returns and tangible benefits that employee receives as part of employment relationship. Compensation as it were is divided into two parts and these are cash compensation which is the direct pay provided by employer for work performed by the employee and fringe compensation which refers to employee benefit programs. Cash compensation has two elements which include base pay and pay contingent. Base pay has to do with hourly or weekly wages 0plus overtime pay, shift differential and uniform allowance while pay contingent is concerned with performance allowances such as merit increases, incentive pay bonuses and gain sharing. Fringe compensation on the other hand refers to employee benefits programs. Fringe compensation also has two parts to it which are legally required benefit programs and discretionary benefits.

2.4 Promotion

Promotion can be used as an incentive tool. It is a way of rewarding the employees for meeting the organizational goals thus it serves as a mean of synchronizing organizational goals with personal goals. The deciding factor for the position of any individual in the hierarchy is his talent, higher the level of talent in any individual higher will be his position in the hierarchy. Promotion has its importance due to the fact that it carries with it a significant change in the wage package of an employee. Thus, a raise in salary indicates the value of promotion (Bushra & Usman, 2011)

Promotion follows a defined set pattern which is outlined in the employment bond. In this highly competitive corporate world, promotion can help the competing firms to trace the most productive participant of one organization to be worth hiring for another organization. In such a way the promotion highlights an employee in the external environment and realizes his worth in the internal environment. Promotion enhances the yield of an organization when an employee

climbs a promotion ladder on the basis of his seniority and resultantly he gets an increased wage rate (Bushra & Usman, 2011).

2.5 Work Environment

Work environment relates to the atmosphere in which an individual works in an organization. Individuals join job and the organization, if he feels himself secure. With the help of this study, an attempt will be made to study the relationship of job security with organizational commitment (Ramay, 2011). The working conditions are very important to the organization. If the employees have negative perception of their working conditions, they are likely to be absent, have stress related illness, and their productivity and commitment tend to be low. On the other hand, organizations those have a friendly, trusting, and save environment, experience, Greater productivity, communication, creativity, and financial health, if non monetary working conditions are associated with higher productivity, the employer should pay more for the added productivity of employees in order to not losing the employees (Adan & Ali, 2013).

2.6 Organizational Commitment

Commitment refers to the focus and the desire of attachment of an individual to a certain task or his work. Affective Commitment deals with the attachment of an employee with his organization and the organizational goals. Continuance Commitment deals with the commitment to pursue working in an organization because of the inter employee relations and other non transferable investments like pensions, Normative Commitment refers to a sort of an obligation on the part of an employee, due to which he is willing to stay (or continue working) in an organization. Affective and continuance commitment have been much researched by people, over the globe. But normative commitment is one of the less researched types of commitment. In this study, organizational commitment was not taken in relation to its measurement tools (affective,

continuance and normative commitment), rather it was studied as a complete unit (Ramay, 2011)

3. Data and Methodology

This study would adopt a descriptive study design. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group, studies concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation. Descriptive studies are concerned with what, where and how of a phenomenon hence more placed to build a profile on that phenomenon (Kothari, 2004). Descriptive research is more appropriate because the study seeks to build a profile about the effect of internal audit on the performance of remittances companies in Mogadishu Somalia.

This research would target the employee of electronic companies in Bakara market, the biggest market in Mogadishu. The exact number of all electronic companies in this area is 16 electronic companies. The area was selected because the majority of electronic companies in Mogadishu are located in Bakara market.

Table 1.1: Target population

Type of Organization	Number of Employee	Percentage %
WaayoArag Electronic	20	6%
City Electronic	18	5%
Al huda Electronic	25	7%
Farayare Electronic	20	6%
Mubaax Electronic	27	8%
Computersom Electronic	19	6%
Dubia Electronic	21	7%
Dugaal Electronic	23	7%

Irshaad Electronic	22	6%
Suweys Electronic	24	7%
Al xikma Electronic	18	5%
Muciin Electronic	26	8%
Qudus Electronic	15	4%
Three Star Electronic	16	5%
Tecno Mobiles	28	8%
Itel Mobiles	18	5%
Total	340	100%

According to Kothari (2004), non-probability sampling is a sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample. In purposive sampling, items for the sample are selected deliberately by the researcher; however, this design is adopted because of the relative advantage of time and money inherent in this method of sampling. Therefore this type of sampling is very convenient and is relatively inexpensive. Moreover, this technique is appropriate since random sampling is not possible due to the absence of the list of the respondents. The study will use non probability sampling technique to create a sampling frame for small and medium enterprises. Solving's formula will be used to this study to determine the sample size. Sliven's formula for obtaining the sample size. Denoting by n the sample size, Solving's formula is given by

$$n = \frac{N}{1 + Ne^2}$$

Where N is the population size and e is the margin of error (Lavrakas, 2008).

$$n = \frac{340}{1 + 340(0.05)^2}$$

$$\frac{340}{1+340(0.0025)} = \frac{340}{1.85} = 183.7 \approx 184. \text{ So the sample will be } 184$$

Table 1.2: Sample distribution of employee of electronic companies

Type of Organization	Number of Employee	Percentage %	Number of selected employees
1) Waay oArag Electronic	20	6%	11
2) City Electronic	18	5%	9
3) Al huda Electronic	25	7%	13
4) Farayare Electronic	20	6%	11
5) Mubaax Electronic	27	8%	15
6) Computersom Electronic	19	6%	11
7) Dubia Electronic	21	7%	13
8) Dugaal Electronic	23	7%	13
9) Irshaad Electronic	22	6%	11
10) Suweys Electronic	24	7%	13
11) Al xikma Electronic	18	5%	9
12) Muciin Electronic	26	8%	15
13) Qudus Electronic	15	4%	7
14) Star Electronic	16	5%	9
15) Tecno Mobiles	28	8%	15
16) Itel Mobiles	18	5%	9
Total	340	100%	184

4 DATA ANALYSIS AND PRESENTATION RESULT

From the data collected, out of the 184 questionnaires administered, 174 were filled and returned and 10 were not returned, which represent 95 % response rate. This response rate is considered satisfactory to make conclusions for the study. Mugenda and Mugenda (2003) observed that a 50% response rate is adequate, 60% is good, while 70% rated very good. This implies that based on this assertion, the response rate in this case of 95% is therefore very good. The recorded high response rate can be attributed to the data collection procedures for instance, the researcher pre-notified the potential participants for the survey, the researcher administered the questionnaire with the help of research assistants through drop and pick method and follow up calls were also made to clarify queries as well as to prompt the respondents to fill the questionnaire. These methods facilitated the whole process of data collection hence the high response rate.

4.2 Reliability Analysis

In evaluating the survey constructs, reliability test was done. Reliability test is said to examine the degree to which individual items used in a construct are consistent with their measures. The widely used Cronbach's coefficient alpha was employed to assess internal consistency (Fien, 2006). Bryman and Cramer (1997) stated that 56 reliability of 0.70 is normally acceptable in basic research (Field, 2006). According to (Zikmund, 2003) posits that a Cronbach alpha of 0.60 as a minimum is acceptable. All the alpha coefficients ranged between 0.65 and 0.9 as shown in Table 4.1. Based on the coefficient values, the items tested were deemed reliable for this study.

Table 4.2: Reliability coefficient of the study variables

Variables	Number of Items	Reliability Cronbach's Alpha	Comments
Compensation strategy	5	0.859	Accepted

Promotion strategy	4	0.959	Accepted
Working Environment strategy	5	0.956	Accepted
Organizational Commitment	5	0.937	Accepted

4.3 Regression Analysis

In order to answer the research questions, a standard multiple regression analysis was conducted using organizational performance as the dependent variable, and the four independence variables: Internal audit independence, internal audit quality, internal control system and audit risk assessments as the predicting variables. The research used statistical package for social sciences (SPSS V 22) to code, enter and compute the measurements of the multiple regressions.

Table 4.4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.974 ^a	.949	.949	.26280
a. Predictors: (Constant), Working environment strategy, Compensation strategy, Promotion strategy				

From the model summary in table 4.4, Adjusted R squared is coefficient of determination which tells us the variation in the dependent variables due to change in the independent variables. From the findings in the above table the value of adjusted R squared is 0.949 and indicates that there was variation of 94.9% on organizational commitment of electronic companies in Mogadishu due to changes in compensation strategy, promotion strategy, and working environment strategy at 95% confidence interval. This shows the significant that 94.9% of the variations in the organizational commitment of electronic companies in Mogadishu are accounted for by the variations in the independent variables and the remaining 5.1% are accounted by other factors contained in the standard error.

Table 4.5 Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	233.703	3	77.901	1127.958	.000 ^b
	Residual	12.431	170	.069		
	Total	246.135	173			
a. Dependent Variable: Commitment strategy						
b. Predictors: (Constant), Working environment strategy, Compensation strategy, Promotion strategy						

From the ANOVA table 4.5, it is clear that the overall standard multiple regression model (the model involving constant, compensation strategy, promotion strategy, and working environment strategy is significant in predicting how compensation strategy, promotion strategy, and working environment strategy determine organizational commitment of the electronic companies in Mogadishu. The regression model achieves a high degree of fit as reflected by an R² of 0.949 (F = 1127.958; P = 0.000 < 0.05).

Table: 4.6 Coefficients

Model		Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Compensation strategy	.177	.089	.173	1.992	.048
	Promotion strategy	.294	.092	.295	3.188	.002
	Working environment strategy	.530	.049	.524	10.745	.000
a. Dependent Variable: Commitment strategy						

Table 4.6 presents the regression results on how compensation strategy, promotion strategy, and working environment strategy determine organizational commitment of the electronic companies

in Mogadishu. The multiple regression equation was that: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$ and the multiple regression equation became: $Y = 0.023 + 0.177X_1 + 0.294X_2 + 0.530 X_3$. As depicted in table 4.9, there was positive and significant effects of compensation strategy on organizational commitment ($\beta = 0.173$; $t = 1.992$; $p < 0.05$). There was positive and significant effects of promotion strategy on organizational commitment ($\beta = 0.295$; $t = 3.188$; $p < 0.05$). There was positive and significant effects of working environment strategy on organizational commitment ($\beta = 0.524$; $t = 10.745$; $p < 0.05$).

5 Conclusions

From the findings of the regression analysis, the study found that there was a variation of 94.9% on organizational commitment of electronic companies in Mogadishu due to changes in compensation strategy, promotion strategy, and working environment strategy at 95% confidence interval. This shows the significant that 94.9% of the variations in the organizational commitment of electronic companies in Mogadishu are accounted for by the variations in the independent variables and the remaining 5.1% are accounted by other factors contained in the standard error.

The study further revealed that there was positive strong relationship between compensation strategy, promotion strategy, and working environment strategy and organizational commitment of change as shown by strong positive correlation coefficient. From the finding on analysis of variance, the study found that the overall model had a significance value of 0.05% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The study further revealed that compensation strategy, promotion strategy, and working environment strategy significantly affect the organizational commitment of electronic companies in Mogadishu.

The established regression equation was $Y = 0.023 + 0.177X_1 + 0.294X_2 + 0.530 X_3$.

6 Recommendations

It is recommended that managers should study and select the driver that best suits their company in order to achieve maximum commitment.

1. It was found that management policies influenced compensation strategy. It is recommended to the electronic company's management to ensure that they have put in place policies and procedures to be adhered to during human resource activities. The electronic company's management is also urged to ensure that there are standardized and written manuals with the policies regarding compensation strategy and its management. From the findings and conclusion, the study further recommends that there is need for electronic companies in Mogadishu to increase compensation strategy so as to as it was found that an increase in compensation strategy positively affect the organizational commitment.

2. There is need for the electronic companies in Mogadishu to increase their promotion strategy as it was founded that promotion strategy positively affects the organizational commitment of electronic companies in Mogadishu.

3. There is need for the electronic companies in Mogadishu to increase their working environment strategy as it was founded that working strategy positively affects the organizational commitment of electronic companies in Mogadishu.

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