

Influence of remuneration on firm performance of telecommunication firm in Airtel Head Office, Rwanda.

JaneTUMUHEIRWE¹, Dr. GitahiNjenga, PhD² and Francis MWANGI³

¹ School of Business and economic, Mount Kenya University, Kigali, Rwanda

² School of Business and economic, Mount Kenya University, Kigali, Rwanda

³ School of Business and economic, Mount Kenya University, Kigali, Rwanda

Abstract

Employee Empowerment is picking up energy through management to make employee voice heard and to increase a firm performance. This study seeks to investigate the influence of employee empowerment on performance at Airtel head office, Rwanda. More specifically it focused on the following objective; to establish the influence of remuneration on performance at Airtel head office, Rwanda. It was also to establish the relationship between employee empowerment and how it impacts performance. Research used a descriptive research survey design, the study used a quantitative method. The target population was 189 employees of Airtel head-office, Rwanda and a sample size was 128 employees who are working at Airtel head office Rwanda. A stratified random sampling method was applied. The study used the structured questionnaire for data collection. Statistical package for social science (SPSS) software version 20 was used for data analysis process. The cronbach alpha coefficient formula was used to find out the reliability and validity. The findings were presented and interpreted by using the frequencies and the tables. After that, the results showed that employee empowerment influences a performance. On remuneration factor; Out of 128 respondents, 85.2% agreed that their salaries were proportionate with the effort employee put in their obligations and it means that almost of them were empowered with their salary, only 14.8%

disagreed; 96.9% agreed that the benefits were reasonable and empowered them on their positions, only 3.1% disagreed; 79.7% agreed that the structure of salary and benefits motivated and empowered them but the results showed that some strongly disagreed, disagreed and others undecided; 100% agreed that their firm recognized and awarded employees through annual awards celebrations/bonuses and/or other benefits which empowered them to successfully contribute on performance of firm. The results showed that there was a significant relationship between remuneration and performance with value $r=0.564$. The study recommended that other telecommunication firms should successfully use and modernize the employee empowerment methods that give enough knowledge/skills to employees in order to empower them and increase a performance in firm. By conclusion, the results showed that Airtel head office, Rwanda use the proper methods to empower their employees in purpose of achieve on their goal of giving the clear telecommunication services to the customers.

1. Introduction

Empowerment is picking up energy through management to make employee voice heard, to increase plans and choices that influence a firm performance. In management, empowerment allows all employees to use their creative abilities to improve the organizational performance and quality of their own work life.

Employee empowerment has a dual positive impact. From a firm's perspective, employee empowerment improves performance, innovation, and quality of work. From the employee perspective, employee empowerment increases self-efficiency, work motivation, and organizational identification. As a result, employees show the desire to embrace changes and become more proactive.

Studies and experiences have witnessed that, a supportive leadership that guides employees and knows how to empower them, by setting clear goals, coaching for high performance, developing future leaders, and providing continuous feedback, automatically makes a workplace irresistible to potential employees, (Baird & Wang, (2010) and Mukwakungu et. al, 2018). Therefore, Employee empowerment increases the employees' sense of responsibility, enhances their morale and improves the quality of the work product. According to Wael, *et al*, (2018), for a firm to persist and succeed its concerned goals and tasks in today's competitive world, the first most important tools is the employee. It is the most essential asset of a company whose success or failure depends on the employee's empowerment through the remuneration, and performance. This improves employees' performance and become more competent in their workplace.

There is an indicator that reflect the employee empowerment. We follow in this research to assess the level of empowerment and its influence on Airtel Rwanda performance and this is remuneration.

2. Review of Literature

2.1 Employee empowerment

In employment system there are needs for employee empowerment in firm as it promotes employees for enhancing the ability of employees in decision making and quick response to environmental economic raising. Over the last decade empowerment and its effects on firm has received much attention from scholars and practitioners as well. Baird & Wang, (2010) regarded employee empowerment as the entrustment of powers and responsibilities in the firm's hierarchy from employees categories, especially on the decision making power. They referred to employee empowerment as employees' meaningful work, their spirits regarding competence, autonomy and also their assistances to decision making. Employee empowerment was measured in terms of firm remuneration system, self-esteem in employment and effective communication. Remuneration may be useful in firm as it is given to the employees in identification of duties where an employee paid according to the agreements and helps in solving

problems faced by an employee instability and also encourages them to solve their problems in their families. Remuneration is consisted with salary, awards, bonus and other given to employees for empowering them. Remuneration is a developmental system that aimed at empowering the employees in the ways of current firm performance. It indicated that entrustment generally included assigning responsibilities to employees to enable them complete it. Entrustment also involves the act of power transfer by one person to another for the latter person to act for him/her. It actually empowers the other employee to perform responsibilities on behalf of the one donating the power. Employee empowerment refers to providing employees with an opportunity to take part in management decisions. It's a process that empowers company members in making decisions and solving problems suitable to their levels within the organization. Staff involvement in important decision making is demonstration that the organization values their opinion and also allows their growth as professionals in the firm and even improves their performance, (Robindra, 2017).

2.2 Remuneration

According to Ashraf, (2014), the incentives direct to all of the actual and moral systems that company provide to employees in order to positively empower them in a way that increase the production level of company and improve their performance, which has its importance to satisfy the employees' desires and promise a trustworthy attitude towards the company performance. Remuneration consists on benefits that workers gain in exchange of their work of the company. According to Baird & Wang, (2010), many companies' rewards play the important role in experiencing and applying in a strong commitment among employees for performance and that best performance leads to give an employee empowerment.

In company we say a company performance during the employees succeeded in their desire income from employment so that of desired achievement is called performance to a company, (Brief & Weiss, 2002). Ali and Ahmad, (2009), with mental reservation they showed there is a clear link on recognition, remuneration, motivation and performance; they described that if recompense and recognition are given to employees there is a very large-change to be motivated and performance.

According to Gana&Bababe, (2011), the incentives are compared as one of the greatest significant factors that encourage employees to get out great hard work and work more powerfully. It is because motivations and reward system give the employees

competences into more effectiveness in their activities in an effort to achieve the company's objectives. For that, the lack of the appropriate incentives may harmfully disturb the effort of employee performance, in the same manner it may decline the productivity of company which reduces the probabilities of achieving on the company objectives, (Palmer, 2012).

2.3 Empowerment Theory

The different theories attempted to recognize the employee empowerment about encouragement in the discipline of consciousness. Many of these theories are allocated into the four broad categories of need-based, cognitive process, behavioral and work based theory. However, throughout the investigation, the researchers debate the enablement concepts together with correspondence that is related to it. Theory of empowerment enabling is concerned with exchange of ideas of company performance through the employee self-esteem, remuneration and effective communication. As explained in the theory, enabling is best to suffice in job environment which provide employee with a way to effective communication, resources, support, together with the occasion to study and progress. The emotional enabling embraces approaches of competence, independence, job meaningfulness, and the ability to influence an institution, (Busara, 2016). The employee may be highly devoted to the company, more responsible at their work, and highly able to fit their work demands, in an effective facility system. The theory has been extensively applied to the practice of professional

nursing showing how structures within the place of work which make access to resources possible can allow personnel to carry out their work in operative traditions.

3. Materials and Methods

Descriptive research design was used to find out the influence of employee empowerment on firm performance, it provides a plan for data collection and data analysis which was designed at achieving on the study objectives. The quantitative method was used to summarize, analyze and interpret the data which were collected. The study used 95% as confidence level.

The target population consisted 189 employees of Airtel head office Kigali, Rwanda.

The sampling design comprised the sampling techniques using the Slovene's formula.

For sample size determination, Cooper & Schindler, (2014) describes the sample size as a subset of the population, which is a true representation of the entire studied. For determining the sample size of this research, the researcher used the Slovene's formula, which is usually used for determining sample size out of the entire study population. The sampling error was 5% and 95% as a confidence level.

$$n = \frac{N}{1+N(e)^2} \diamond n = \frac{189}{1+N(0.05)^2} = \frac{189}{1+189(0.05)^2} \approx 128$$

The formula resulted 128 as sample size of the target population of 189 employees. The table below indicates the target population and sample size.

Table 3.1: Sample size determination

Description	Target population	Sample size
Employees of Airtel Head office Kigali, Rwanda	189	128
Total	189	128

Source: Airtel Rwanda (2021)

The quantitative method was used where frequencies and percentage considered for interpreting, presenting and discussing the findings. During examination, the inferential statistics was pertained for data analysis. The findings were analyzed by using statistical package for social sciences (SPSS) software tool vision 20. The study used the inferential statistics specifically correlation analysis and the linear regression analysis was applied.

4. Results and Discussion

4.1 Demographic Characteristics of Respondents

The demographic characteristic of respondents is the first session of the study, study analysis concerned with to know the background of respondents. These were included by the gender, age, marital status, working experience and education level of respondents.

Table 4. 1 Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	85	66.4	66.4	66.4
	Female	43	33.6	33.6	100.0
	Total	128	100.0	100.0	

Source: Airtel telecommunication firm head office, Rwanda, 2021

Table 4.1 indicates the gender distribution of respondents in order find out an image of gender composition of respondents. Researcher wanted to get the responses by basing on their gender. Out of

128 respondents, the results showed that the male were the 66.4% and female of 33.6% of the respondents.

Table 4. 2Group Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 30 yrs	43	33.6	33.6	33.6
	Between 30-40 yrs	68	53.1	53.1	86.7
	Above 40 yrs	17	13.3	13.3	100.0
	Total	128	100.0	100.0	

Source: Primary data

Table 4.2 presents the age distribution of respondents, out of 128 respondents, 33.6% had the old years below 30 yrs, 53.1% had between 30 and 40 old years and 13.3% had the old years above 40.

This indicates that many of them were in the range of 30 to 40 old years that means the more employees of Airtel Rwanda were the young people.

Table 4. 3 Marital Status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	61	47.7	47.7	47.7
	Married	67	52.3	52.3	100.0
	Total	128	100.0	100.0	

Source: Primary data

Table 4.3 indicates the marital status, and researcher wanted to know how the marital status of respondents were. Out of 128 respondents, 47.7%

were single and 52.3% were married. This indicated that the high number of them were married.

Table 4. 4 Working Experience of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 2 yrs	27	21.1	21.1	21.1
	2-5 yrs	96	75.0	75.0	96.1
	5-8 yrs	5	3.9	3.9	100.0
	Total	128	100.0	100.0	

Source: Primary data

Table 4.4 presents the working experience of respondents. Researcher wanted to know the working experience they had. Out of 128 respondents, 21.1% had the working experience below 2 years, 75% of

working experience between 2 to 5 years while only 3.9% had the working experience of 5 to 8 years. As the results, many of them had the working experience between 2 to 5 years.

Table 4. 5 Educational Level of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary	41	32.0	32.0	32.0
	University	87	68.0	68.0	100.0
	Total	128	100.0	100.0	

Source: Primary data

Table 4.5 presents the educational level of respondents, researcher wanted to know the level they had in education. Out of 128 respondents, 32% had the secondary school (High school) and 68% studied in University. This presents that high studied a university and they have enough knowledge in their services.

Findings of objective: Influence of remuneration on firm performance

In the analyzed factors, the remuneration was the first and was analyzed. The researcher wanted to determine the influence of remuneration on performance in telecommunication firm, a case of Airtel head office, Rwanda. The lot explanations are explained in the following subthemes of tables.

Table 4. 6 Salary was proportionate with the effort employee put in his/her obligations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.3	2.3	2.3
	Disagree	6	4.7	4.7	7.0
	Undecided	10	7.8	7.8	14.8
	Agree	98	76.6	76.6	91.4
	Strongly Agree	11	8.6	8.6	100.0
	Total	128	100.0	100.0	

Source: Primary data

Table 4.6 presents how the salary was proportionate with the effort employee put in his/her obligations. Researcher wanted to know the employees' feelings on how the salary empower them in their efforts and obligations. Out of 128 respondents, 2.3% were strongly disagreed, 4.7% disagreed, 7.8% undecided,

76.6% agreed and 8.6 strongly agreed that salary was proportionate with the effort employee put in their obligations. According of this results, 85.2% agreed that their salaries were proportionate, and it means that almost of them were empowered with their salary.

Table 4. 7 Benefits attached to my job position were reasonable

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.8	.8	.8
	Undecided	3	2.3	2.3	3.1
	Agree	87	68.0	68.0	71.1
	Strongly Agree	37	28.9	28.9	100.0
	Total	128	100.0	100.0	

Source: Primary data

Table 4.7 presents how the benefits attached to employee job position were reasonable. The purpose of this study of to determine how the benefits from their firm were reasonable and empowered them on their job positions. Out of 128 respondents, 0.8% disagreed, 2.3% undecided, 68% agreed and 28.9%

strongly agreed that benefits attached to their job positions were reasonable. The results showed that 96.9% agreed that were reasonable and empowered them on their positions, and means that employee were empowered in their telecommunication firm of Airtel Rwanda.

Table 4. 8 Salary and benefits structure motivates me to stay with my current employer

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	6.3	6.3
	Disagree	9	7.0	13.3
	Undecided	9	7.0	20.3
	Agree	94	73.4	93.8
	Strongly Agree	8	6.3	100.0
	Total	128	100.0	100.0

Source: Primary data

Table 4.8 presents how the salary and benefit structure motivates employees to stay with their current employer. The researcher want to know how the salary and benefit empower them and increase the employee retention in firm. Out of 128 respondents, 6.3% strongly disagreed, 7% disagreed and also 7% undecided, 73.4% agreed and 6.3% strongly agreed that salary and benefits structure motivated them to stay with their current employer.

Briefly, 79.7% agreed that the structure of salary and benefits motivated and empowered them but the results showed that some strongly disagreed, disagreed and others undecided, this means that some restructure or addition needed in salary and benefits structure in order completely give full motivation and empowerment the telecommunication firm's employees.

Table 4. 9 My organization recognizes and awards employees through annual awards celebrations/bonuses and/or other benefits

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	75	58.6	58.6
	Strongly Agree	53	41.4	100.0
	Total	128	100.0	100.0

Source: Primary data

Table 4.9 presents how the annual awards celebrations/bonuses and /or other benefits empower the employees in telecommunication communication firm of Airtel head office, Rwanda. The purpose of this study was to know how firm recognized and awarded employees through annual awards and other benefits empowered them and promote a firm performance. Out of 128 respondents, 58.6% agreed

and 41.4% strongly agreed, this means that all respondents agreed that their firm recognized and awarded employees through annual awards celebrations/bonuses and/or other benefits. On award celebrations and other benefits it showed that all were empowered and promote them to be motivated to perform the services of telecommunication firm.

Table 4. 10 Correlations between Remuneration and Firm performance

		Remuneration	Firm performance
Remuneration	Pearson Correlation	1	.564**
	Sig. (2-tailed)		.000
	N	128	128
Firm performance	Pearson Correlation	.564**	1
	Sig. (2-tailed)	.000	
	N	128	128

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Table 4.10 shows the relationship between employee empowerment (remuneration, self-esteem and effective communication) and company performance in telecommunication firm of Airtel head office,

Rwanda. A statistical package for social sciences (SPSS) software was used to find out the pearson coefficients. A pearson coefficient correlation is between -1 and 1 and -1 to 0 indicate the negative

correlation; 0 to 0.5 is low positive correlation while 0.5 to 1 is a high positive correlation. According to the results, a correlation between firm performance and remuneration was $r=0.564$. This indicates that

there was a positive relationship between remuneration and firm performance of Airtel telecommunication firm at head office, Rwanda.

Table 4. 11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564 ^a	.318	.313	.413

a. Predictors: (Constant), Remuneration

Source: Primary data

Table 4.11 indicates the model summary, the results showed that the R Square=0.318. It was clear that

31.8% of all variables in firm performance can be explained by one's of all variables of remuneration.

Table 4. 12 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.028	1	10.028	58.843	.000 ^b
	Residual	21.472	126	.170		
	Total	31.500	127			

a. Dependent Variable: Company performance

b. Predictors: (Constant), Remuneration

Source: Primary data

Table 4.12 indicates the ANOVA, the results showed that the variables were statistically significant with F (10.028) =58.843 and $p=0.000$ b.

Table 4. 13 Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	2.319	.295		7.871	.000
	Remuneration	.528	.069	.564	7.671	.000

a. Dependent Variable: Company performance

Source: Primary data

Table 4.13 indicates the constant of remuneration (employee empowerment) that it is statistically significant since p values is less than 0.05. The results showed that remuneration statistically was significant because its p values were lesser than 0.05 that were equal to $p=0.000$.

5. Conclusion

The Airtel telecommunication firm, the results showed that employees were empowered, they performed with good remuneration, self-esteem and effective communication that influenced a performance in firm. Airtel head office use the proper methods to empower their employees in purpose of achieve on their goal of giving the clear

telecommunication services to customers. The good remuneration system is very important on performance of firm, the 79.7% agreed that the structure of salary and benefits motivated and empowered them and the rest of 20.3% disagreed. It means that some restructure or addition improvement needed in remuneration structure in order completely give full empowerment to employees and a performance of firm. The results confirmed that there was positively a significant relationship between remuneration and performance with value $r=0.564$, this indicates that the remuneration is one factor of employee empowerment that influence a firm performance of telecommunication firm of Airtel head office, Rwanda.

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