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The Effect of Rewards on Employee Performance: A Mediating Role of Job Satisfaction in TANESCO in Dar es Salaam, TANZANIA

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Abstract

This study examined the effects of financial rewards on employee performance, with particular emphasis on the mediating role of job satisfaction at Tanzania Electric Supply Company Limited (TANESCO) in Dar es Salaam. Specifically, the study examined the effect of financial rewards on employee performance, and examined the mediating effect of job satisfaction on the relationship between rewards and employee performance. The study was guided by Expectancy Theory and adopted a positivist research philosophy and a quantitative research approach. A cross-sectional research design was employed, and data were collected from 153 employees using a structured questionnaire. The collected data were analysed using descriptive statistics, Pearson correlation analysis, multiple regression analysis, and mediation analysis. The findings showed that financial rewards had a positive and statistically significant effect on employee performance. The findings further revealed that both financial and non-financial rewards significantly influenced job satisfaction, while job satisfaction significantly influenced employee performance. The results therefore indicated that job satisfaction plays an important mediating role in the relationships between rewards and employee performance, with the findings suggesting partial mediation. The study concludes that effective financial and non-financial reward systems are important for enhancing employee performance, particularly when such reward systems also contribute to employees' job satisfaction. The study recommends that TANESCO strengthen the transparency, fairness, consistency, and performance orientation of its financial and non-financial reward systems while simultaneously improving practices that enhance employee job satisfaction.

Key words: Financial Rewards; Employee Performance; Job Satisfaction; Expectancy Theory.

Introduction

In today's competitive organizational environment, maintaining a satisfied and motivated workforce is essential for achieving organizational goals. One important approach to employee motivation and performance is the establishment of fair, equitable, and attractive reward systems. Rewards satisfy employees' needs, encourage greater work effort, and can enhance employee performance when appropriately designed and implemented (Delfino & Grille, 2021). Conversely, inadequate rewards may contribute to low motivation, reduced organizational commitment, employee turnover, and poor organizational performance (Basu & Kiernan, 2019). Reward systems form an integral component of human resource management and commonly include salary, bonuses,

promotions, recognition, and other employee benefits (Hussain et al., 2019). The relationship between rewards and employee performance has received considerable attention in the international literature. Ganster et al. (2011) observed that reward practices constitute an important part of the work environment and may influence employees' satisfaction, perceptions of fairness, and fulfilment. Similarly, Myint and War (2023) reported that effective management of human resources is fundamental to organizational success and that both financial and non-financial rewards can motivate employees. Financial rewards may provide direct incentives for achieving performance targets, whereas non-financial rewards such as recognition and appreciation can strengthen employee commitment and motivation. Evidence from India



further demonstrates the importance of rewards in motivating employees. Tripathy and Rohidas (2022) established that rewards provided for employees' work can increase motivation, improve work quality, and promote positive attitudes towards organizational objectives. They further noted that an effective reward system assists organizations in attracting, retaining, and encouraging employees to perform desired behaviours. Employee performance is therefore an important indicator of an organization's ability to achieve its objectives efficiently. However, the effectiveness of monetary rewards is not universal. For example, Nyanja et al. (2013) in Kenya, found no significant difference in employee performance between employees who received cash bonuses and those who did not. Their findings suggest that organizations may need to complement financial rewards with intrinsic aspects of work, including employee autonomy, challenging assignments, and meaningful responsibilities. In another Kenyan study, Bii et al. (2022) found that compensation and employee empowerment significantly influenced performance in the public health sector, highlighting the importance of well-designed reward and empowerment practices.

Within the African context, human resources represent one of the most important organizational assets, while the ability to attract, motivate, and retain qualified employees remains a major management concern. Kadir et al. (2019) emphasized that reward schemes are important management instruments for attracting and retaining quality human resources and directing employee capabilities towards organizational objectives. Similarly, evidence from Nigeria indicates that reward systems have become increasingly important as organizations face intensified competition. Rewards can communicate organizational appreciation, enhance employee satisfaction and motivation, and contribute to a positive organizational culture (Ezigbo, 2021; Bayon, 2016). Okwuise and Ndudi (2023) further argued that rewards and incentives can enhance productivity and organizational commitment by aligning employee needs with organizational objectives. Malik and Alis (2022) similarly concluded that appropriate incentive schemes can improve employee morale, motivation, and perceptions of job security, thereby supporting organizational goal achievement. The importance of rewards is also relevant to the Tanzanian organizational context, where institutions operate within an increasingly dynamic and competitive environment. Organizations are expected to respond to changing employee expectations while maintaining efficiency and service quality. Effective reward systems can contribute to job satisfaction, interpersonal relationships, customer satisfaction, innovation, and organizational improvement (Ajagbe et al., 2022). Rewards linked to performance are intended to stimulate employee effort towards organizational objectives, motivate desirable behaviours, and encourage teamwork through individual and group-based incentives (Hussain et al., 2019). Kikoito (2014) similarly emphasized the need for organizations to provide appropriate incentives to create successful and competitive working environments. This issue is particularly important in Tanzania Electric Supply Company Limited (TANESCO), a

key organization in the country's electricity sector. TANESCO is responsible for generating, purchasing, transmitting, distributing, and selling electricity on Mainland Tanzania, as well as supplying bulk electricity to the Zanzibar Electricity Corporation (ZECO). The organization has undergone considerable institutional development since its establishment in 1931 and operates within the national regulatory framework for the energy and electricity sector under the oversight of the Energy and Water Utilities Regulatory Authority (EWURA). TANESCO has also established organizational structures aimed at controlling operational costs while maintaining efficiency and performance (TANESCO, 2022). Given the importance of reliable electricity supply to Tanzania's economic and social development, employee performance within TANESCO is critical to the effectiveness of its operations and service delivery. Despite the recognized importance of reward systems, the extent to which financial and non-financial incentives influence employee performance may vary across organizational settings. Differences in employees' needs, expectations, perceptions of fairness, and workplace conditions may determine how rewards translate into performance. Job satisfaction is particularly important in this relationship because employees who perceive their rewards as fair and valuable may experience greater satisfaction with their jobs, which can subsequently encourage improved performance. Conversely, dissatisfaction with compensation, recognition, promotion opportunities, or other employment conditions may weaken employee motivation and performance. Therefore, examining job satisfaction as a mediating mechanism can provide a deeper understanding of how reward practices influence employee outcomes.

Statement of problem

Reward systems are important in motivating employees and improving organizational performance. Financial rewards such as salaries, bonuses, and incentives can encourage greater work effort, while non-financial rewards such as recognition, appreciation, promotion, and supportive working conditions can enhance employee commitment and motivation (Kendra, 2014; Myint & War, 2023). Kikoito (2014) emphasized that appropriate incentives are essential for creating a successful and competitive working environment, while Tripathy and Rohidas (2022) noted that compensation can improve work quality and foster positive employee attitudes. However, employees differ in their motivational needs, with some responding more strongly to extrinsic rewards and others to intrinsic rewards. Despite the importance of reward systems, limited evidence exists regarding how financial and non-financial incentives influence employee performance through job satisfaction, particularly within TANESCO in Dar es Salaam. Although reward practices have been implemented in the organization, uncertainty remains regarding their direct contribution to employee performance and whether job satisfaction explains or strengthens this relationship. This knowledge gap may limit management's ability to design reward practices that effectively motivate employees and improve performance.

Therefore, this study examined the impact of financial and non-financial incentives on employee performance in TANESCO, Dar es Salaam, with particular emphasis on the mediating role of job satisfaction.

General Research Objective

The general objective of this study was to determine the effects of financial and non-financial rewards on employee performance, with particular emphasis on the mediating role of job satisfaction at Tanzania Electric Supply Company Limited (TANESCO) in Dar es Salaam.

Specific Research Objectives

- i. To examine the effect of financial rewards on employee performance at TANESCO in Dar es Salaam.
- ii. To examine the mediating effect of job satisfaction on the relationship between rewards and employee performance at TANESCO in Dar es Salaam.

Research Questions

- i. What is the effect of financial rewards on employee performance at TANESCO in Dar es Salaam?
- ii. What is the mediating effect of job satisfaction on the relationship between rewards and employee performance at TANESCO in Dar es Salaam?

Theoretical Framework

Expectancy Theory

Expectancy Theory, developed by Victor H. Vroom in 1964, explains employee motivation based on the belief that effort will lead to improved performance and that good performance will result in valued rewards. The theory proposes that employees are motivated when they perceive a clear relationship between their effort, performance, and desired outcomes. It is commonly explained through three related concepts: expectancy, instrumentality, and valence. Expectancy refers to an employee's belief that increased effort will lead to better performance and is influenced by factors such as skills, resources, experience, and organizational support. Instrumentality concerns the belief that good performance will lead to specific rewards, while valence refers to the value or desirability that an employee attaches to those rewards (Vroom, 1964).

The theory assumes that employees are more likely to exert effort when they believe that their performance will be recognized and rewarded with outcomes that are meaningful to them. In the workplace, such rewards may include financial incentives, bonuses, promotions, recognition, career development, and other valued benefits. Thus, when employees perceive reward systems as fair, transparent, and clearly linked to performance, they are more likely to increase their effort and commitment, potentially resulting in improved performance and job satisfaction. However, the theory has been criticized for assuming that employees make largely rational decisions based on expected outcomes, while motivation may also be influenced by emotions, social

relationships, personal values, and other contextual factors.

In this study, Expectancy Theory provides a framework for explaining the relationship between financial and non-financial incentives and employee performance, with job satisfaction serving as a mediating variable. The theory suggests that when TANESCO employees understand how their effort and performance are connected to valued rewards, they are more likely to be motivated and satisfied with their jobs. Accordingly, TANESCO can strengthen employee motivation by establishing clear performance expectations, linking performance to appropriate rewards, and ensuring that reward allocation is fair and transparent. Providing opportunities for career development and skills enhancement may further strengthen employees' expectancy beliefs. Therefore, Expectancy Theory is relevant to the study because it explains how employees' perceptions of the effort–performance–reward relationship can influence both job satisfaction and employee performance.

Empirical Literature Review

Empirical studies generally show that financial rewards positively influence employee performance. Hussain et al. (2019) found that incentives and recognition significantly improved employee performance in Pakistan, while Danish et al. (2015) established that intrinsic rewards positively influenced task performance through motivation and job satisfaction. Similarly, Kadir et al. (2019) and Pradhan (2022) reported positive relationships between compensation, reward systems, and employee performance in Malaysia and Nepal, respectively. In Africa, Ajagbe et al. (2022), Getahun (2019), and Nderitu and Omuya (2022) also found that incentives, compensation, recognition, and performance-based rewards significantly enhanced employee performance.

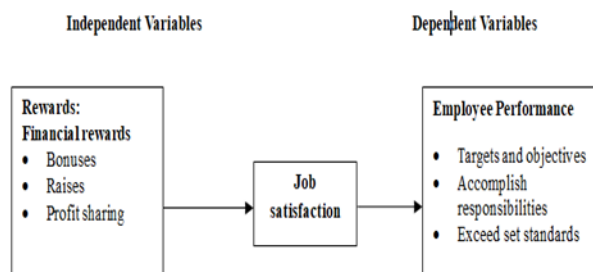
Job satisfaction has also emerged as an important factor linking rewards and employee performance. Badrianto and Ekhsan (2020) found that rewards and job satisfaction had significant positive effects on employee performance, while Riyadi (2019) established that job satisfaction and compensation were positively associated with employee performance. Duru et al. (2023) further found that recognition, supportive supervision, promotion, and performance-based pay improved employee performance, although indiscriminate rewards and inappropriate performance evaluation practices could produce negative outcomes. These findings indicate that the effectiveness of reward systems may depend not only on the rewards provided but also on employees' satisfaction with their jobs and perceptions of how rewards are administered.

In Tanzania, Kikoito (2014) found that commercial banks in Mwanza provided both financial rewards, such as salaries, bonuses, and promotions, and non-financial rewards, including praise and recognition. However, employees perceived the existing reward packages as inadequate, particularly salaries and intrinsic rewards, although effective reward provision was found to enhance motivation, organizational growth, and productivity. Despite evidence linking rewards to employee performance, there remains

limited empirical evidence on the mediating role of job satisfaction in the relationship between financial and non-financial incentives and employee performance, particularly within TANESCO, Dar es Salaam. This gap provides the justification for the present study

Conceptual Framework

Figure1: Relationship between Rewards and Employee Performance



Source: Research 2026

Research Methodology

The study adopted a positivist research philosophy and a quantitative research approach to objectively examine the relationships among financial rewards, non-financial rewards, job satisfaction, and employee performance (Saunders et al., 2023). A cross-sectional research design was used to collect data at a single point in time, making it appropriate for examining the relationships and effects among the study variables (Kumar, 2011). The study was conducted at Tanzania Electric Supply Company Limited (TANESCO) Headquarters, UMEME Park Building, Ubungo, Dar es Salaam. The target population consisted of 320 employees, from which a sample of 175 respondents was determined using Yamane's (1967) formula. Simple random sampling was employed to provide eligible employees with an equal chance of selection and minimize selection bias. Primary data were collected using a structured questionnaire administered to the selected TANESCO employees. The questionnaire captured information on financial rewards, and job satisfaction, and employee performance. All study variables were measured using a five-point Likert scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Financial rewards were measured using bonuses, salary raises, and profit sharing; non-financial rewards using promotion, awards, and higher job titles; while employee performance was assessed through achievement of targets and objectives, accomplishment of responsibilities, and exceeding established performance standards. Data were coded, cleaned, entered, and analysed using SPSS Version 26.0. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize respondent characteristics and study variables. Pearson correlation analysis was used to examine the direction and strength of relationships among the variables, while multiple regression analysis assessed the effects of financial and non-financial rewards on employee performance. Mediation analysis was further conducted to determine whether job satisfaction mediated the relationship between rewards and employee performance. The results were

presented in tables and interpreted in accordance with the study objectives and hypotheses.

Data Analysis and Discussion of Findings

Descriptive Statistics

The descriptive statistics of the study variables such as financial rewards and job satisfaction and employee performance are presented in this section

Table 4.1 Descriptive Statistics Performance based financial rewards

	Min	Max	Mean	SD
TANESCO provides bonuses to employees who achieve or exceed their work targets.	1	5	3.46	.786
Employees who demonstrate improved performance are considered for salary raises or salary increments.	2	5	3.27	.788
Employees are provided with opportunities to benefit from profit-sharing schemes based on organizational or individual performance.	1	5	3.31	.861

Overall, the mean scores from 3.27 to 3.46 suggest a moderate level of agreement about financial rewards provided and used at TANESCO. Bonuses received the most agreement, followed by profit-sharing schemes and salary raises/increments. The range of standard deviations from 0.786 to 0.861 suggest moderate variation in the responses, indicating that there was not a large difference in perceptions about the use of financial rewards among the respondents. Thus, the results indicate that financial rewards are implemented at TANESCO and could be used to improve employee performance.

Table 4.2 Descriptive Statistics on Job satisfaction (mediating variable)

	Min	Max	Mean	SD
I am satisfied with my job at TANESCO.	1	5	3.65	.822
I am satisfied with the recognition and rewards I receive for my work performance.	1	5	3.67	.715
I would recommend TANESCO as a good organization to work for.	1	5	3.79	.848

The overall mean for the three items measuring job satisfaction is around 3.70, indicating that the respondents tended to agree with the statements regarding job satisfaction. The standard deviations (0.715 to 0.848) suggest a moderate level of variation in employees' perceptions. The results

indicate that employees of TANESCO are satisfied with their jobs, especially with regard to recommending the organization as a good place to work. The differences in responses, however, also suggest that job satisfaction is not experienced by all employees, and that some employees may have fewer positive experiences with their overall job satisfaction and recognition or rewards for their performance.

Table 4.3 Descriptive Statistics on employee performance

	Min	Max	Mean	SD
I consistently achieve the performance targets and objectives assigned to me at TANESCO.	4	5	4.65	.477
I complete my assigned duties and responsibilities efficiently and within the required time.	4	5	4.78	.417
The quality of my work consistently meets or exceeds the performance standards expected at TANESCO.	3	5	4.63	.524

The overall mean of the three-item means is around 4.69, which shows that the respondents generally perceived the employees' performance as high. The standard deviations of the responses range from 0.417 to 0.524, which is relatively low indicating that the opinions of the respondents were fairly uniform. The results indicate that the employees of TANESCO in Dar es Salaam generally believe that they are able to meet the targets assigned to them, complete their work efficiently and within the stipulated time and produce work of good quality that is comparable to the expected performance. The findings thus suggest that the employees' performance level of the respondents surveyed is high.

Reliability Test results

Table 4.4: Reliability analysis results.

Variable	No. of items	Cronbach' Alpha Coefficient	Status
FR	3	0.760	Acceptable
NFR	3	0.767	Acceptable
JBS	3	0.751	Acceptable
EP	3	0.753	Acceptable

Table 4.6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.344 ^a	.119	.101	.36838

a. Predictors: (Constant), JBS, FR, NFR

Source: Field data (2026)

In total, Cronbach's alpha coefficients for all four constructs were above 0.70 (ranging from 0.751 to 0.767). This indicates that the measurement items employed in the study have good internal consistency and reliability. Therefore, the results obtained from the instruments measuring financial rewards, non-financial rewards, job satisfaction, and employee performance are reliable enough for further analysis such as correlation, regression, and mediation analysis.

Pearson Correlation

The Pearson product-moment correlation analysis was used to investigate the direction and strength of the relationships between the financial rewards and job satisfaction and employee performance at TANESCO in Dar es Salaam.

Table 4.5 Pearson Correlation results

		FR	JBS	EP
FR	Pearson Correlation	1	.231**	.195*
	Sig. (2-tailed)		.004	.016
	N	153	153	153
JBS	Pearson Correlation	.231**	1	.283**
	Sig. (2-tailed)	.004		.000
	N	153	153	153
EP	Pearson Correlation	.195*	.283**	1
	Sig. (2-tailed)	.016	.000	
	N	153	153	153

Job satisfaction is positively and significantly related to financial rewards ($r = 0.231$, $p = 0.004$). This suggests a positive, but weak, correlation between financial rewards and employee job satisfaction, suggesting that as financial rewards increase, so does employee job satisfaction. The p value is less than 0.01, which indicates that the relationship is statistically significant at the 1% level. The results also indicate that there is a positive and statistically significant relationship between financial rewards and employee performance ($r = 0.195$, $p = 0.016$). This is a weak positive relationship, suggesting that employees who report greater levels of financial rewards exhibit greater levels of employee performance. The p value is 0.016, which is less than 0.05, indicating that the relationship is statistically significant at the 5% level. Job satisfaction and employee performance have the highest correlation in the matrix ($r = 0.283$, $p < 0.001$). This is a positive and statistically significant relationship, meaning that employees who are more satisfied with their job tend to be more productive as employees. The correlation is statistically significant at the 1% level.

The results show that the multiple correlation coefficient is $R = 0.344$. This indicates that the combined predictors (financial rewards, non-financial rewards, and job satisfaction) have a weak positive relationship with employee performance. That

is, the three predictors, taken together, are generally related to higher employee performance, but the overall relationship is relatively weak.

Mediating variable Results

Table 4.7 Mediations results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.489	.310		8.021	.000
FR	.175	.080	.174	2.170	.032

a. Mediating variable: JBS

The results show that financial rewards are positively and significantly related to job satisfaction ($B = 0.175$, $\beta = 0.174$, $t = 2.170$, $p = 0.032$). This implies that for every one-unit increase in financial rewards, there is a 0.175-unit increase in job satisfaction, while non-financial rewards remain

unchanged. "The effect is statistically significant because $p = 0.032 < 0.05$. Thus, if employees feel they are getting more financial rewards, they tend to feel more satisfied with their jobs.

Table 4.8: Multiple regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.979	.220		18.119	.000
FR	.101	.048	.169	2.087	.039
NFR	.102	.044	.143	1.874	.023
JBS	.170	.048	.285	3.513	.001

a. Dependent Variable: EP

Source: Field data (2026)

The estimated regression equation can therefore be expressed as:

$$EP = 3.979 + 0.101(FR) + 0.102(NFR) + 0.170(JBS) + .220$$

The financial rewards have a positive and statistically significant effect on employee performance ($B = 0.101$, $\beta = 0.169$, $t = 2.087$, $p = 0.039$). This indicates that, for every unit increase in financial rewards, employee performance increases by 0.101 units, while other non-financial rewards and job satisfaction remain unchanged. The significance value of 0.039 is below the 0.05 level, therefore the effect is statistically significant. Thus, employees who are exposed to or feel they are receiving greater financial rewards will exhibit greater employee performance. The results also indicate that job satisfaction positively and significantly affects employee performance ($B = 0.170$, $\beta = 0.285$, $t = 3.513$, $p = 0.001$). This means that for every one-unit increase in job satisfaction, employee performance will increase by 0.170 units, after adjusting for financial and non-financial rewards.

Discussion of findings

Effect of Financial Rewards on Employee Performance

The first objective of the study was to examine the effect of financial rewards on employee performance at TANESCO, Dar es Salaam. Financial rewards were measured using bonuses, salary increases, and profit-sharing schemes. Descriptive findings indicated a moderately positive perception of financial rewards, with an average mean of about 3.35, suggesting that financial rewards were available but varied in their perceived effectiveness. Correlation analysis showed a positive and statistically significant relationship between financial rewards and employee performance ($r = 0.195$, $p = 0.016$). Financial rewards were also positively and significantly related to job satisfaction ($r = 0.231$, $p = 0.004$). Regression results further confirmed that financial rewards had a positive and significant effect on employee performance ($B = 0.101$, $\beta = 0.169$, $t = 2.087$, $p = 0.039$), while mediation analysis showed that financial rewards significantly predicted job satisfaction ($B = 0.175$, $\beta = 0.174$, $p = 0.032$) and job satisfaction positively predicted employee performance ($B = 0.170$, $\beta = 0.285$, $p = 0.001$).

The findings are consistent with Noorazem et al. (2021), Ngwa et al. (2019), Mbukwana and Ayandibu (2023), Hussain et al. (2019), and Danish and Usman (2015), who reported that financial rewards can enhance employee motivation, satisfaction, commitment, productivity, and performance. The

findings are also supported by Expectancy Theory (Vroom, 1964), which proposes that employees are motivated when they believe that increased effort will improve performance (expectancy), good performance will lead to valued rewards (instrumentality), and the rewards offered are desirable (valence). Thus, when TANESCO employees perceive a clear and fair link between their effort, performance, and financial rewards, they are more likely to increase their effort and achieve higher performance.

Mediating Effect of Job Satisfaction

This objective examined the mediating effect of job satisfaction on the relationship between financial and non-financial rewards and employee performance at TANESCO, Dar es Salaam. Descriptive findings indicated a moderate to relatively high level of job satisfaction, with a mean of approximately 3.70. Correlation analysis showed that financial rewards were positively and significantly related to job satisfaction ($r = 0.231$, $p = 0.004$), as were non-financial rewards ($r = 0.265$, $p = 0.001$). Job satisfaction was also positively and significantly associated with employee performance ($r = 0.283$, $p < 0.001$). Regression results confirmed that financial rewards significantly predicted job satisfaction ($B = 0.175$, $\beta = 0.174$, $p = 0.032$), while non-financial rewards also had a significant positive effect on job satisfaction ($B = 0.198$, $\beta = 0.220$, $p = 0.007$). Furthermore, job satisfaction significantly influenced employee performance ($B = 0.170$, $\beta = 0.285$, $p = 0.001$), with a stronger standardized coefficient than financial rewards ($\beta = 0.169$) and non-financial rewards ($\beta = 0.143$). The findings therefore suggest that job satisfaction provides an important pathway through which financial and non-financial rewards influence employee performance, indicating both direct and indirect effects. The results are consistent with Noorazem et al. (2021), Ngwa et al. (2019), Mbukwana and Ayandibu (2023), Ihedinmah and Egbunike (2015), and studies by Orockakwa (2018), Mabaso (2017), Ondari and Atambo (2022), and Williams and Matoka (2023), which emphasize the importance of reward practices in enhancing employee motivation, satisfaction, and performance. The findings are also supported by Expectancy Theory (Vroom, 1964), which suggests that employees are motivated when they believe that effort leads to performance, performance leads to valued rewards, and the rewards are desirable. Thus, fair and meaningful financial and non-financial rewards can enhance job satisfaction, which subsequently contributes to improved employee performance.

Summary of Findings

The study found that financial had positive and statistically significant effects on employee performance at TANESCO, Dar es Salaam. Employees reported moderately positive perceptions of financial rewards, including bonuses, salary increments, and profit-sharing. The findings further showed that both forms of rewards were positively associated with job satisfaction, which in turn significantly improved employee performance. Since financial rewards remained significant predictors of employee performance after job satisfaction was included in the model, the results suggest that job satisfaction

partially mediates the relationship between financial rewards and employee performance. Overall, the findings demonstrate that effective reward practices can enhance employee performance both directly and indirectly by improving employees' job satisfaction.

Conclusions

The study concludes that financial have positive and significant effects on employee performance at TANESCO, Dar es Salaam. Financial rewards, including bonuses, salary increases, and profit-sharing schemes, motivate employees by linking their performance to tangible benefits. The findings further conclude that financial rewards enhance job satisfaction, which positively contributes to employee performance. Job satisfaction therefore partially mediates the relationship between financial rewards and employee performance, since the rewards remained significant predictors of performance even after job satisfaction was introduced into the model. Thus, TANESCO can enhance employee performance by implementing fair, transparent, and effective financial reward systems while creating working conditions that promote employee job satisfaction.

Recommendations

TANESCO management and policymakers may review and strengthen the organization's reward system by ensuring that financial rewards such as bonuses and salary increments are fairly, transparently, and consistently linked to employee performance. The organization should establish clear and consistent reward policies applicable across departments, involve employees in reward-related decision-making, and regularly assess employee job satisfaction to determine whether reward practices are meeting employees' needs. Creating a supportive and fair working environment, together with transparent reward criteria and opportunities for career development, can enhance job satisfaction and ultimately improve employee performance.

Suggestion for Future studies

Future researchers can conduct similar studies on other organizations, be it public or private to see if similar findings can be found within other environments. Other variables that affect employees' performance may also be considered.

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