



Paper: “Organizational Performance and Chief Executive Officer’s (CEO’s) Compensation for Firms Listed in Nairobi Securities Exchange, Kenya”

Corresponding Author: Omamo Anne

Doi: 10.19044/esj.2020.v16n19p498

Peer review:

Reviewer 1: Nirmal Kumar Betchoo
University of Mascareignes, Mauritius

Reviewer 2: Remy Nyukorong
Stichting Kongregatie F.I.C., Maastricht, The Netherlands

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ESJ Manuscript Evaluation Form 2020

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Reviewer Name:	
University/Country: Université des Mascareignes, MAURITIUS	
Date Manuscript Received:	Date Review Report Submitted:
Manuscript Title: ORGANIZATIONAL PERFORMANCE AND CHIEF EXECUTIVE OFFICER'S (CEO'S) COMPENSATION FOR FIRMS LISTED IN NAIROBI SECURITIES EXCHANGE, KENYA	
ESJ Manuscript Number: 06111/20	
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Evaluation Criteria:

Please give each evaluation item a numeric rating on a 5-point scale, along with a thorough explanation for each point rating.

<i>Questions</i>	<i>Rating Result</i> [Poor] 1-5 [Excellent]
1. The title is clear and it is adequate to the content of the article.	1
<i>(Please insert your comments)</i> Quite good but could also show the relationship between the two variables.	
2. The abstract clearly presents objects, methods and	2

results.	
<i>(Please insert your comments)</i> Good abstract but looks a bit lengthy, should be around 200/250 words.	
3. There are few grammatical errors and spelling mistakes in this article.	1
<i>(Please insert your comments)</i> There is generally no error and the paper is well written.	
4. The study methods are explained clearly.	2
<i>(Please insert your comments)</i> Quite simple method which is clear to understand.	
5. The body of the paper is clear and does not contain errors.	1
<i>(Please insert your comments)</i> As suggested above, the body of the paper is clear and free from errors.	
6. The conclusions or summary are accurate and supported by the content.	2
<i>(Please insert your comments)</i> They support adequately the content.	
7. The references are comprehensive and appropriate.	1
<i>(Please insert your comments)</i> Good referencing with APA format.	

Overall Recommendation (mark an X with your recommendation) :

Accepted, no revision needed	X
Accepted, minor revision needed	
Return for major revision and resubmission	
Reject	

Comments and Suggestions to the Author(s):

A well written paper which analyses the relationship between organizational performance and compensation. This is what all companies look for. To support the argument, a regression model is used which is simplistic however. The paper is clearly written and well referenced. I would suggest more of a problem statement at the beginning because it has some theoretical underpinning. The work is commendable but could be shortened as I find it a bit long. The same applies to the abstract that could just sum up the key ideas in fewer words.

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Please respond within the appointed time so that we can give the authors timely responses and feedback.

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Reviewer Name: Remy Nyukorong	
University/Country: Stichting Kongregatie F.I.C., Maastricht, The Netherlands.	
Date Manuscript Received: 22-06-2020	Date Review Report Submitted: 26-06-2020
Manuscript Title: Organizational Performance and Chief Executive Officer's Compensation for Firms Listed in Nairobi Securities Exchange, Kenya.	
ESJ Manuscript Number: 06111/20	
You agree your name is revealed to the author of the paper: Yes	
You approve, your name as a reviewer of this paper, is available in the "review history" of the paper: Yes	
You approve, this review report is available in the "review history" of the paper: Yes	

Evaluation Criteria:

Please give each evaluation item a numeric rating on a 5-point scale, along with a thorough explanation for each point rating.

<i>Questions</i>	<i>Rating Result</i> [Poor] 1-5 [Excellent]
1. The title is clear and it is adequate to the content of the article.	5
The title accurately describes the content of the paper. It gives the dispassionate and complete essence of the paper: Clarity, conciseness, relevance, and informative.	
2. The abstract clearly presents objects, methods and results.	5

The abstract has provided a brief but honest background that presents the problem the researchers addressed, written in past tense and in a single paragraph (251 words); it is clear and brief in the state of science and the purpose of the study. It also showed what the authors did to address the problem; the principal results found in the study and significance/benefits of the study that shows the global implications of the results the authors obtained. Abstract is a standalone document sufficiently representative of the objectives, readable and within the word count limits of ESJ. *However, to aid search engines and indexes find relevant papers, the authors are advised to provide keywords.*

3. There are few grammatical errors and spelling mistakes in this article.

3

Readability and grammar of the manuscript. I completely understand the difficulties in writing in another language and applaud the authors for their grasp of the English language. Still, there are some minor grammatical and typographic errors (here and there), all of which could be corrected (several sentences are confusing in structure or word use) during editing or rather, *I would suggest judicious review by an expert in the English written language.*

4. The study methods are explained clearly.

4

The research on which this manuscript is based (i.e. pay-performance relationship) has intrinsically importance and using hypothesis development and research design – i.e. the descriptive cross-sectional design and statistical analysis effectively, some interesting findings were obtained from the data. Agency theory sees performance-related top-executive compensation as a solution to the conflict of interest between shareholders and management. Therefore, the agency theory, as theoretical background, is in support of the hypothesis: CEO Compensation is influenced by Organizational Performance, (H1). Tests were appropriately conducted using the Pearson Product-Moment Correlation Coefficient (r), which is a measure of the linear relationship between two questions/variables (in this specific case, the degree of relationship between Firm Performance and CEO Compensation), and the results are convincing. The theory, results & discussion all correspond to the methodology which is the operational base of every empirical research paper. Given the under-researched geographic and subject area in which this work is based from, these findings will undoubtedly have management merit.

5. The body of the paper is clear and does not contain errors.

4

A well-structure research paper following the title, abstract, materials and methods, results, and discussion. The paper is well-written and easy to read. The length of the manuscript (23 pages, 9501-word count) did not significantly deviate from the ESJ specification (7-21 pages). The existing literature is well cited both classic and modern sources influencing the study. Theoretical background well-grounded on corporate governance, agency theory and managerial power theory. Theoretical background is congruent with the method and all sections with each other. Consequently, a logical flow in a straight line of thought without deviation. The

rational for the selection of variables, design decisions, data analysis were also explained. Here, I see openness and full disclosure. The four tables and one figure within the text provided relevant data/information. I applaud the authors for the good work done.

6. The conclusions or summary are accurate and supported by the content.

5

Authors discussed the relationships between the results and showed how they related to the initial objective and hypothesis. Authors of the manuscript also provided major conclusions which were supported with evidence from the literature. A particularly good interpretation of the data and how they connect it to other work. They also suggested future applications of the research findings as well as provided areas for future research. Overall, I see potential for this study to contribute to literature.

7. The references are comprehensive and appropriate.

3

Please, Authors are strongly encouraged to carefully study the APA Style (7th ed.) to ensure that the structure and formatting conform to the published guidelines of the European Scientific Journal (ESJ). There is a lot do here. Please, “triple-check” citations and referencing. Useful Link:

https://owl.purdue.edu/owl/research_and_citation/apa_style/apa_style_introduction.html

For example, the following were cited in the text but do not appear in the reference section:

On p.3, line 43: Eccles, 1991; Ittner & Larcker, 1998)

On p.4, line 5: Kaplan and Norton (1992)

On p.4, line 7: Mooraj et al. (1999)

On p.4, line 17: Elling (2002)

On p.5, line 11: Economic Research Institute (2010)

On p.7, line 4: (Murphy & Zabochnik, 2004; Frydman, 2005), also not in alphabetic order

On p.8, line 10: Holmstrom (1982), However, there is Holmstom & Kaplan (2003) in the reference section (p.21) not used in the text.

On p.8, line 27: Rahaja (2005)

On p.8, line 28: Core et al. (1999). However, there is Core et al. (2003) in the reference section (p.20) not used in the text.

On p.8, line 33: Joskow & Rose (1994). However, Rose & Joskow (1994) in the reference section (p.22), used in the text on p.9.

On p.8, line 42: Jensen & Murphy (2010)

On p.9, line 10: Defina et al. (1994) and Tosi & Colleagues (2002)

On p.9, line 39: Khana & Palepu (1997)

On p.10, line 12: Abed et al. (2004). However, there is Abed et al. (2014) in the reference section (p.20), used in the text.

On p.10, line 39: Barkema, Geroski and Schwalbach (1997)

On p.11, line 22: Jensen (1986); also, Bertrand & Mullainathan (2003), which in the reference section (p.20) it is Bertrand & Mullainathan (2001).

On p.12, line 33: Kidombo (2007); also, Chang (2010) which is in the reference section (p.20), it is “Chung (2010)”.

On p.16, line 4: Cooper & Schindler (2014). However, in the reference section (p.20), you have Cooper, D.R., & Schindler, P.S. (2008)

On p.18, line 11: Kaplan & Norton (1992).

Now, authors listed in the reference section which are not found in the text. These should be deleted from the Reference section:

Page 20: Baptista, M. (2010) and Cyert,R., Sok-Hyon, k., & Praveen, K. (2002).

Page 21: Hijazi, S.T., & Bhatt, K.K. (2007); Holmstom, B., & Kaplan, S. (2003) and Kerr, J., & Bettis, R.A. (1987).

Page 22: Lambert, R.A., Larcker, D.F., & Weigelt, K. (1991); Main, G.M., O’Reilly, C.A., & Wade, J.B. (1995); Parthasarathy, A., Menon, K., & Bhattacharjee, D. (2006); Penrose, E.T. (1995); Ramaswamy (2000); and Sapp, S.G. (2007).

Overall Recommendation (mark an X with your recommendation) :

Accepted, no revision needed	
Accepted, minor revision needed	X
Return for major revision and resubmission	

Reject	
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Comments and Suggestions to the Author(s):

I applaud the authors for the good work done and I encourage them to do more empirical/applied research. Authors should make good the weaknesses pointed out in numbers 2, 3, & 7 above. They are:

- 1) *To aid search engines and indexes find relevant papers, the authors are advised to provide keywords.*
- 2) *Carefully proofread the entire manuscript to correct grammatical and typographical errors.*
- 3) *Authors are strongly encouraged to carefully study the APA Style (7th ed.) to ensure that the structure and formatting conform to the published guidelines of the European Scientific Journal (ESJ). Pay attention to in-text citation and reference list.*

Comments and Suggestions to the Editors Only:

Please, kindly ensure that All the suggestions to the authors are fully implemented.

