

## Effect of Employee Reward System on Job Satisfaction among Non-Core Staff in Catholic Sponsored Secondary Schools in Bungoma Diocese, Kenya

Misiati M. Vincent\*, Dr. Ondiek B. Alala and Mr. Fredrick Kiongera

Master, Student, Masinde Muliro University of Science and Technology, Kakamega, Kenya, Phone: +254721275943.

Lecturer, Masinde Muliro University of Science and Technology, Department of Business Administration and Management Sciences, Kenya

Lecturer, Masinde Muliro University of Science and Technology, Department of Accounting and Finance, Kenya

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### Abstract

Reward management is one of the ways used by organizations for attracting and retaining suitable employees as well as facilitating them to improve their performance. This study was undertaken to understand the effect of employee reward system on job satisfaction among non-core staff of Catholic sponsored secondary schools in Bungoma Diocese, Kenya. The study adopted a survey research design where the researcher utilised both primary data and secondary data. The study targeted 967 non-core staff from 40 well established secondary schools working in the following sections: Security, Library, Compound maintenance, Catering, Health, Driving and the Farm. A sample size 336 employees was picked through Stratified Sampling technique to ensure representation from all sections out of which 250 employees responded positively. The Study concludes that reward system is a critical component on job satisfaction among non-core staff. The study is of use to stakeholders, public sector partners' government and anyone with an interest in the effect of reward system on job satisfaction.

**Keywords:** Employee reward system, job satisfaction, non-core staff.

### Introduction

Viewing reward as a holistic system to manage for productivity is pertinent to organizational development. Lai (2011) argued that an efficient reward system result in organizational growth and expansion and exhibit a positive relationship between employee satisfaction and job-based wages, skill-based pay and performance-based pay. Richard (2006) argued that organizations should design and implement reward packages to attract and retain employees. It is also said that since compensation is linked to the organization's strategy for survival and competitive advantage, constantly changing the strategy of an organization to achieve competitive advantage and business goals will also mean constantly keeping the compensation strategy also in view to meet the human resource at the point of their needs to better motivate them to achieve the organization's goals and objectives. Herman (2009) argued that an effective reward system is one that seeks to meet the employee's specific needs, however, for an employee who have already achieved his/her basic needs through monetary reward, then he/she will tend to value rewards that reinforce his or her self-actualization and hence will be more motivated by relational rewards. A research carried out in Uganda by

Okwenje (2016) in the interplay of school reward system and teacher performance revealed that reward system on teacher performance will positively influence teachers' performance. A research conducted by Kawara (2014) in the Catholic University of Eastern and Central Africa on effect of reward system on employee productivity eludes that reward systems have a positive effect on employee productivity. It asserts that reward system should incorporate both monetary and non-monetary rewards that are competitive based on prevailing market rates.

### Statement of the Research Problem

Rewards are the most important techniques to keep employees motivated in accomplishing their tasks. The findings of studies carried out to date indicate that reward system plays a vital role in motivating employees so that they can perform creatively (Eisenberger & Rhoades, 2001). There are certain rewards and benefits enjoyed by teachers employed by the Teachers Service Commission of Kenya and the Board of Management which are not extended to non-core staff. For example, teachers have a well-structured reward programs such as on- job training, promotion, salary increment, health insurance and retirement benefit where as non-core staff do not enjoy all the outlined benefits.

\*Corresponding author's ORCID ID: 0000-0001-8114-0934

The reason behind this could be non-core staff are considered as a supporting unit, thus placing little value on their input. This study therefore sought to examine the existing reward system in place for the non-core staff and its impact on job satisfaction with a view of recommending a way forward over the situation.

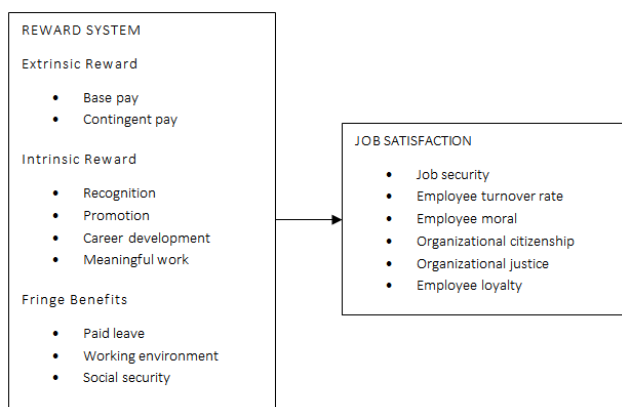
**Objectives of the Study**

- (i) To establish the effect of extrinsic reward on job satisfaction of non-core staff of Catholic Sponsored Secondary Schools.
- (ii) To assess the effect of intrinsic reward on job satisfaction of non-core staff of Catholic Sponsored Secondary Schools.
- (iii) To determine the effect of fringe benefits on job satisfaction of non-core staff of Catholic Sponsored Secondary Schools.

**Hypothesis**

- (i) H0<sub>1</sub>: Extrinsic reward has no significant effect on job satisfaction of non-core staff of Catholic Sponsored Secondary Schools.
- (ii) H0<sub>2</sub>: Intrinsic reward has no significant effect on job satisfaction of non-core staff of Catholic Sponsored Secondary Schools.
- (iii) H0<sub>3</sub>: Fringe benefits have no significant effect on job satisfaction of non-core staff of Catholic Sponsored Secondary Schools.

**Conceptual Framework**



[Source: Self-conceptualization (2017)]

**Figure 1.1** Conceptual Framework

**Literature Review**

The Journal of Global Business and Economics (2010) define reward as “the combination of all cash incentives and the fringe benefits mix that an employee receives from a company which constitutes an individual’s total compensation.” Chabra (2001) refers to Reward as a wide range of financial and non-financial benefits given to employees in exchange for their services rendered to the organization. According to him, it is paid in the form of wages, salaries and employee benefits such as paid leave, free traveling facility, and retirement benefits. A study by Janssen (2001) has shown that managers who perceive effort-reward fairness perform better and feel more satisfied than managers who perceive under-reward unfairness.

According to Amstrong (2014), job satisfaction is the attitude and feeling people have about their work. Job satisfaction is important for reducing employee turnover rate and increase motivation. Job satisfaction is a pleasurable emotional state, resulting from the appraisal of one’s job experiences. Part of the interest in job satisfaction is due to the correlation between satisfaction and employee behavior. More satisfied workers are less likely to leave their employer (Clark, 2001). Instrument for managing job satisfaction are pay, recognition and working environment (Mathauer, 2006). People will be more committed and more productive during their job if they are more satisfied (Al-Hussami, 2008). Satisfaction and dissatisfaction not only depend on the job but also depend upon employee’s expectation about job (Hussami, 2008). In order to succeed, organizations must keep their employees satisfied.

**Research Methodology**

This research adopted the survey research design using both primary data and secondary data sources. The study utilised correlation to find out the relationships between reward system and job satisfaction among non-core staff. The study was carried out in Catholic Diocese of Bungoma which comprises of Bungoma county and Busia County. The target population was 967 non-core staff from 40 well established secondary schools. Stratified Sampling procedure was used in determining a sample of 336 non-core staff. Data was collected by use of questionnaire to collect primary data and document analysis to obtain secondary data and analyzed using both descriptive statistics and inferential statistics.

## Findings and Discussion

**Table 1:** Employee reward system and job satisfaction among non-core staff correlation results

		Job Satisfaction	Extrinsic Reward	Intrinsic Reward	Fringe Benefit
Job Satisfaction	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	250			
Extrinsic Reward	Pearson Correlation	<b>.585**</b>	1		
	Sig. (2-tailed)	.000			
	N	250	250		
Intrinsic Reward	Pearson Correlation	<b>.788**</b>	.559**	1	
	Sig. (2-tailed)	.000	.000		
	N	250	250	250	
Fringe Benefit	Pearson Correlation	<b>.684**</b>	.349**	.589**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	250	250	250	250

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

Source: Field data (2017)

Correlation results in Table1 indicate that there is a positive and significant relationship between employee reward system and job satisfaction at 99% level of confidence ( $p=0.000$ ;  $\alpha=0.01$ ;  $r=+$ ). Further, the results show that there is a higher correlation between intrinsic reward and job satisfaction ( $r=0.788$ ), followed by a moderate correlation between fringe benefit and job satisfaction ( $r=0.684$ ), and lastly extrinsic reward and job satisfaction ( $r=0.585$ ). The results clearly illustrate that intrinsic reward leads to a higher job satisfaction among non-core staff than fringe benefit and extrinsic benefit. Past researchers found out that reward system given to employees makes them more satisfied thus support these study findings (Parvin & Kabir, 2011; Naveed, 2011; Dessler, 2008; Robbins, 2001).

### Conclusions

Extrinsic reward is not adequate since some non-core staff are satisfied with their reward system while others are unsatisfied. There is a positive and significant correlation between extrinsic reward and job satisfaction. There is adequate intrinsic reward leading to job satisfaction. There is a higher positive and significant correlation between intrinsic reward and job satisfaction as compared to fringe benefits and extrinsic reward. There is a moderate and significant positive correlation between fringe benefits and job satisfaction of non-core staff.

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