



THE IMPACT OF REWARD SYSTEM ON EMPLOYEE ATTITUDE CASE STUDY PUBLIC AND PRIVATE SECONDARY SCHOOLS IN BENADIR-SOMALIA

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ABSTRACT

The Main purpose of this study is to investigate The Impact of reward system on employee attitude in Mogadishu Somalia. The sample size of this study was Ninety eight (67) respondents including offers and staffs targeted public and private schools, also the respondents was included beneficent / customers of that above organizations. In this study the sample was reached through the Slovin's formula. The study was conducted through descriptive research design and used questionnaires as the main instrument for collecting data. The questionnaire was consisting of structured with closed End questions. Data was analyzed by assessing the frequency of respondents per question. Tabulated frequencies analysis was made using Statistical Package for social science SPSS version 20.0 to present the data analyses.

INTRODUCTION

In the real world, it is very important to reward high performance levels because this motivates and controls the performance. Indeed, reward strategies confirm the level and the merge of non-financial and financial rewards required to attract, maintain and inspire skillful competent, and capable employees to make the organization prosperous. Although some of these benefits are financial forms, such as options for salary sacrificing and competitive pay, there are a lot of non-financial benefits which firms can provide its employees. Over the years, a considerable amount of literature has been developed, which seeks to improve understanding in rewards systems and the extent to which they can influence the levels of employees' commitment, motivation and eventually, job satisfaction.

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization to keep them

coming to work, and motivate them to perform to high levels.

The reward system consists of all organization components – including people processes rules and decision making activities involved in the allocate of compensation and benefits to employees in exchange for their contribution to the organization., In order for an organization to meet its obligations shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. At a minimum them organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment. Like management,

employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are, vary from organization to organization. For organizations to address these expectations an understanding of employee motivation is required (Beer, Spector, Lawrence, Mills, & Walton, 1984).

Baron (1983) defines motivation as “a set of processes concerned with the force that energizes behavior and directs it towards attaining some goal.” Kreitner and Kinicki (1992) postulate that motivation represents “those psychological processes that cause the arousal, direction and persistence of voluntary actions that are goal directed. If it is the role of managers to successfully guide employees toward accomplishing organizational objectives, it is imperative that they understand these psychological processes. Schermerhorn, Hunt and Osborn (1991) conceptualize motivation as based on content and process approaches. The content theories of motivation emphasize the reasons for motivated behavior and/or what causes it.

These theories specify the correlates of motivated behavior that is states, feelings or attitudes associated with motivated behavior, and help to represent physiological or psychological deficiencies that an individual feels some compulsion to eliminate. Establishing this balance and meeting this need is one of the first reasons, according to Deeproose (1994) to reward and recognize employees. Formal reward programme which denote financial rewards such as salary, fringe benefits, bonuses, promotions or share

According to Lawler (1971), reward systems are one of the most widely researched and written subjects in the field of management and organizational behavior, yet it remains one of the less understood topics. However, in present days, among manager’s tasks is to create an environment which motivates people to perform satisfactorily and to be a profitable asset, so that they can foster the organization’s growth.

In a wider context, there is an increased emphasis on people as a key source of competitive advantage, often being regarded as the key differentiator between organizations and many managers try to comprehend the complexities of motivating people at work and provide them with job satisfaction so that they can gain employee commitment. For those reasons, increased emphasis is given to financial and non-financial rewards from both managers and academics. They are, in fact, some factors that may motivate the staff. Therefore, for a manager, it is necessary to know what really inspires employees and perhaps they are not the same things that stimulate other employees. The obvious reward practice should be carried out by the simplification of

the connection between the given reward and the additional effort (Porter et al., 1975).

There also have been cautions about the rewards ways managed within the reward system. In this regard, Porter et al. (1975) suggested that to achieve positive motivational properties, the organizations An organization for global manufacturer of brand-name products for consumers needed to improve levels of employee motivation fast in order to improve performance. Managers focused on ‘recognition’ as the key to raising employee morale. Every employee could nominate anyone they considered worthy of recognition. Successful employees got certificates and they really felt appreciated. In the experience of a ‘recognized’ employee “to be recognized formally gave me extra motivation and made me wonder what i could do to keep the momentum going” (Gyurcik & Brawley, 2000). Scottrade Inc.; a firm that deals with financial services delivered superior performance and took care of its employees even in the turbulent environment that had gripped the entire financial services industry.

In Somalia, rewards management is closely related to motivation theories and employee attitude. The term of attitude has become a very significant one, now that managers seek for practices which are likely to make people more satisfied and therefore, more productive. Though several papers within the latest literature, it is easy to understand that job satisfaction is quite difficult to measure while it is considered as major determinant of organizational performance (Riketta, 2002) and effectiveness (Laschinger, 2001).

According to (Wilson, 2003) Rewards include systems, programs and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive Consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance.

In Kenya Power and Lighting Company Ltd Company transmit, distribute and retail electricity throughout Kenya. The Government of Kenya is the major shareholder, while the rest is owned by private shareholders. KPLC Ltd. Is divided into four administrative regions which are Nairobi, Coast, Mount Kenya and Western and it has many branches country wide. The research will be carried out at KPLC Nakuru main office, which is the Central Rift Sub Region headquarters. Reward management is one of the strategies used by Human Resource Managers for attracting and retaining suitable employees as well as facilitating them to improve their performance through motivation and to comply with employment legislation and regulation. As a result of these pressures, HR managers seek to design reward structures that facilitate the organizations strategic goals and the goals

of individual employees. Reward systems are very crucial for an organization (Maund, 2001).

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The only way employees will fulfill the employers dream is to share in their dream (Kotelnikov, 2010). Reward systems are the mechanisms that make this happen. They can include awards and other forms of recognition, promotions, reassignments, non-monetary bonuses like vacations or a simple thank-you. When employees are rewarded, they get work done.

Employers get more of the behavior they reward, not what they assume they will automatically get from employees. Thus when employees surpass their target or exceed their standard they should be rewarded immediately as a way of motivating them. By doing this, employees directly connect the reward with behavior and higher performance they have attained. Effective reward systems should always focus on the positive reinforcement the firm had given good performance and industry observers felt that its performance management and reward system was responsible for this (Purkayastha&Chaudhari, 2011).

RESEARCH OBJECTIVE

The objectives of this study are:

- To determine relationship between monetary reward and employee attitude in Public and private secondary schools in Mogadishu
- To establish relationship between psychological rewards in Public and private secondary schools in Mogadishu
- To find out job bonus and employee attitude in Public and private secondary schools in Mogadishu

REVIEW OF RELATED LITERATURE

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words,

Reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components – including people processes rules and decision making activities involved in of compensation and benefits to employees in exchange for their contribution to the organization.

In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the

continually changing needs of both parties. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility.

Just how ambitious the expectations of each party are, vary from organization to organization. For organizations to address these expectations an understanding of employee motivation is required (Beer, Spector, Lawrence, Mills, & Walton, 1984). Baron (1983) defines motivation as “a set of processes concerned with the force that energizes behavior and directs it towards attaining some goal.” Kreitner and Kinicki (1992) I postulate that motivation represents If it is the role of managers to successfully guide employees toward accomplishing organizational objectives, it is imperative that they understand these psychological processes. Schermerhorn, Hunt and Osborn (1991) conceptualize motivation as based on content and process approaches. The content theories of motivation emphasize the reasons for motivated behavior and/or what causes it. These theories specify the correlates of motivated behavior that is states, feelings or attitudes associated with motivated behavior, and help to represent physiological or psychological deficiencies that an individual feels some compulsion to eliminate.

Establishing this balance and meeting this need is one of the first reasons, according to Deeproose (1994) to reward and recognize employees. Formal reward programme which denote financial rewards such as salary, fringe benefits, bonuses, promotions or share importantly, rewards management is also concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees. Furthermore, reward processes cover both financial and non-financial rewards.

There are direct financial rewards which consist of payments in the form of wages, salaries and bonuses. There are also the indirect financial rewards, or benefits, such as insurance plans (life, health etc.), retirement plans, sick leave etc. Finally, the non-financial rewards consist of the satisfaction that a person receives from the job itself, from the psychological and physical environment in which the person works (Mondy and Noe, 2002). Furthermore, non-financial rewards deal with feelings of recognition,

achievement, responsibilities and personal growth (Armstrong and Murlis, 1998).

Rewards include all types of benefits given to employees; these can be in the form of cash or also in the form of suitable working conditions. Monetary reward is a reward that is tangible or having a physical existence, given after accomplishing the goal. It is a tangible recognition. It's a certificate of accomplishment, a trophy for doing something right, or even a monetary reward for doing your job. Because extrinsic rewards are tangible, they are usually given to the person doing the activity; direct effect on the direction of employee's individual consideration and work effort, they are not from within the person. Therefore, extrinsic rewards mean the reward is extrinsic to the person doing the activity Crawford, J. (2001).

Recent studies show that companies are putting so much effort in introducing several rewarding techniques to retain employee. They are offering rewards systems to make the employee are more satisfied and committed. Though, still turnover exists. However, there is need to find out the relationship between reward systems and employee job attitudes with the moderating effect of the employee perceived supervisory support. In this way employees can demonstrate their demands, their perception regarding work, supervisors, and the environment. Employees can state their emotions regarding job satisfaction and commitment, so their intention to leave can be easily predicted. They can also recommend what should be there to make them more satisfied and committed. It is also beneficial for supervisors. They can know what their subordinates want. This will create a mutual relationship among employees and supervisors and finally will be beneficial for the organization; if the organization has the most satisfied and committed staff.

METHODOLOGY

The study was conducted through a descriptive study; the purpose of the descriptive research is to describe an accurate profile of persons, events or situations. In addition the survey has been used and collecting primary data process of this study (Robson, 2002). However this study used quantitative approach; Quantitative is any data collection technique (such as questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data (Saunders et al, 2009)

CONCLUSION

Study shows that the Reward system has direct impact on employee attitude. A highly motivated employee invests his / her best hard work in carrying out each and every aspect of his / her duties and responsibilities. Improved job performances of the

employee will add value to the organization itself and to the employee's productivity.

The experimental results of this study show that the motivation of the employee has reward to the employee and the organization and the organization will keep the faithfulness of the employee at the high climax. Also, the employee will trust his /her organization, supervisor and top management. From these observations of details it is very clear that business organizations can live and grow by taking care of their employees. In the review of the literature showed above indicates that the impact of employee satisfaction has a positive impact on organizational productivity, but the degree of such impact has not been explored in Mogadishu. Therefore, this study will examine the possible impact of employee attitude in public and private schools in Mogadishu Somalia.

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