Role of Reward Systems on Job Satisfaction of Employees in the County Government of Nyeri, Kenya

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Abstract
The study sought to investigate the effect of reward systems on the job satisfaction of employees in the County Government of Nyeri. This research problem was examined using a descriptive design. Systematic sampling was used to select the sample. The target population for this study was 162 employees of Nyeri County government. Self-administered questionnaires were used to collect data from the target respondents. A response rate of 82.1% response rate was achieved. Reliability of the data collection instrument was assessed using Cronbach alpha Coefficient. Frequencies and percentages were generated from the data and presented using frequency distribution tables while multiple regression analysis was done to establish relationship of each parameter of the independent variables in the study. The reward system influenced approximately 11.3% of job satisfaction of among employees working in the County government of Nyeri. The research found that there is a positive and statistically significant relationship between reward system and employee satisfaction. The study recommended that the County Government should review staff rewards by comparing how their counterparts are rewarded in private sector in order to increase job satisfaction in County Government. In terms of policy the County government should have in place transparent and elaborate reward systems for effective management of employee satisfaction. Non-monetary rewards should be adopted adequately in the reward systems of the county governments including recognition and placement for training and other personal development initiatives. These together with promotions should be done in a competitive way that entrench meritocracy and eliminate the favoritisms currently existing in such activities.

Key words
Job Satisfaction, Reward System

1. Introduction
Job satisfaction is one of the cornerstones of manpower development in organizations which is the most important resource in an organization and other resources such as materials, machines and money are useless if there is lack of manpower. Ignoring this resource can lead to poor performance in an organization therefore should be given the highest priority (Fisher et al., 2010). As pointed out by Abdulla (2009) boosting of employees job satisfaction significantly affects productivity of a work force which is greatly needed in the public service. This is imperative because Africa and Kenya continue to lag behind in the development of human capital. This was affirmed by Choudry (2009) who noted that Africa and south Asian countries performance in labor productivity is not very encouraging. Labor productivity level in 2005 in sub-Saharan Africa economies was the lowest among all regions. The significance of job satisfaction is
emphasized by its positive and reciprocal relationship with life satisfaction (Judge and Watanabe, 2011) and its impact on personal, social and work life (Sempane, Rieger-Roodt, 2012). McCormick and Ilgen (2010) also regard job satisfaction as a person’s attitude towards his or her job, which may vary along a continuum from positive to negative. According to James and Hannah (2013) job satisfaction is an important element in a work situation and has been associated with improved performance as well as increased commitment to the organization.

Conversely, lack of job satisfaction accords organizations paralyzing blows because employees without job satisfaction usually have low morale and lack a sense of belonging and attachment to the organization. According to Simatwa (2011) job satisfaction means a function which is positively related to the degree to which one’s personal needs are fulfilled in the job situation. Kuria (2011) argues that employees are the most satisfied and highly productive when their job offers them security from economic strain, recognition of their effort clean policy of grievances, opportunity to contribute ideas and suggestions, participation in decision making and managing the affairs, clean definitions of duties and responsibilities and opportunities for promotion, fringe benefits, sound payment structure, incentive plans.

In Kenya a study by Odemba (2014) reported that 46 per cent of professionals were dissatisfied with their jobs. Nearly 45 per cent and 47 per cent of workers in public and private sectors, respectively, considered pay as one of the important factors causing job dissatisfaction. The employees also noted that non-monetary factors like working conditions, job security and career growth opportunities also affected their job satisfaction. The same disaffection with jobs is noted among county governments in Kenya. There has been chaos in almost all counties since devolution. Mutai (2014) noted once the county government of Isiolo took over, that there is now more confusion than light, disorder at county offices, deceit on past relations, lack of information and growing elusion. The determinants of job satisfaction among employees of the County government in Kenya are diverse and mainly institution based. Sikoro, Namusonge, Makhokha and Nyagechi (2016) found that work environment, employees’ attitude and employees’ productivity determined satisfaction of employees in Trans Nzoia County.

Reward and compensation have been cited as major factors affecting job satisfaction of employees in many institutions. Mwangi et al. (2017) reported that salary and compensation were the key institutional factors affecting job satisfaction of employees since they fortified a pleasure or positive emotional state. Anyango (2011) reported that even with poor remuneration, adequate provisions and allowances on health and housing plus a conductive work environment were adequate institutional cushions that guaranteed job satisfaction. Chebet (2015) found that the key institutional factors affecting job satisfaction of employees of county governments of Kenya were compensation, leadership, training and working conditions. Ombimba (2014) reported that salary paid on time determines job satisfaction of the majority of workers in Kenya.

Invariably, studies conducted among county governments in Kenya have cited remuneration and compensation as factors affecting job satisfaction of employees. Nanzushi (2015) found that workplace environment, physical environment and rewards fuelled employees’ performance and satisfaction with work at the county government of Nairobi. Obwoyere (2016) found that organizational commitment characterized by adequate compensation, recognition and promotion affected job satisfaction among employees of the county government of Nakuru. Njoroge and Kwasira (2015) found out that compensation and reward had strong correlation with employee performance in the county government of Nakuru. It is noteworthy that no such study was conducted in the county government of Nyeri.

1.1. Statement of the problem

The deficits in job satisfaction among employees of county governments in Kenya was evidenced by findings of a study by BidyutandMukulesh (2014) that the level of service delivery is quite low as evidenced by many public complaints about its effectiveness, corruption, absenteeism, negligence among others. This was corroborated by reports that rewards and compensations were at the centre of this job dissatisfaction with findings that delayed and poor pay have resulted in mass resignations and strike actions among many county governments (Lubanga, 2014; Kibet, 2014; Wanjia, 2013). In Nyeri County workers go on strikes due to delay to pay salaries and poor working conditions and unfair treatment (Njung’eh, 2014) Moreover, studies on job satisfaction have been carried out in other counties apart from Nyeri County. For example, Orita, Mulwa, Musiega and Masinde (2015) on the effect of leadership style on job satisfaction in Kakamega...
County and Kathika (2015) investigating the role of work-life balance on job satisfaction among workers in Makueni County. This is the research gap that this study sought to fill by investigating the effect of reward systems on job satisfaction among employees of the County Government of Nyeri.

1.2. Objectives of the Study

The objective of the study was to investigate role of reward system on job satisfaction of employees in Nyeri County government.

2. Literature review

2.1. Theoretical Review

The study was informed and guided by Hertzberg two factor theories. The research conducted by Hertzberg determined what people actually want from their jobs (Hyun, 2009). The respondents had to describe work situations in which they felt good (satisfied) or bad (dissatisfied) in their specific jobs. The feedback received was afterwards categorized into satisfaction or dissatisfaction. The characteristics related to job satisfaction included advancement, reward and recognition, the work itself, achievement, growth and responsibilities. Hertzberg referred to these characteristics as “motivator”. The characteristics that lead to dissatisfaction are: working conditions, supervision, interpersonal relationships, company policies, administration, rules and regulations were referred to as “hygiene” factors. Hertzberg theory also states that if too much value is placed on a particular factor stronger feelings of dissatisfaction will occur (Khalifa and Truong, 2010). Herzberg’s two-factor theory is an important basis of reference for managers who want to gain an understanding of job satisfaction and related job performance issues. He argues that Herzberg’s two-factor theory is a useful reminder that there are two important aspects of all jobs: what people do in terms of job tasks (job content), including the work setting in which they perform it (job context). As such, managers should attempt to always eliminate poor hygiene sources of job dissatisfaction in the workplace and ensure there are more satisfiers in job content to maximize opportunities for job satisfaction. This theory is relevant and significant to this study in that it recognizes that employees have two categories of needs that operate in them and that both should be addressed by the county governments. The theory recognizes the components of reward systems namely advancement, reward and recognition as salient factors determining job satisfaction. The study assessed the extent they affect job satisfaction in the county government of Nyeri.

2.2. Empirical Review

The imperative for job satisfaction among employees of county government has been informed by the challenges involved in working for the nascent governance units. This was affirmed by a study by Awada et al. (2015) found that employees in the County government of Kilifi were stressed because of the uncertainties and complexes in the system of county government which was not explained to them adequately. This was coupled by unduly high public expectations on service delivery. Payment and incentives are the key factors affecting both motivation and satisfaction of employees. A study by Waithaka (2013) on Influence of employee motivation on job Satisfaction: a case of government departments in Isiolo county found that financial incentives was the greatest motivation factor towards employees’ job satisfaction followed by staff promotions based on merit and competence policy. A study by Ogendo (2016) on factors affecting the performance of employees of county governments: a case study of Kisumu County concludes that recognition is an important aspect of keeping employees in the county government.

Mwanda (2015) found that an organizational structure should incorporate a compensation strategy that is acceptable to the majority of the employees and established on merit. Nderitu (2013) found that an organizational culture that adopted merit in promotion and delegation of duties led to employee satisfaction in the government of Kenya. Obwoye (2016) found that the organizational culture being developed in the county government of Nakuru was based on fair promotion and recognition of employees for offering exemplary services. Njoroge and Kwasira (2015) found strong relationship between compensation and reward on the performance of employees in the county government of Nakuru. Anyango (2011) came up with interesting findings that even in low remuneration, employees’ derived satisfaction where there was provisions for housing, health and other allowances for employees working.
for the government of Kenya. The fact the remuneration and especially financial compensation is the driving force for employee satisfaction or the decision to quit if this is inadequate is a recurring motif in many of the studies done among employees in the county governments in Kenya (Obwoyere, 2016; Nanzushi, 2015). There is no study on the effect of reward systems on job satisfaction among employees of the county government of Nyeri

2.3. Conceptual framework

Figure 1 shows the relationship between the study variables and the indicators of measurability are indicated. The arrows show the direction of influence.

Independent Variable | Dependent Variable
---|---
**Reward System**
- Fairness of reward
- Adequacy of reward
- Frequency of reward
- Promptness of the reward

**Job satisfaction**
- Level of satisfaction
- Frequency of resignations
- Level of Industrial actions

*Figure 1. Conceptual Framework*

3. Methodology of research

This research problem was best studied through the use of a descriptive design. The target population for this study was 162 employees of Nyeri County government who were drawn from the managerial and non-managerial cadres that formed the strata in sampling. Stratified random sampling was used to select the sample. A formula by Yamane (1967) suitable for finite population was used in the sample size determination. Standardised and self-administered, questionnaires were used to collect data from the target respondents. The validity and reliability of the questionnaires was established through expert examination and Cronbach Alpha tests respectfully. A reliability coefficient of 0.85 was achieved. The study data analyzed was obtained from 133 respondents out of the targeted 162 and therefore a response rate of 82.1% was achieved. Frequencies and percentages were generated from the data and presented using frequency distribution tables while bi-variate linear regression was used to examine the relationship between the regresor and the response variables in the study.

4. Findings

4.1. Demographic Characteristics of the Respondents

The background information of respondents was deemed necessary because the ability of the respondents to give satisfactory information on the study variables greatly depended on their job designation, age and the number of years worked in the institution.

4.2. Age of the Respondents

The age of the respondent has been assessed in many studies by determining the age brackets of various levels of employees in the organization. This study thus sought to establish the age category of the employees in Nyeri County Government.

*Table 1. Age of the Respondents of Nyeri County Government*

<table>
<thead>
<tr>
<th>Age category</th>
<th>Frequency (n)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 years and below</td>
<td>25</td>
<td>18.8</td>
</tr>
<tr>
<td>26 to 35 years</td>
<td>30</td>
<td>22.6</td>
</tr>
<tr>
<td>36 to 45 years</td>
<td>40</td>
<td>30.1</td>
</tr>
<tr>
<td>46 to 55 years</td>
<td>23</td>
<td>17.3</td>
</tr>
<tr>
<td>56 years and above</td>
<td>15</td>
<td>11.3</td>
</tr>
<tr>
<td>Total</td>
<td>133</td>
<td>100.0</td>
</tr>
</tbody>
</table>
As shown by Table 1, the study revealed that 18.8% of the respondents were 25 years and below, 22.6% of the respondents were between 26-35 years, 30.1% were aged between 36-45 years, 17.3% were aged between 46-55 years while 11.3% were above 55 years. This is an indication that majority of the respondents were aged between 25-45 years. This was a mark of a considerable number of young people in management ranks courtesy of their superior qualification signaling some institutionalization of meritocracy in hiring and promotion practices by the county government of Nyeri.

4.3. Work Experience of Respondents

Work experience with Nyeri County government was sought to establish whether the respondent were fairly familiar with the factors that impact on job satisfaction of employees in Nyeri County government.

From the Figure 2, slightly above a third of the respondent have worked with Nyeri County government for less than five years about 10% of the respondents have worked for period between 6-10 years, 11-15 years, 16-20 years or for a period between 21-25 years. Thus majority of the persons who responded had worked with Nyeri County government for less than five years. This is an indication that after devolved government which has been there for the last five years quite a number of positions were created which necessitated the County government to employee new staff in addition to staff who transited from the former municipal council, county council and the ones seconded from the National government after transfer of functions to the county governments.

4.4. Reward System and Job Satisfaction

Table 1.2 shows the effect of each factor of reward on job satisfaction in Nyeri County government. The indicators of reward system under consideration included comparison of the reward system with equivalent in the private sector, availability and adequacy of rewards, promptness of rewards and adequacy of the rewards.

<table>
<thead>
<tr>
<th>Reward Practice Factors</th>
<th>SA (%)</th>
<th>A (%)</th>
<th>N (%)</th>
<th>D (%)</th>
<th>SD (%)</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward in this organization is less compared with others in</td>
<td>28.6</td>
<td>55.6</td>
<td>13.5</td>
<td>2.3</td>
<td>0</td>
<td>4.105</td>
<td>0.7099</td>
</tr>
<tr>
<td>same qualification working in private sectors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apart from salary, other rewards like house allowance are</td>
<td>65.4</td>
<td>2.3</td>
<td>6.0</td>
<td>26.3</td>
<td>0</td>
<td>4.068</td>
<td>1.3325</td>
</tr>
<tr>
<td>availed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are rewarded without delay</td>
<td>14.3</td>
<td>41.4</td>
<td>30.1</td>
<td>11.3</td>
<td>3.0</td>
<td>3.526</td>
<td>0.9737</td>
</tr>
<tr>
<td>Rewards are given for the job is adequate</td>
<td>7.5</td>
<td>20.3</td>
<td>21.8</td>
<td>28.6</td>
<td>21.8</td>
<td>2.632</td>
<td>1.2399</td>
</tr>
<tr>
<td>Frequency of reward reviews is satisfactory</td>
<td>3.0</td>
<td>9.0</td>
<td>30.8</td>
<td>57.1</td>
<td>0</td>
<td>2.579</td>
<td>0.7805</td>
</tr>
</tbody>
</table>
As shown in Table 2, reward in the organization being less compared with others in same qualification working in private sectors was rated highly followed by presence of availability of other rewards like house allowance. Employees’ were being rewarded without delay also was rated above average. However the respondents could not clearly tell whether rewards given for the job is adequate and frequency of reward reviews is satisfactory as they had an average rating. This finding was explained by the differential pay review between permanent staff seconded from the central government and the defunct local authorities as compared with the contract employees engaged as the county government was being developed. The terms of the permanent employees is reviewed frequently than the static terms of the staff on contract that affects the job satisfaction of the employees under contract terms usually the administrators.

The indication was that employees in county government were not satisfied with reward given for the job terming it inadequate. Consequently they felt that their reward is low compared to other employees working in private sector with similar qualifications. This was explained by the higher pay accorded elected members of county assembly who held similar or inferior academic and professional qualification. This disaffection with the pay was in agreement with the findings of Chebet (2015) that the compensation of the county government was inadequate. The findings also contradicted Ombimba (2014) who had found that payment of salaries was paid in time and the staffs were satisfied with the reviews.

4.5. Job Satisfaction

The descriptive statistics for the job satisfaction among workers in the County Government of Nyeri was as follows:

<table>
<thead>
<tr>
<th>Job Satisfaction Factors</th>
<th>SA (%)</th>
<th>A (%)</th>
<th>N (%)</th>
<th>D (%)</th>
<th>SD (%)</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>My job satisfaction level has been rising in the last three years</td>
<td>0</td>
<td>6.0</td>
<td>28.6</td>
<td>65.4</td>
<td>0</td>
<td>2.4060</td>
<td>1.5717</td>
</tr>
<tr>
<td>Many are the times i feel satisfied by my work</td>
<td>0</td>
<td>5.3</td>
<td>28.6a</td>
<td>66.2</td>
<td>0</td>
<td>2.3910</td>
<td>1.6182</td>
</tr>
<tr>
<td>The number of staff unrest/strikes have been increasing in the last three years</td>
<td>0</td>
<td>3.8</td>
<td>29.3</td>
<td>66.9</td>
<td>0</td>
<td>2.3684</td>
<td>1.5593</td>
</tr>
<tr>
<td>The number of my colleagues who have resigned have been increasing in the last three years</td>
<td>0</td>
<td>0</td>
<td>27.1</td>
<td>70.1</td>
<td>2.3</td>
<td>2.2481</td>
<td>1.5443</td>
</tr>
</tbody>
</table>

The study found that the staffs tends to be neutral about their level of job satisfaction with each parameter registering as mean score of between 2.2481 to 2.4060. The study revealed that the level of satisfaction remained moderate as the polling was disparate among different cadres of managerial and non-managerial staff. The increase in strikes mainly affected the staff in the health departments and there were few resignations. However, only a handful of staff expressed satisfaction with their work. This was indicative of other underlying institutional factors undermining the job satisfaction of employees that require further research as compared with the actual output and productivity of the staff.

4.6. Influence of Reward Systems on Employee Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.336a</td>
<td>.113</td>
<td>.106</td>
<td>1.13805</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Rewards

From the regression results Table 4, the R value was 0.336 indicating that there is a weak relationship between rewards on job satisfaction in Nyeri County government. The R squared ($R^2$) value of 0.113 shows that 11.3 percent of job satisfaction in Nyeri County government is explained by reward system. The remaining 88.7 percent is explained by other factors. The differential payments and contractual engagement among different staff explained the low influence of rewards on the job satisfaction of employees at the county government of Nyeri.

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Table 5. ANOVA for Reward System of Nyeri County

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>f</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>21.582</td>
<td>1</td>
<td>21.582</td>
<td>16.663</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>169.666</td>
<td>131</td>
<td>1.295</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>191.248</td>
<td>132</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job satisfaction
b. Predictors: (Constant), Rewards

The model was significant with the F ratio = 16.663 at p value 0.000 < 0.05. This is an indication that reward when considered has a significant effect on job satisfaction in Nyeri County government. This had been explained by a study by Njoroge and Kwasira (2016) that employed staffs were dissatisfied with their earning in the face of superior earning by elected officials.

Table 6. Regression Coefficients of Reward System

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.415</td>
<td>.283</td>
</tr>
<tr>
<td>Rewards</td>
<td>.314</td>
<td>.077</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job satisfaction

Reward had positive and significant effect on job satisfaction in Nyeri County government with β = 0.314 at p value 0.000 which is less than 0.5. According to Kelly and Cole (2011), reward is something that an organization gives to the employees in response of their contribution and performance. The finding of this study that reward had significant effect on job satisfaction asserts earlier finding by Younes (2012), who found a strong and positive correlation between the overall job satisfaction and the variables of contingent rewards, promotion, supervision, and communication. This study further supports Njung’eh (2014) who noted that Nyeri county workers have taken to the streets more than once protesting against unfair treatment from the Nyeri county government. According to Njung’eh, workers downed tools demanding salary arrears amounting to Kshs. 50 million. Other complaints included poor working conditions, lack of uniforms and protective gears as well as being employed on casual basis for more than 15 years. Another study conducted by Ntarangwi (2009), showed that salary is an extremely important factor in influencing the job satisfaction of the retail centre agents.

5. Conclusions

Various aspects of the reward system of the county government of Nyeri were polled and rated highly. For example, the respondents indicated the pay was comparable to same positions and qualification in the private sector (mean=4.1) and the allowances accorded to them were adequate (mean=4.06). The adequacy of the actual salaries paid polled low (mean=2.63), there were inordinate delays in the payment of the salaries (mean=3.52) and the frequency of the review of compensation was polled lowly (mean=2.57). The level of employees’ job satisfaction was moderate as measured on level of personal satisfaction and satisfaction with the job. The level of satisfaction was low on resignations and industrial actions. The reward systems by the county government of Nyeri had diminished but positively effects on the job satisfaction of employees. The reward system accounted for 11.3% of job satisfaction at among employees at the county government of Nyeri.

6. Recommendations

The study made the following recommendations for the improvement of reward systems and job satisfaction in the County Government of Nyeri and other applicable organizations: A reliable system of review of remuneration of all cadre of employees should be developed that should eliminate the lack of review of the terms of service for the staff on contract as opposed to the constant review of the terms of review for the permanent staff that are enjoying the benefits of ongoing schemes of service and collective bargaining agreements. Non-monetary rewards should be adopted adequately in the reward systems of the county governments including recognition and placement for training and other personal development.
initiatives. These together with promotions should be done in a competitive way that entrench meritocracy and eliminate the favoritisms currently existing in such activities. The allowances and other monetary and non-monetary perks and recognition should be tailored to specific jobs to ensure improvement of the job satisfaction of all the cadres of staff at the county government.

7. Areas of further studies

The study makes the following suggestions on areas identified for further studies on the areas of reward systems and job satisfaction of employees: A study should be carried out on the effectiveness of reward systems on the entire system of County Governments in Kenya and also examine the role of non-monetary incentives on the job satisfaction of employees.

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