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## REWARDS AND JOB SATISFACTION

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### 1) ABSTRACT:

Schools these days are striving to achieve competitive edge by using different strategies focussing on teacher's job satisfaction and teacher retentivity along with student performance. Due to extreme competition in academic domain, schools utilizing workers' talent, abilities and proficiency to formulate the accurate exploitation of employees' works organization offer different benefits and good rewards schemes. Satisfied employees are more devoted, dedicated and attached with their respective schools as compared to other employees. The main purpose of current study is to determine the relation between Intrinsic and Extrinsic motivation by concentrating the mediating effect of Reward System. Data have been collected by questionnaire following likert scale and analysed by applying simple statistical tools. The outcome shows that monetary and non-monetary rewards positively associate with employees' job satisfaction. Positive correlation lies between intrinsic, extrinsic motivation and employee's performance and job satisfaction of teachers in schools under study. The study also provides few suggestions on how an institution can encourage teachers by delivering valuable rewards and Intrinsic and extrinsic motivation programs.

Keywords: Intrinsic Motivation, Extrinsic Motivation, Employee Performance; Fringe benefits, promotion, recognition

### 2) Introduction:

Job satisfaction is based on various fundamental factors, among which are the extent that personal job values are compatible with the values, goals and philosophy of the organization, whether the reward is perceived of as fair compensation for performance or perceived of as being contingent on performance. One of the fundamental propositions that has emerged from learning theory is that for a reward to be reinforcing of an action or behaviour, it must be perceived as being contingent on that action or behaviour. Reward contingency, the term widely used in motivational theory, refers to the perceived contingency that one outcome (task performance) has for another outcome (reward). Because of massive competitive atmosphere school managements strive to achieve competitive edge and improve their results, over all operational activities and management system in their business. To getting its demanded vision and mission organizations make its employees motivate through two inspiring ways intrinsically and extrinsically (Kapelner and Chandler, 2010; Harter, 1981). A flourishing firm always pays attention to make its employees more satisfied and enhanced their performance through rewarding them and reward system has been found as a strategy used by many firms to boost up performance and satisfaction of its human resources (Khan, Rasli, Yusoff, Ahmed, Rehman, and Khan, 2014). The management should

give priority to its human resources who play a vital role to give a competitive edge to the organization (Khan et al., 2011). Job attachment, dedication and willingness are the key factors that provide satisfaction (Sargent & Hannum, 2005). Teachers may be considered as dissatisfied with their jobs if they remain absent and averse to the job of teaching (Haiyan, 1995; Weiqi, 1998; Sargent & Hannum, 2005). The teachers are more content with communities that are less distant and having better economic and social possession (Sargent & Hannum, 2005). The work itself, working conditions good pay or the quality of supervision also contribute towards the job satisfaction. The teachers are happy with good pay, big schools where they have the chance of professional growth, where there is not much workload and where they get the administration support (Sargent & Hannum, 2005). No work is good or bad; it's how the employee perceives it (Tead, 1920). The job itself is neither fascinating nor uninteresting but the relationship makes it fascinating or otherwise (Tead, 1920). From administrative perspective, the retention of high quality teachers has been increasing in importance among schools. Recruiting, training, retaining and managing qualified personnel are crucial factors in the success of any schools in the present competition. Increasing employees' job satisfaction, motivation and commitment to the organization will increase competitiveness and lead to better performance. On the contrary, dissatisfied employees do not function properly and are more willing to turnover. Turnover is alarming for school administrators who fear that the employees with better skills and abilities will be those who can leave, while those who remain will be those who cannot find other jobs (Nadiri and Tanova, 2010). The relevance of turnover can be viewed from the perspective of the high costs involved in the induction as well training of new personnel.

### **3) Review of literature:**

Extrinsic motivation can be explained as when an action is done to attain some distinguishable result and focus on instrumental values tangible in nature merely financially termed. On the other side the intrinsic factors those desired of employees are security and safety, a decent working environment, promotions. Reward can be described as something which an individual will receive by performing task or job that play crucial role to enhance employee's performance as well as productivity of the firm. Reward system can be of two groups extrinsic and intrinsic motivations and are made by taking employees point of view. Extrinsic rewards like., remuneration, additional benefit, commission, status and advancement on the other side intrinsic reward can constitute conscientiousness, working environment, opportunities to improve their career and meaningful work.

Extrinsic motivation is "*interjected regulation*" which means inner regulation that is still manageable reason and the employees perform such actions with pressure for sake to avoid anxiety or pride's (Ryan, 1982, Khan, Rasli, Khan, Yasir, Malik, 2014). Further, research has supported the hypothesis that extrinsic motivation can multitude out intrinsic rewards (Deci, 1999). Herzberg was first person who introduced the concept of intrinsic and extrinsic motivation & have clearly defined the importance of both variables (Staw.,1976). Another study revealed that extrinsic reward is not the best motivator among employees and sometime can cause demotivation in employees (Perry *et al.*, 2006). Wages divergence between low and high-income earners can make employees less encouraged, less committed and less productive. In addition, financial rewards are not the only way to motivate employees while some other ways are also used as a reward ex: like., appreciation, opportunity, management attention also matters. Furthermore, Eisenberger *et al.*, (1999) concluded that rewards system play an important role in motivating employees to perform innovatively and by awarding employees with rewards can increase the level of job satisfaction and by doing this, the organizational environment will be changed. By giving employees the desired respect, job satisfaction can be achieved. More ever, that long and high working hours, low wage rate, job insecurity, lack of job autonomy etc can be dangerous for the organization and this leads to low job satisfaction level. Performance management is a tool to explain the methods to improve the employee performance. Further explanations show that better results can be achieved by understanding planned goals of

organization (Armstrong, 2008). Employee performance is important tool to analyse the outputs and yields of any organization (Kohn et al., 2005). `Inequality occurs when there is no proper distribution of reward system in this way the employee performance will be low. Training can enhance the performance level of employees (Javadein, 2008).

#### **4) Research Objectives:**

The main purpose of the study is to examine the impact of extrinsic and intrinsic rewards on employees' performance and their satisfaction by considering the role of rewards system at schools at Hyderabad, India. The objective of the present study is to examine impact of extrinsic and intrinsic rewards on employee's performance and job satisfaction.

#### **4.1 METHOD**

##### **4.1.1 Sample**

The sample of the study comprised of 200 higher secondary teachers (Males=112 and Females=88) randomly drawn from private schools in the city of Hyderabad. Their age ranged from 27-53 years and their experience ranged from 1-20 years.

##### **4.1.2 Tool:**

To establish this research article, data was collected through using self-administrated questionnaire in which 5-point likert scale is used to measuring results easily and they are ranging as 1 strongly disagree, 2 disagree, 3 neutral, 4 agree, 5 strongly agree and the Questionnaire is on the following factors:

- 1) Salary or monthly emoluments: understand respondents whether fairly paid or not.
- 2) Fringe benefits: understand and analyse whether benefits are provided to them are satisfactory
- 3) Bonus or extra perks: examine are bonuses help them in work life balance
- 4) Promotion on time: know if the promotions are timely
- 5) Treatment with feeling of fairness: whether feeling of fairness increases due to extrinsic rewards.
- 6) work life balance: check if either extrinsic reward helps them in the teacher's work life balance.
- 7) Satisfaction with supervision: Understand their feelings or attitude towards supervisors
- 8) Work itself: Know if they respect and love their work & if their talents are being applied to their maximum extent.

**TABLE 1: DEMOGRAPHICS OF THE PARTICIPANTS**

	Independent variable	Frequency
GENDER	Male	112
	Female	88
AGE	28 – 35 years	85
	36- 45 years	94
	46 – 60 years	21
STATUS	ADMINISTRATORS	6
	TEACHERS	194
AREA OF SPECIALIZATION	SCIENCES	65
	COMMERCE	78
	ARTS & LANGUAGES	57
LENGTH OF SERVICE	1- 5 years	43
	5- 15 years	128
	16 – 25 years	29

**Table 2: What rewards do teachers *not* get from their jobs?**

S. No.	Item	Mean
1	I am involved in my organization's goal-setting process	3.67
2	Independence and initiative are rewarded	3.16
3	I am able to introduce changes without going through a lot of red tape	3.15
4	I have good salary	3.27
5	My job is secure	2.97
6	My school provides good fringe benefits	2.83
7	My job has lot of prospects for promotion	2.96

**Table 3: What rewards do teachers get from their jobs?**

S. No.	Item	Mean
1	I share good relationships with my colleagues	4.63
2	I am confident that I am helping my students to learn	4.58
3	My school is very reputed	4.25
4	I am evaluated positively by my students	4.39
5	I share good relationships with my administrators	4.49
6	My work is enjoying and stimulating	4.20
7	I am evaluated positively by my administrator	3.90
8	Teaching is challenging	4.28
9	I have sufficient freedom to do what is necessary in my teaching	3.78
10	My administrators are responsive to suggestions and grievances	3.87
11	My work load is manageable	3.78
12	My job provides scope to learn and develop my abilities to my full potential	4.34
13	My job provides sufficient variety in tasks/type of activity	4.10

## 5) Results & discussion:

The present study deals with the relationship and interdependence between rewards & recognition, supervision and work itself on employee's job satisfaction and that of job satisfaction on the intrinsic motivation of employee and our results are satisfying our proposed hypotheses.

I) Intrinsic motivation is found highly depending upon the job satisfaction among employees and it shows that when employees feel a sense of accomplishment due to the nature of job and more specifically when they are satisfied with rewards and recognition, supervision and work itself, then it provides an intrinsic force to carry out the task. Employees start feeling it enjoyable, meaningful and interesting.

**A) The following items represent extrinsic motivation: All these factors are external to the classroom**

- Fringe benefits
- prestigious profession,
- Job security
- good salary
- promoted to a senior position as part of career advancement
- having a prestigious job title.

**B) The following factors represent the need for autonomy and self-determination in teacher's work setting:**

- The freedom to do what is necessary in teaching
- Allowed to deal creatively with students' problems
- Able to work independently with own initiative
- Recognized for accomplishments
- A job as work place that is fun and also enriching.

**C) The following items represent Self-realization and personal growth and are directed at internal satisfaction needs, and none of the items mention other people:**

- A job in which I can learn and develop my abilities to full potential
- A challenging job
- A job in which I can perform to the best of my ability
- A job that is enjoyable and stimulating

**D) The following represent needs that can be satisfied through Institutional Support:**

- An administrator who gives clear guidance
- Evaluated positively by administrators
- A job in which relaxes and give peace of mind
- A job which clearly defines rules and procedures
- A job with flexible working hours

II) **Salary:** In the present study, mean of salary is only 3.27 indicating that most of the teachers are unhappy with their monthly emoluments. The respondents felt that the quantity of effort and time put in their profession are definitely not matching their salaries. Teachers' performance is very important such that unsatisfied performance by teachers (lateness, absenteeism, laziness) can seriously compromise teaching quality, learning outcomes, and social development (Bennell & Akyeampong, 2007). A study by Salman, Mohammed, Ogunlade, and Ayinla (2012) has found that majority of teachers and students have agreed that payment of low salaries and allowances for teachers, affects their performance which as a result contributed greatly to students' mass failure in Ondo State, Nigeria. Furthermore, extant literatures on the relationship between monetary reward and teachers job performance reported mixed conclusion. For example, a study by Engellandt and Riphahn (2004) in Switzerland found that surprise bonus payments was

an effective incentives for employee effort. Ahn and Vigdor (2010) concluded that monetary incentives (bonus) lead teachers to try harder in USA. Similar study by Charity and Timinefere (2011) found that monetary reward has significant positive effect on employees' performance in Nigeria. Lack of motivational factors such as salary, rent allowances and transport and extra time allowances negatively affect teachers' work performance in Ethiopia (Negussie, 2014). On the other hand, a study on teacher performance pay conducted by Adkins (2004) in Florida, USA found that most teachers and other instructional respondents disagree that teacher performance pay provides an incentive to work harder. Similarly, a study Njanja, Maina, Kibet, and Njagi (2013) in Kenya, concluded that monetary reward (cash bonus) has no effect on employee performance. Another study by Uzonna (2013) in Cyprus, concluded that when it comes to bringing out the best performance of employees, growth opportunities and challenges, recognition and non-cash rewards are more effective motivators than monetary rewards. Therefore, existing literature offered no single definite conclusion on the nature of the relationship between monetary reward and teachers performance. This variation could be due to the financial background, age, and also the country or state they live in. In the present study the teachers opined that their salaries are very low as compared to the cost of living.

- III) **Promotion as factor of Job satisfaction:** In the present study this variable has the lowest mean indicating that most of the teachers feel that the promotional aspects are not taken care by the managements properly. *Promotion is an opportunity for advancement to higher hierarchy in an organization* Locker (1976) as employees seek fair policies and practices. They provide opportunities for personal growth, accept more responsibilities and increased social status. Regular promotions will likely help to experience satisfaction from their jobs Nzuve (2007) and they view as a change of assignment from a job at a lower level to another at a higher level within the organization. Promotions provide an employee with an increase in pay and improved status. Promotion has been found to improve employee performance according to the reviewed literature. However, for promotion to be effective if promotions are carried on meritocracy, they would indicate fair practices.
- IV) **Fringe benefits:** In the present study fringe benefits take a quite less mean value and teachers expressed that certain factors like annual holidays, medical insurance, transport allowances etc are not provided by the managements especially for most of the teachers working in Private schools. The schedules are very tightly packed leaving no time for the teacher preparation for the content. Also, the excess pressure of results from parents, administrators need to be addressed too. Employee benefits are elements of remuneration given in addition to the various forms of cash pay and will include items such as annual holidays, pension sick leave insurance, transport, annual holidays etc. It deals with the level of reward taking into account, achieving equal pay, the approach to total reward, transparency followed in those rewards. School managements can also consider sending the high performing teachers to paid vacations and also to seminars presentations to motivate the teachers. We must understand motivation is a key factor for job satisfaction which can be achieved by timely rewards.
- V) **Employee recognition on Job Satisfaction:** Rewards systems consist of both incentive and precognitive programs. Incentives refer to the financial increments that an organization offer employees in exchange for contribution their services. It is important to note that incentives are distinct for pay and remuneration practices. Recognition refers to the identifications of a job well done hence representing a nonfinancial way to appreciate and encourage teacher contributions in producing results in the schools. Schools can initiate awards for best performing teachers, recognise their services in
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parent teacher meetings or annual day celebrations and may consider awarding cash prizes for high performing teachers. Lanchance (2000) suggested that rewards that bind an employee to an institution have more to do with the way an employee is treated.

- VI) Work itself:** Work itself is another factor highly related with job satisfaction. Work Itself is one of the best source of teacher's satisfaction to their institution as findings suggest that when employees are given assignments according to their specialization, study area & interest then they would start enjoying their assignments. Therefore, management should make best use of employees' talent suitably as highly satisfied teachers are highly beneficial to the institution. A strong relation exists between reward and recognition as well job satisfaction. If reward and recognition system are transparent with clear definitive policies then it establishes loyalty for the institution in a way that teachers look at the problems of the institution as their own. The reward and recognition play two-fold roles. First, it provides motivation to the teachers within the institution to work harder and smarter to achieve their expected goals, as suitable rewards can directly and indirectly influence the performance and motivation level of employees. Secondly, it encourages the wide domain of individuals to put in their creative efforts and work harder to attain achievement.
- VII) Supervision:** One of the best reward which an institution can give to their teachers is to have efficient, able kind and understanding administrators. Teachers have to deal with multitude of problems every day regarding students' performance, behaviour, and relation with other teachers. Supervisor must be able to handle the problems of their subordinates consistently showing an empathetic attitude. This way the teachers feel motivated. Highest correlation can be seen between supervision and job satisfaction suggesting that when superiors handle the problems of subordinates and have care for them, then it ultimately foster satisfaction with jobs. Supervisor's consistency of behaviour toward subordinates, caring for their career progression, team oriented as well cooperative strategies can influence employees' attitude in a way that they start enjoying their jobs and also wish to spend their career in the same organization for a long time thus increasing retentivity. The present study responses indicate that most of the teachers feel moral obligations to remain committed to their institution due to positive supervision. So, the managements must regularly monitor this important determinant.
- VIII) Organisational justice (or) Treatment with feeling of fairness:** Organizational justice is defined as the study of fairness at work (Byrne and Cropanzano, 2001). In the present study, the result suggests that the more perception of fairness in an organization exists, the more feeling of job satisfaction, thus helping the administration of school to manage better than before. When teachers feel a just & fair behaviour and treatment from their management and sees that rewards are fairly distributed and by following procedures laid out by the school management, they feel more satisfied with their jobs and this create attachment to his work place and helps them to increase their performance. Organisational justice is one of the rewards as best perceived by teachers to increase their productivity and also retentivity in their profession.
- IX) Independence and initiative:** The present study shows that majority of the school managements do not encourage independence and initiative. Most teachers felt that they are routinely following the schedule given by the school management thus leaving less scope for their creative abilities to come out. This would certainly be a disturbing factor for the student achievement. If teachers are allowed to think independent within some boundaries they would come up with more creative ideas which can benefit the school. The management must allow the teachers to design their class teaching pattern and

assignments so as to suit their students. The managements must understand that all students are not the same and no single program or schedule can fit all the students.

## 6) Conclusion:

Although there are many dimensions involved with work and job satisfaction which in turn has an outcome in the shape of intrinsic motivation. However, our present study shows that reward and recognition, supervision and work itself has positive effects on the job satisfaction. Descriptive Analysis and results has shown the positive trend of each of these variables. Employees working in schools of Hyderabad, India feel that the rewards and recognition are enough to explore their talents to the maximum extent and they also give them the opportunities to grow towards the full use of their abilities. Reward & recognition policies are competitive externally and equitable internally and are also valued by their supervisors. This ultimately fosters a feeling to be a part of their respective educational institutions and spend long time in the institution thus increasing job retentivity. Teacher's participation in the decision-making process, policy management and performance recognition may make them more courageous as well enthusiastic towards working in the Institution. Employees given task according to their expertise and confidence in a subject area will result in high satisfaction and motivation. Precisely, management should focus at transparent, equitable and competitive compensation system. The periodical salary increments, allowances, and other compensations periodically keep their morale high and make them more motivated and satisfied.

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