INFLUENCE OF REWARD FAIRNESS ON JOB SATISFACTION AMONG STAFF IN MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

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ABSTRACT
The purpose of the study was to investigate the influence of reward fairness and job satisfaction among staff in Masinde Muliro University of Science and Technology (MMUST). A descriptive correlation survey design was used in the study. A simple random sampling technique was used to sample out the population. The sample size was 282 out of 962 employees. Data was collected by use of questionnaires. Validity of the instruments was done by experts in the management sector who judged their content validity. Adjustment of instruments was done based on the experts’ recommendations. Reliability of the study was done by test-retest. The alpha level of 0.05 was applied as the statistical significant level. Data was analyzed with the aid of a computer program, the Statistical Package of Social Sciences (SPSS) version 20.0. Frequencies and percentages was computed to determine both teaching and non-teaching staffs’ effectiveness in their service delivery. Pearson’s product moment correlation coefficient was used to determine the relationship between reward fairness and job satisfaction in the University. The results showed that reward fairness had a positive and significant relationship on job satisfaction. The study confirmed the significant of reward fairness on job satisfaction. The Study had implications for the MMUST management since they can create job satisfaction of their employees by practicing reward fairness.

Key Words: Reward fairness, Job Satisfaction, Masinde Muliro University of Science and Technology

INTRODUCTION

Reward management is one of the most important concerns of the human resource management. Reward management enables different Organizations to employ and maintain employees as well as to increase its Organizational productivity (Dalvi & Ibrahim, 2013). Datta (2012) argued that apart from other practices practiced in most Organizations, employees are the main factor in creating competitive advantage and Organizational value. As a result, Strategies like rewards can be used to attract, Motivate, retain and increase job productivity.

According to Molalesseini et al. (2014) behavior of employee is affected by behavior of managers which is derived from their power to use resources. In order to achieve organization results, managers need to use rewards. Ghorbani and Ladoni (2013) emphasized that rewards interventions motivate employee’s effort and also indicate the values and ideas of the organization. Reward and Job satisfaction is among challenges being faced by modern Organizations. It is the duty of organizations to find good and qualified human resource to organize and implementation of good strategies and policies to reward people fairly.

Human resource use reward management as a tool is to attract and retain employees. Reward systems provide positive consequences which provide better performance. Reward interventions include recognition, promotions and reassignments which in the long run motivate employees. Communication openness, participation and fair performance appraisal in performance based reward have motivated employees and enhanced job satisfaction (Ismael & Razak, 2016).

In the world today, Organizations need to improve on its adaptability and build agility due to the turbulent environment exposed on organizations. (AL-Faouri, Al-Nsoor, and AL-Kasasbeh, 2014). One of the new trends in human resource management is flexible time arrangement which organizations need to embrace in order to achieve flexible operations. Flexible time management has achieved and overcome challenges and opportunities which have been created in the new business environment. In order for Organizations to realize positive results, they must measure the impact of flexible working time arrangements.

Increasing employee productivity, effectiveness, employee retention, ration of women at key positions, ability to attract and retain employees, flexible retirement, diversified work patterns and new opportunities are some of the benefits of flexible time arrangement. These benefits applies to both the employees and Organizations though vary from one Organization to another.

Job satisfaction is one of the most crucial in an institution the enhance behavior of workers, contributing largely to the attitude of employees. The positive attitude is directly proportional to job satisfaction. It also strengthens the commitment to the institution, lowers the interest of looking for another job and leaving the institution. Those employees whose needs are not met grow in dissatisfaction making them get interested in competing places for new employment and to some extent leads to voluntary termination. As a result job satisfaction can be described to be a bit complicated because each employee is different in the way they perceive job satisfaction.

Masinde Muliro University of Science and Technology (MMUST) was initially established as a University of Moi University in 2002 and was then known as Western University College of Science and Technology (WUCST). The University College was later elevated to full University status through an Act of Parliament on 30th December 2006 (now repealed) and renamed Masinde Muliro University of Science and Technology (MMUST).
In the recent world Most Organizations have suffered the consequences of low staff morale, high employee turnover and poor performance due to poor or lack of effective reward management interventions. At MMUST, reward management is an important factor that needs to be looked into. This is necessitated by the various go slows, murmurs and strikes that occurs occasionally. In the recent, most of the Universities have had poor or no proper reward structure that has often resulted to uncommitted employees. Armstrong (2012) emphasizes that the aim of rewards management in Organizations is to recognize the value of employees and contributions by rewarding them. This means that organizations use rewards management interventions in order to fulfil and satisfy the needs of their employees.

Statement of the problem
All over the world most of the Universities have experienced poor performance, low morale and high employee turnover due to poor or lack of effective reward systems. A study was carried out on effect of Reward management on employee commitment in Public Universities in Nakuru County by Korir and Kipkebut (2016) and therefore there is a need to look at Universities in Kakamiga County and in particular Masinde Muliro University of Science and Technology. Reward fairness is a factor that need to be looked into since of lately Universities have experienced strikes and unrest. According to Dalvi and Ebrahim (2013) a good reward system will create a sense of belonging among employees in an organization. Reward management ensures that employees fulfill and satisfy their needs and operate equitably and fairly. If well administered it enhances employee growth and development which leads to employee self-esteem leading to healthier organizations. Organizational development will be achieved through total reward management. Employees whose needs are satisfied increases organizational performance and commitment. It implies that employee’s performance and commitment is based on ability of an organization to recognize and reward employees in respect to their output. Individuals whose emotions are not well taken care of, develop a state of emotional dissatisfaction which grow and accumulate over times making employees’ unhappy and unsatisfied working for the organization .In Kenya, lack of job satisfaction has been identified as one of the causes of strikes Chepkwony (2014). Based on this situation; it may be due to the reward management systems. The difference is greater between employees at different levels as the number of departments’ increases, it becomes difficult to set reward that satisfies all staffs from those departments. The difficulties may arise as a result of reward preference by the management. Job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviors such as organizational citizenship, absenteeism and turnover. Most of the studies which has been carried out have focused on effects of reward management on employee commitment Chelagat (2016); Martim and Koech (2014) few have focused on influence of reward management interventions on job satisfaction Nwosu et al., (2013). Therefore there was a knowledge gap to be filled. The purpose of this study was to fill the gap by determining the relationship between reward fairness on job satisfaction in Masinde Muliro University of Science and Technology (MMUST).

Research Objectives
The objective of this study was to determine the influence of reward fairness on job satisfaction among staff in Masinde Muliro University of Science and Technology (MMUST).

Research Hypotheses
H01: Reward fairness has no significant influence job satisfaction among staff in Masinde Muliro University of Science and Technology?
LITERATURE REVIEW

Theoretical Framework

Equity Theory
Adams Equity theory was developed in 1963 by a workplace and behavioral psychologist. It acknowledges that subtle and variable factors affect employee’s assessment and perception of their relationship with their work and their employer. The theory is built on the belief that employees become de-motivated, both in relation to their job and their employer, if they feel that their inputs exceed their outputs. It is therefore important to consider equity theory when striving to improve employee job satisfaction.

According to Gupta (2011) equity theory deals with aspects of organization justice where people want to be treated fairly. Employees will put in effort basing on how they are treated, if treated fairly then equity prevails but if not well treated then they view it as under rewarded. Employees will compare their output and input and rewards given to them. If under rewarded then they have negative feelings than the ones that were over rewarded (Munyiva, 2014)

Chepkwony (2014) argues that equity theory is concerned with fairness of procedures used to make decisions about distribution of outcome. It pertains how performance of employees are evaluated how to handle disputes and how outcomes like salary increase are equally distributed. Equity theory refers to employees judgment on fairness of rewards provided comparison to the input; efforts, time, experience and education. Armstrong (2012) argues that people work well when they view that reward given to them is fair. The theory argues that employees who perceive lack of fairness will lower their work effort to equal outcomes by lowering quality of work, absenteeism, resignations and low productivity.

The theory therefore leads us in appreciating fairness of procedures used to make decisions. In this study, the theory guides organizations in exercising justice when dealing with their employees. Fair remuneration, recognition and appraisal systems should be practiced among employees so that they can reciprocate by putting more effort in their work.

Review of Literature

Reward Fairness
Lack of fairness of employee reward is one of the root cause of why employee leave Organizations. Reward fairness also determines the effort employees make to reach organizational goals. It is therefore important for organizations to ensure that employees reward are rooted on principles of fairness (Ceplensiki, 2013). When allocating rewards, managers need to observe fairness. Employees will feel motivated when rewards are well distributed. Managers should lay down proper procedures to be followed when rewarding employees. Rewards should be related to a fair or consistent reward process.

According to Brown, management must balance market competitiveness, internal equity, and organizational performance and individual performance considerations. No matter how sophisticated the design, reward programs, policies and practices are not perceived as fair will not successfully attract, retain and engage employees. Reward fairness of pay justice and equity have been found to be strongly related to employee attitudes including job satisfaction.

Reward fairness has also been found to have impact on employee behavior such as absenteeism, individual performance and organizational outcome (Colquitt et al., 2001). Most studies have suggested that reward programs must be rooted in principles of fairness in order to motivate and engage employees from different backgrounds and experience. According to Brown (2001) distributive justice is the absolute amount of how much employees receive in relation to others, they also consider procedural justice i.e. fairness of the processes the organization
is to arrive at pay outcomes such as job evaluation and performance appraisal. An effective reward strategy is the one that clearly define goals and well defined link to organizational objectives, well designed pay and reward programs, tailored to the needs of the organization and its employees and consistent and integrated with one another and effective and supportive HR and reward processes in place.

Wekesa and Nyaroo (2013) argue that the reward system leads to some form of friction within employee circles leading to club of super employees where a group of employees feel less valued than more rewarded employees. These unfairness make the less paid employees to constantly engage in negligence of duty either to express displeasure ending up doing less work as compared to the well paid. An employee is motivated by the way he perceive equity, fairness and justice practices by the management. The higher the degree the employees perceive fairness the more they perform their duties well.

**Job Satisfaction**

Job satisfaction refers to the employee’s general attitude towards his job. It is important for reducing turnover rate and increasing motivation. Chetna Pandey (2012) approved that job satisfaction is the most important attitude on the field of the organization behavior. Almost all organizations create satisfied work force because satisfied employees extend more effort to job performance. When employees are satisfied with the job they feel motivated to perform the job with great effort. A satisfied employee and his effort are necessary for the success of the organization.

According to Al- Zoubi, (2012) employees agree that salaries will increase the job satisfied as a result level of individual performance raised. Job satisfaction increases employee motivation at work and many organizational managers believe that salaries and financial benefits are the way to increase job satisfaction.Bharati Deshpande (2012) found out that financial benefits, employee relations, work environment and role clarity are the factors that are used to measure job satisfaction at work. Satisfied employees show excellent performance that lead to organizational success thus result in improved financial success. Positive and favorable attitudes towards the job depict job satisfaction, whereas negative and unfavorable attitudes towards the job depict job dissatisfaction (Quasim et al 2012).

In order for organizations to realize best results from their employees, managers ought to understand how their employees feel and perceive their work.Gohari (2013) suggested that for an organization to increase employee job satisfaction managers ought to design attractive reward policies in order to attract and retain valuable employees. He maintains that when employees are rewarded on basis of merit they get motivated to work hard. However when reward policy is designed unfairly, it acts as a demoralizing tool that affect employee job satisfaction thus lowering organizational productivity (Edivisooviya, 2014).

According to Pule et al. (2016) organizations which have sufficient scope for promotion foster job satisfaction. Fair and equitable promotional chances basing on employees ‘ability and skills makes employees more loyal to their work resulting to increased efficiencies and job satisfaction. Organizations need to ensure that there is equity in promotion in order to maximize job satisfaction and efficiency in work performance. Training and development enables organizations make use of advanced technology and adopt easily to changing environmental conditions thus increasing efficiency and job satisfaction.

According to Saeed et al. (2013), working conditions have also proven to be a strong influence on the job satisfaction of employees. Moreover, the physical
design too, to some extent affects the job satisfaction of employees and that work greatly depends on the relationship between employees and the environment; hence they consider a part of the working conditions that affect job satisfaction. For them, a healthy work environment and relations motivate the employee to do good, consequently increasing the level of their performance.

**Conceptual Framework**

<table>
<thead>
<tr>
<th>Reward fairness</th>
<th>Job satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supportive policies</td>
<td>Productivity</td>
</tr>
<tr>
<td>Employee involvement</td>
<td>Employee</td>
</tr>
<tr>
<td>and participation</td>
<td>Retention</td>
</tr>
<tr>
<td></td>
<td>Employee morale</td>
</tr>
</tbody>
</table>

**Figure 1: Conceptual Framework**

Source: (self 2018)

**METHODOLOGY**

The researcher used descriptive correlation survey design. The study applied a descriptive research design because its purpose is to produce an accurate representation of information. The study population consisted of 328 teaching and 623 non-teaching staff. The researcher targeted teaching and non-teaching staff. The study used questionnaires to collect primary data. Questionnaires were administered to employees in various departments.

**RESULTS**

**Analysis of reward fairness**

The analysis was based on the university management fairness; e.g. allocation of resources, treatment of the employees and the result was as shown in the table below.

**Table 1: Analysis of MMUST management fairness on employees**

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Not sure (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The university management supports fairness</td>
<td>3.5</td>
<td>7.8</td>
<td>10.6</td>
<td>32.4</td>
<td>45.7</td>
</tr>
<tr>
<td>Supervisors observe fairness in resource allocation</td>
<td>4.2</td>
<td>8.2</td>
<td>18.1</td>
<td>25.9</td>
<td>43.6</td>
</tr>
<tr>
<td>Employees feel like they are well treated</td>
<td>3.9</td>
<td>7.1</td>
<td>18.4</td>
<td>29.4</td>
<td>41.2</td>
</tr>
<tr>
<td>Employees reward is rooted on principle of fairness</td>
<td>7.1</td>
<td>10.6</td>
<td>14.9</td>
<td>31.9</td>
<td>35.5</td>
</tr>
<tr>
<td>More reward employees feel supper and valued than less rewarded employees</td>
<td>7.1</td>
<td>13.1</td>
<td>12.8</td>
<td>35.1</td>
<td>31.9</td>
</tr>
<tr>
<td>Lack of fairness make employees engage in negligence of duty</td>
<td>11.3</td>
<td>16.3</td>
<td>12.1</td>
<td>24.8</td>
<td>35.5</td>
</tr>
<tr>
<td>Fairness in MMUST results to employee job satisfaction</td>
<td>6.8</td>
<td>7.4</td>
<td>12.4</td>
<td>35.8</td>
<td>37.6</td>
</tr>
</tbody>
</table>

From the analysis it was found that most of MMUST workers agreed with the treatment and fairness of employees from the management. For instance 45.7% strongly agreed that the university management supported fairness and 35.5% strongly agreed that lack of fairness made employees engage in negligence of duty. Moreover, fairness in MMUST results to employee job satisfaction and 37.6% strongly agreed on this. Despite majority of the workers agreeing with how fairness is distributed to all workers in MMUST there were a few workers who disagreed and said all these were not observed by the university i.e. in terms of resources allocation and so on as shown in table 1 above.

**Hypothesis testing**

A correlation analysis was conducted for all the variables on job satisfaction. The results obtained were as shown in this section as per the specific objectives.
Correlation between job satisfaction and reward fairness

The first objective sought to determine the influence of reward fairness on job satisfaction. Before carrying out any further inferential analysis, a correlation test was conducted to determine the existence of strength and direction of a linear relationship between job satisfaction and reward fairness. The Pearson product moment correlation technique was used.

Table 2: Correlations between Reward Fairness and Job satisfaction

<table>
<thead>
<tr>
<th>Reward Fairness</th>
<th>Job satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>282</td>
</tr>
</tbody>
</table>

Table 2: Correlations between Reward Fairness and Job satisfaction

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

The results showed that correlation is significant at the 0.01 (2-tailed) implying that reward fairness had a positive and significant relationship on job satisfaction (r = 0.846 and p-value = 0.001)

Hypothesis 1: Reward fairness and job satisfaction

H₀₁ Reward fairness has no significant influence on job satisfaction among teaching and non-teaching staff in MMUST

To test the null hypothesis that reward fairness has no significant influence on job satisfaction, regression analysis was carried out at 5% level of significance.

Table 3: Model Summary

<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>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.846a</td>
<td>.715</td>
<td>.714</td>
<td>4.81360</td>
<td>.715</td>
<td>703.221</td>
<td>1</td>
<td>280</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

The analysis shows that the model can be explained by 71.4% (R²=0.714)

Table 4: ANOVA

<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>1</td>
<td>Regression</td>
<td>1</td>
<td>16294.140</td>
<td>703.221</td>
<td>.000b</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>280</td>
<td>23.171</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22781.943</td>
<td>281</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

At 5% level of significance, the ANOVA results shows that in this model job satisfaction can be predicted by reward fairness (p=0.001< 0.05)
Table 5: Regression results on reward fairness

<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>1</td>
<td>(Constant)</td>
<td>.020</td>
</tr>
<tr>
<td></td>
<td>Reward fairness</td>
<td>.614</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job satisfaction

The study revealed that reward fairness had a significant influence on job satisfaction among teaching and non-teaching staff of MMUST. (t statistic = 26.518, p-value=0.000< 0.05). Therefore at 5% level of significance the null hypothesis was rejected, indicating that reward fairness has a positive influence on job satisfaction. Likewise for every unit increase in reward fairness there was a corresponding increase in job satisfaction by 0.614.

SUMMARY

In order to investigate the influence of reward fairness on job satisfaction, the study set the following hypothesis $H_o1$: Reward fairness had no significant influence job satisfaction among teaching and non-teaching staff in Masinde Muliro University of Science and Technology. The results obtained showed that correlation is significant at the 0.01 (2-tailed) implying that job satisfaction has a positive and significant relationship with reward fairness ($R=0.846$ and $p$-value = 0.000). The ANOVA test indicated that in this model the independent variable namely; job satisfaction, is important in predicting of reward fairness as indicated by significance value=0.000 which is less than 0.05 level of significance ($p=0.000<0.05$). The study revealed that job satisfaction had a significant influence on reward fairness in MMUST (t statistic = 26.518, $p$-value=0.000< 0.05). Therefore at 5% level of significance the null hypothesis was rejected, indicating that job satisfaction had a positive influence on reward fairness in MMUST. Likewise for every unit increase in job satisfaction there was a corresponding increase in reward fairness by 0.614.

CONCLUSION

From the findings of the study all null hypothesis $H_o1$ was rejected. We therefore conclude that reward fairness had effect on job satisfaction in MMUST.

RECOMMENDATIONS

Management in MMUST should practice reward fairness at work place since it has a positive effect on job satisfaction. When allocating resources, promotions and decision making, managers should observe fairness. Proper procedures should be laid down and followed and communicated to employees to promote fairness.

Suggestions for Future Research

Since the study was carried out in Masinde Muliro University of Science and Technology, future research may be considered to be conducted in other Public Universities in Kenya.

Future research can be done in non – educational Institutions and consider other determinants of job satisfaction.

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