

INFLUENCE OF TEAM BASED REWARD MANAGEMENT ON EMPLOYEE SATISFACTION

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Abstract: *An organization's differential reward system refers to the fact that employees who execute equivalent work functions or work that requires comparable qualifications receive varying monetary, nonmonetary, and psychological compensation. The general objective of this study was to establish the influence of reward management systems on employee satisfaction in public sector and the study was guided by a research objective to establish how team based reward management system influence employee satisfaction in County Government of Nyamira. The study targeted 500 employees from which 327 were selected for purposes of data collection. The outcome of the findings indicates that there was a positive significant statistical relationship between Employee Satisfaction and team reward management ($r=.517^{**}$, $n=327$, $p=.05$), with high level of Employee Satisfaction associated to improved team reward management and vice-versa.*

Keywords: *employee satisfaction, reward management systems, team based reward*

Team-Based Reward Management and Employee Satisfaction

Performance of teams is becoming increasingly important in today's business environment, and it is becoming increasingly critical to the success of an organization. As Torrington et al. (2011) point out, it can be difficult to ensure that employees work both productively and collaboratively as part of a team. Furthermore, if the performance management activity is not defined correctly, an employee's individual goals may have a negative impact on the team's overall productivity. Individual and group-based awards appear to be logical complements to performance measurement that focuses on teams and the quality or quantity of work they produce. Dematteo et al. (1998) study found that applying rewards to teams is based on the premise that team rewards will do something qualitatively different from individual rewards. It may take some time for a team member to adjust to the fact that a portion of their compensation is determined by the group's effort, according to Armstrong (2012), and the length of time it takes will be determined by the maturity of the team members and their level of familiarity with the process. Kramar and Syed (2012) demonstrated that group rewards or incentives are more likely to result in a collaborative approach to performance and are more effective in achieving organizational shared goals than individual rewards or incentives alone. When compared to individual incentive schemes, collective incentive schemes result in greater organizational buy-in from employees as a whole. However, this does not rule out the possibility of combining team-based incentives with individual performance-based pay schemes if done with care.

According to Kerrins and Oliver (2002), This study revealed that the effectiveness of collective or team-based rewards and of collective and individual improvement activities can be directly related to the organization's culture. Based on a study by Johnson (2009), team-based reward management can be effective in the most fundamental sense. The dynamics of the team play a large part in the "reward interdependence", this study argues for the necessity to add more individual incentives inside the team based reward system. "Equal

Allocations” become crucial where payment is not just reliant on overall team success, but also divided equally amongst all team members. In it, it is suggested that team members must work together to achieve their end goal, but that they are compensated in different ways depending on how much they have contributed to the team's success.

Rock et al. (2011) study found that there is a lower based score for a ‘equity strategy’ where everybody gets the same. So team-based incentives did not appear to be associated with increased performance. With the rising use of team based work structures, it is crucial to choose the correct rewards to attain the maximum performance. But helpful behaviours between team members are also crucial. According to Bamberger and Levi (2009) the study indicated that “equality focused compensation structures” within a team context led to improved behaviour outcomes for the team. Rewarding team-related actions such as aiding your team mates improves the team's overall effectiveness. It also discovered that persons at the higher degree of growth within the firm were more likely to contribute in a team context even when doing so was not to their apparent advantage. Understanding behaviour is vital in this scenario. Weightman (2004) identifies modifying employee conduct through instructing and rewarding as ‘behaviour modification’. This is crucial for managing people because if personality is taught and depends on reinforcement then the correct type of rewards provided to a team should return positive behaviours which can enhance motivation and performance. Similarly, King (2007) says that commencing team work on a small scale within the organization and focusing on critical tasks that assist employees to advance along the full career chain, will contribute favorably to ‘career motivation’.

The validity of team oriented incentive managements can also depend on the unique sector. An effective combination of individual and group financial incentives, as well as a mix of formal and informal compensation programs, can sometimes motivate employees to act in both their official and non-official roles at the same time (Yap et al., 2009). Milne (2007) discovered significant flaws in the way team-based awards were perceived in terms of motivational effectiveness. Workers may have difficulties understanding how their efforts translate into results, and they may get demotivated if they witness a team member being recognized for not contributing sufficiently to the final product. As a result, the design of team-based awards is critical if you want to avoid negative effects on motivation, which, if left unchecked, could eventually lead to larger difficulties for the business.

Positive interdependence, personal accountability, fostered contact, and effective use of social skills and group processing were found to be extremely important in Cacioppe's (1999) study on how team rewards create organizational performance. "This shows that reward and recognition systems are one of the most significant strategies to promote good interdependence and individual accountability." As a result, establishing the appropriate rewards for a team should be followed by the development of an appropriate approach. The suggested technique is to align organizational goals with the establishment of team-based rewards while also considering the organization's culture and value during this process. A low-risk approach to this would be to implement a team-based recognition plan, to strengthen the team's capabilities as a whole. Thus, companies can profit from tighter working connections with their teams now, while also determining whether even bigger benefits could be realized in the future through particular team-based pay arrangements (Thorpe & Homan, 2000).

However, according to Datta (2012)'s evidence-based research on organizational incentives systems, an ORD (optimal rewards distribution) model was used, in which awards were distributed in accordance with a "well-grounded method that best matches to the exchange." In this sense human resources are considered as portfolio or capital assets. Consequently, it is regarded that rewards distribution is a human capital management system,

with performance reviews serving as inputs to the process and actual end awards serving as outputs to the system.

Statement of the Problem

Employee happiness has been studied by a wide range of academics from around the world. Sims (2014) investigated the relationship between employee satisfaction and performance in the RC Hotel Company Kitchen. Payment and advancement prospects were two of the components of employee satisfaction that were investigated in the study, among other things. In the topic of payment, 59 percent of those who answered the survey said they were satisfied with their money. As a result, this study was conducted in the context of a hotel environment with a different set of human resource expectations and procedures than the public setting on which this research primarily focuses. According to the findings of the Hoshi (2014) study on employee happiness in North Cyprus, a variety of factors, including demographic factors (age, gender, and so on) and environmental factors, influenced employee satisfaction in North Cyprus (compensation factors, work environment and management aspects etc). However, the parts of reward management that have an impact on employee satisfaction, which are the primary subject of this study, are not examined in this study. Employee satisfaction in the county government system, particularly under a devolved government structure, has not been evaluated in any of the available research. Within the county administration, there has been some dissatisfaction among the various cadres of employees because of the disparity in pay between them. Due to different structural variables and practices within county human resource management, county governments are experiencing difficulties in the administration of awards among their personnel. This is a problem that has to be addressed. The first problem has been the wide range of entrance points into county government employment that have been experienced by the personnel. In this context, some employees were inherited from defunct local governments, others were seconded to county governments by the national government, and a final group of employees was recruited directly by the county governments. These different groups of staff have different working terms and reward structures despite working for the same employer and sometimes in jobs requiring equivalent qualifications. The influence of the differential reward management on the employee satisfaction in county government structure has not been examined. This study therefore seeks to establish influence of reward management on Employee Satisfaction in county government of Nyamira.

Objective of the Study

The general objective of this study was to establish the influence reward management on employee satisfaction in public sector with a specific objective to establish how team based reward management influence employee satisfaction in County Government of Nyamira.

Research Methodology

The research was carried out using a case study research design. This form of research strategy was chosen since it produced data that could be used for analysis in a timely manner. It will place a strong emphasis on quality in the gathering and analysis of data, and it will be used when collecting data through closed ended surveys. A case study type of research design is believed to be the most appropriate because it describes in quantitative terms the degree to which variables are associated, according to Mugenda & Mugenda (2008). The target demographic consisted of 500 personnel from the Nyamira County Government. The employees from various departments were give relevant information concerning the influence of reward management on employee satisfaction. The study used various officers from these departments for the study. A stratified sampling method was used to obtain a sample size of 327 employees. The primary technique of data collection to be employed in the study was a questionnaire, which provided crucial information from the county's

authorities, as the primary source of data. In order to ensure that data collection was as efficient as possible, the questionnaire had both open-ended and closed-ended questions.

Results and Discussions

The study sought to establish the influence of team based reward management on employee satisfaction the findings are as tabulated below;-

Table 1: Team Based Reward Management

	N	Minimum	Maximum	Mean	Std. Deviation
There is clear procedures for job specialization and team based reward management	327	1.00	5.00	3.9535	.92462
The county government supports job specialization and team work	327	1.00	4.00	1.6047	.79101
Relevant departments embraces teamwork	327	3.00	5.00	3.9767	.55585
Team based reward management improves employee morale thus leading to employee motivation	327	3.00	5.00	4.1860	.62700
There is improved co-ordination amongst teams hence improving job performance.	327	3.00	5.00	4.1628	.68765

The study findings highlighted that team based reward management improves employee morale thus leading to employee motivation with mean value of 4.1860 with standard deviation of .62700, There is improved co-ordination amongst teams hence improving job performance with mean value of 4.1628 with standard deviation of .68765, Relevant departments embraces team work with mean value of 3.9767 with standard deviation of .55585, There is clear procedures for job specialization and team based reward management with mean value of 3.9535 with standard deviation of .92462 and The county government supports job specialization and team work with mean value of 1.6047 with standard deviation of .79101.

Table 2: Employee Satisfaction

STATEMENTS	N	Minimum	Maximum	Mean	Std. Deviation
Supervision, salary and opportunities for promotions are related to Employee Satisfaction thus reducing employee turnover	327	1.00	5.00	3.9767	1.07987
Fairness is embraced in promotion towards improving job performance	327	3.00	5.00	4.2791	.73438
Promotion signals limited career growth hence leading to employee satisfaction.	327	1.00	5.00	3.8372	1.11120

The study findings indicated that Fairness is embraced in promotion towards improving job performance was shown by a mean value of 4.2791 and standard deviation of .73438, Supervision, salary and opportunities for promotions are related to Employee Satisfaction thus reducing employee turnover were evidenced by a mean of 3.9767 and standard deviation of 1.07987, and Promotion signals limited career growth hence leading to employee satisfaction was shown with a mean of 3.8372 and standard deviation of 1.11120.

Correlation analysis

The study sought to examine the relationships between study variables using Pearson correlation and the results were as follows.

The study aimed to examine whether there was any statistical significant relationship between reward management and job satisfaction; Pearson coefficient was used, with scores on reward management as an independent variable and Employee Satisfaction as a dependent variable with $r = .517$ statistically significant level set at $0.000 < .05$, such that if the p-value was less than 0.05, then it would be concluded that a significant difference exist. If the p-value was larger than 0.05, it would be concluded that a significant difference does not exist as in Table below shows SPSS output.

Table 3: Correlation Matrix

		Team Reward Management	Job satisfaction
Team Reward Management	Pearson Correlation	1	.517**
	Sig. (2-tailed)		.000
	N	327	327
Employee Satisfaction	Pearson Correlation	.517**	1
	Sig. (2-tailed)	.000	
	N	327	327

The outcome of the findings indicates that there was a positive significant statistical relationship between Employee Satisfaction and team reward management($r=.517^{**}$, $n=327$, $p=.05$), with high level of Employee Satisfaction associated to improved team reward management and vice-versa.

Table 4: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	1.358	1.241		1.0943	.007
1 Team Based Reward Management	.338	.129	.251	2.620	.011

a. Dependent Variable: Employee satisfaction

Therefore, the regression model would be: $Y = 1.358 + .338X_1 + \varepsilon$

The regression coefficient table above shows that the constant $\alpha=1.358$ is significantly greater than $.007 < .05$. The coefficients of; team based reward management $\beta = .338$, implied that a change in one unit of team based reward management leads to a change in Employee Satisfaction by 33.38% statistically significant at $p < .05$.

Summary of Findings

The outcome of the findings indicates that there was a positive significant statistical relationship between Employee Satisfaction and team reward management($r=.517^{**}$, $n=327$, $p=.05$), with high level of Employee Satisfaction associated to improved team reward management and vice-versa. The regression coefficient results shows that the constant $\alpha=1.358$ is significantly greater than $.007 < .05$. The coefficients findings revealed that team based reward management $\beta = .338$, implied that a change in one unit of team based reward management leads to a change in Employee Satisfaction by 33.38% statistically significant at $p < .05$.

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