



# **The Effect of Reward Practice on Employees' Job Satisfaction: The Case of Amhara Region, North Shoa Zone Debre Berhan City Administration Preparatory and High School Teachers**

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**Abstract:** This study seeks to explore the effect of rewards practice on teachers' satisfaction towards their job by using various reward variables through grouping into intrinsic and extrinsic reward. The study suggests that reward has potential effect on teachers' job satisfaction. The study was conducted by using 166 preparatory and high school teachers in Amhara national regional state, North Shoa Zone, Debreberhan city administration. Teachers were asked to complete questionnaires about their level of satisfaction regarding reward. Both descriptive and inferential statistics were used to analyze all reward variables. The analyses of the study show that all reward variables are positively and significantly related with job satisfaction. The regression analysis show the magnitude of variation on job satisfaction by intrinsic and extrinsic reward is expressed in percentage of 24.5% and 41.7% respectively. The result also shows that extrinsic reward cause significant variation on employees' job satisfaction than intrinsic reward. In general the study indicate that reward has positive effect on teachers' job satisfaction and some reward variables like compensation which matters more but currently at lower level of satisfaction has to be improved in order to enhance teaching professionals job satisfaction. From qualitative analysis its find out that other factors like education opportunity, politics free environment, society awareness and good working environment are areas that need greater emphasis concerning enhancement of teachers' job satisfaction.

**Keywords:** Reward, Intrinsic Reward, Extrinsic Reward, Job Satisfaction, Ethiopia

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## **1. Introduction**

In every organization, whether it intended for profit or non-profit, production or service rendering, governmental or private there are different expectation from different individual employees for the achievement of organizational objective. Such expectation is nothing or cannot be in effect appropriately without proper consideration the need of these active participants of an organization, called employees.

Understanding the need of the employees by the employer and providing them with the necessary and appropriate reward package has two dimensional purposes. The first dimension is when employees perceived that the reward system is fair, equitable and transparent, they possibly

satisfied and work for the fulfillment of organization's long and short term plan. Second if an organization constitutes employees who really satisfied in relation with the reward provided to them, it easily captures the competitive advantage in a given industry. Giving reward in the form of pay, promotion, fringe benefits and status symbol to its members is the key feature for the work organization. This will have an effect on the quality of work life and organizational effectiveness depending on the practice of these rewards that are distributed [3].

Organizations are varying depending on the type of reward provided to their members. This also evidenced on the employees' job satisfaction and variation of organizational performance. Organizational performance lie on is ability to attract, motivate and retain high-caliber people through

providing attractive rewards. Of course, basically, reward primarily offered to people for the value they brought to the organization, but it crucially necessary to set means of reward for individual or team base on their contribution to make organization successful in achieving its goal.

Employees' job satisfaction depends on what they expect and what they received. The expectation established when an employee compared what she or he received from the organization with other members of the organization i.e. internal pay equity as well as with the other organization which is external competitiveness [12].

In such comparison if an employee find out significant variation and which did not compensated by other form of reward, she or he may not satisfied.

The overall satisfaction of employees emanate from both intrinsic and extrinsic rewards. [27] believed that intrinsic rewards are satisfaction in which a person is performing a particular action which is a complex task, with accomplishment felling and solving problem that helping others. These writers also argue that extrinsic reward as given by other person due to employees' performing a given activity with good performance and positive behavior. In general various variables under each reward category play a decisive role in determining the level of employees' job satisfaction.

Recently many researches were conducted concerning employees' job satisfaction from different institutions and professionals. Teachers are among these professionals who have been involved in job satisfaction studies. In his study [2], showed that teachers were satisfied with the job itself and supervision and they are dissatisfied with pay and promotional opportunities. The study of [20], revealed that teachers prefer this profession because of the salary, the hours and the holidays associated with this profession.

In early career teachers' quit intention study, [22], find out 53 percent of sample expressed high quit intention where as 13 percent of the respondent teachers have low quit intention. Emerged predictor variables were choice satisfaction, availability of other job opportunity, perceived status and self-accountability. He concludes that this quit intention may result in actual quitting of the profession which led to waste of resource incurred on teachers training.

*Since Ethiopia is still a country to fulfill basic needs, all the emotional reward for teaching is hardly a point of focus .....working entirely for the soul is not really a choice. However, when the most crucial members of the society are planning a strike, finding a way out was very essential. ....The current claim is not only about the salary, but also moral issues.*

Human resource and knowledge development are vital especially for developing countries and it should be given great emphasis on teaching profession. Therefore this study gives insight to the existing satisfaction level of high and preparatory school teachers regarding reward (intrinsic and extrinsic) provided to them.

The study considered all governmental preparatory and high school teachers in Amhara national regional State, North

Shoa Zone, Debreberhan city administration as a population for the study.

### 1.1. Statement of the Problem

Teaching is one of the critical professions in both developing and developed society which fosters sustainable growth and development of the political, economic and social status of the country. Those individual employees who are engaged in this particular profession play a fundamental role in the formation of responsible and committed citizens to the achievement of country wide programs.

Teachers, whether governmental or private school teachers, they are entitled to get some sort of reward for the contribution they have made. Among the financial rewards offered to teachers include basic salary, house allowance and pension contribution made by the government and non-financial rewards like responsibility, autonomy, meaningful work and recognition the study attempted to find out what it looks like. When we look studies that has been conducted regarding teacher's job satisfaction in relation with the reward is too limited, especially in Ethiopian context.

There was a scenario that took place concerning reward provided to teachers in March, 2016. The main conflicting issue was that the government made salary increment which is not sufficient and it did not consider the economic inflation and the living cost of the country as well as the city and the conflict also accompanied by strike. Therefore, the problem that the research intended to study is the level of teachers' satisfaction in relation to the reward provided to them. After data gathered and analyzed this research provided answer for the following basic research questions.

- a. Which variables of reward are provided to Amhara National Regional state North Shoa Zone, Debreberhan city administration preparatory and high school teachers?
- b. What is the level of teachers' satisfaction in relation with the reward given to the teachers?
- c. Which, intrinsic or extrinsic, rewards influence more teachers' job satisfaction?
- d. What is the differences of job satisfaction in relation with reward depending on different demographic variables (age, sex and tenure).
- e. What has to be done to enhance teachers' satisfaction towards their job?
- f. General Objective and Specific Objectives of the study are indicated below respectively:
- g. The general objective of this study is to determine the effect of reward practice on teachers' job satisfaction in Amhara National Regional State, North Shoa Zone, Debreberhan city administration preparatory and high school teachers.

The study was conducted based on the following Specific objectives:

- a. To identify components of reward provided to preparatory and high school teachers of Debreberhan city administration.
- b. To assess the level of teachers' job satisfaction

regarding with the reward provided to them.

- c. To determine the extent to which intrinsic or extrinsic reward influence teachers' job satisfaction.
- d. To evaluate how different demographic variables influence teachers job satisfaction in relation with reward.
- e. To give practical recommendation regarding what has to be done to upgrade teachers job satisfaction.

## 1.2. Significance of the Study

The study have significance through its efforts to find out the potential problems related reward provided to governmental school teachers and their job satisfaction in turn. It also has practical implication in its assessment of the problem and providing recommendations which can be practical solution to the existing problem.

Beside this the study provided suggestions to policy formulator, decision makers and concerned parties who are involved in teaching and learning process development, designing short and long term educational policies, organizational (NGO and GO) programmers especially on the topic of education. On top of that, this study have worth on contribution for further studies which aim on teachers reward practice, job satisfaction and incentive package in comparisons with private schools at regional or national level.

## 2. Theoretical Frame work

### 2.1. Job Satisfaction

Job satisfaction means real satisfaction of an employee to be satisfied by performing his assigned task. It seems to be an employee is satisfied by performing his/her job or duties, of course, such duties have to be related to the individuals' acquired knowledge. A link between 'job satisfaction' and institutional infrastructure, work culture, general standard, welfare amenities, communication facility, personal relation among the coworkers and the higher ups, general standard, financial benefit may therefore be expected [25].

On the other hand recognition simply like "Job well done" and providing opportunity to advance through career ladder enhances job satisfaction [28]. He also added that pay and job satisfaction are entirely different but interact and influence each other significantly. Furthermore, to have satisfied employees it is better to look other variables of reward other than pay. This is the reason why many authors argue that a combination of financial and non-financial rewards possibly enhance the level of worker satisfaction towards their job. Although, such combination of rewards work more to obtain satisfied workers, it is difficult to identify and measure the strength on the level of satisfaction precisely.

Job satisfaction is an individual's felling regarding his or her work. It can be influenced by a multitude of factors. The term relates to the total relationship between an individual and the employer for which he is paid. Satisfaction does

mean the simple feeling state accompanying the attainment of any goal, the end state is feeling accompanying the attainment by an impulse of its objective. Job satisfaction has many dimensions. Commonly noted facets are satisfaction with the work itself, wages, and recognition, rapport with supervisors and coworkers, and chance for advancement. Each dimension contributes to an individual's overall feeling of satisfaction with the job itself, but different people define the "job" differently.

According to [25] there are three important dimensions to job- satisfaction

1) Job- satisfaction refers to one's feeling towards one's job. It can only be inferred but not seen.

2) Job satisfaction is often determined by how well outcomes meet or exceed expectations. Satisfaction in one's job means increased commitment in the fulfillment of formal requirements. There is greater willingness to invest personal energy and time in job performance.

3) The terms job-satisfaction and job attitudes are typically used interchangeably. Both refer to effective orientations on the part of individuals towards their work roles, which they are presently occupying.

#### *Teachers' Job Satisfaction*

The performance of academic staff is a determinant factor for students' experience of educational institutions and has great impact on students learning and the outcome made to the society [36]. Students contribution to their society and country at large highly governed by the potential and attitude they develop while they are learning formally and informally. Teachers' skill to teach and subject matter specialization plays a great role on developing high caliber citizens on solving community's problem and this, on the other hand, affected by the level of teachers' job satisfaction. This level of satisfaction may vary depending on variation in demographic factors gender, age and tenure.

In the study conducted to measure job satisfaction among teachers, [29] inferred that the mean scores for male teachers depicted slightly higher levels of satisfaction than the female teachers on 'job' and 'on-the-job' dimensions of job satisfaction. In the case of overall job satisfaction, male teachers perceived slightly higher satisfaction as compared to their female counterparts. Various studies (Perie et al., 1997; Henke et al., 2000; and Alt and Peter, 2002 as cited by [29] reported that private school teachers have higher satisfaction than governmental school teachers. Thus; the researcher has set a hypothesis as:

H1- Different demographic variables have effect on teachers' job satisfaction

In his study, [17], conclude that professionals receive more satisfaction from intrinsic rewards than extrinsic rewards. Normally, professional is a highly educated person. She/he will become a professional after only getting a substantial qualification. Such a person may have favorable attitudes towards opportunities for growth. Therefore, they derive a greater satisfaction from intrinsic rewards. Another reason for higher level of satisfaction with intrinsic rewards may be greater recognition which prevails in the outside society for

professionals.

Various studies conducted to measure teachers' level of satisfaction based on both intrinsic and extrinsic reward dimensions. Some studies revealed that there is significant level of dissatisfaction even among governmental and private colleges. In his study [4], inferred that inadequacy of intrinsic job-aspects in both private and government colleges has to be improved in order to motivate the academic staffs for better performance.

His study revealed that 2.17 and 2.58 mean score out of five for private and government college instructors respectively concerning the level of dissatisfaction.

Another study conducted by [16] on teachers' job satisfaction in governmental middle level technical and vocational education and training (TVET) institutes revealed that 65% of the respondents are not agree on the salary that has been given by the institution and this inadequacy in payment issue also shared by principals of the TVET institute. In addition, those principals of the institutes point out that most teachers leave the job and joining a better paying organization is mainly due to the payment provided to them.

## 2.2. Organizational Rewards

Every organization possesses various types of resources which integrated to fulfill organizational objectives. Among these resources the human resource is the vital and the most valued, because without this resource it is difficult to incorporate other resources and achieve the ultimate goal of the organization. Such critical resource of the organization has to manage properly to get most out of it. Reward management along with other aspects of human resource management has to work effectively to assure employees are given the appropriate consideration for their contribution they have made.

Rewards become useful in stimulating desired behaviors when they meet employees demand [28]. Rewards that are offered by the organization are intended to influence peoples' behavior and besides that to consider them as valuable to the organization. In addition to that, every organization despite the nature of the business it engaged on, it intends to accomplish a specific mission. This can be done through attracting, hiring and retaining people with various knowledge, skill and attitude. Therefore, these vital organizational resources should be rewarded in order to get their effort to achieve organizational objectives. It also important to focus on workers behavior that is essential to achieve organizational objectives when designing and implementing reward system.

Reward management is about the development, implementation, maintenance, communication, and evaluation of reward processes [3]. Effective reward system with other specific organizational conditions contributes to motivate performance, learning new skills and, in general, exerting ones effort to achieve organizational objective. However, performance motivation depends on the situation how it perceived and the need of the people. The association

between reward and performance must be visible and a climate of confidence and credibility must exist in the organization.

Reward can motivate the learning of skills and development of knowledge. Of course, its effectiveness depends on how employees are valued reward that is given for the learning of specific skill. For instance, pay for performance systems may motivate learning and development because individuals perceive that they must develop their skills in order to perform effectively. Reward systems also contribute to the overall cultural and climate of an organization. It plays grate role in determining the organization's culture whether it human resources-oriented culture, an entrepreneurial culture, an innovative culture, a competence-based culture, and a participative culture.

Reward provided for compensating people contribution to the organization for the value they have to achieve expected outcome. But now days in an effective organization reward system is implemented to compensate individuals for successful team work, for gaining more skill-based competencies, for continuous improvement, and for business and organizational performance [26].

Bratton and gold (1994) defined reward as to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. According to these authors reward offered to employees because of there is employment relationship in which they are performing certain activities to the employer or to the organization in general. Then according to the agreement made between the two parties different compensation and benefit will provided to the members of the organization who are working to words the achievement of organizational objectives. So the research hypothesis can be formulated as follows:

H2- Reward has significant effect on the teachers' job satisfaction

### 2.2.1. Intrinsic Rewards

These rewards are the personal satisfactions one gets from the job itself. These are self-initiated rewards, such as having pride in one's work, having feeling of accomplishment or being part of a work team [7]. For such reward the job that a person performs is the sole principal for providing reward and mainly has psychological contact on the individual. These rewards are not given by the organization; rather they originated within the person [26]. According to this author, a sense of responsibility, sense of meaningfulness, and empowerment and satisfaction in knowing the result are among intrinsic rewards.

Many authors give various intrinsic variables that a person can acquire them from the nature of the job. Among the factors affecting intrinsic motivation include responsibility (feeling the work is important and having control over one's own resources), freedom to act, scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement [19].

Therefore, if the job gives an opportunity for a person to

utilize his or her ability to perform a given task s/he is intrinsically rewarded. Intrinsic rewards could also include a feeling of accomplishment, a feeling of recognition, or other motivators. Responsibility and authority are factors an individual may exercise on the job and can be considered as motivators that led to extreme satisfaction. It is noted that to have higher performance level organizations should emphasized on intrinsic motivator like sense of achievement, respect for the whole person, trust, appropriate advancement opportunities, and others. Therefore, the hypothesis can be formulated as:

H3- Intrinsic rewards have significant effect on teachers' job satisfaction

### 2.2.2. Extrinsic Rewards

These rewards are mainly emanated from the organization and given as a form of pay, promotion, praise and status symbol. Their exclusive feature is that they are external to the job and come from an outside source. Many scholars also added different rewards that can be considered as extrinsic rewards.

Extrinsic motivators are what is done to and for people to motivate them and provided as increased pay, praise, or promotion [19]. Mainly co-workers, recognition made by peers or supervisor, advancement and education opportunity offered by the organization, human relation by supervisor, technical knowhow of the supervisor, institutional policy, compensation and benefit, working condition, and social status are grouped under extrinsic reward. Therefore, the hypothesis can be formulated as:

H4- Extrinsic rewards have significant effect on teachers' job satisfaction

### (i). Financial Reward

Many scholars suggest that money is means of motivator but it is not the only thing. Of course, money is the means for many ends [3] but it should incorporate with other means of motivators which grouped under non-financial rewards.

Financial reward consist both direct and indirect compensations and each of monetary compensation also embraces other specific compensation variables.

Financial compensation has to be considered the effectiveness of money as a motivator, why people satisfied and dissatisfied with their financial reward and which criteria to use when developing financial compensation system [1]. Money has potential impact on short term and long term commitment of employee to the organization. It serves as a means for fulfilling basic needs and long term financial status of an individual.

As the name, financial reward, indicate that it is a kind of reward provided to employees directly through wage bonuses or profit-sharing. financial rewards can also offered to the organizational members indirectly through employer-subsidized benefits like pension plans, paid vacations, paid sick leaves, and purchase discounts [7]. This type of rewards has a great deal on the organizational activity for two reasons. First it plays decisive role on the profitability or cost-effectiveness of the organization in relation with

payment that has been made to the members of the organization. Second pay is a determinate factor on employees' attitudes and behavior (Bratton et al, 1994).

### (ii) Non-financial Rewards

These rewards call mostly to their psychological needs and strengths the psychological contract between the employer and the employee. These rewards have many elements that related to the work situation. [3] embraces activities that have impact on the intellectual emotional and physical well-being of the employee under non-financial reward.

These rewards are made mainly without direct payment and related with the work itself. [18] includes achievements, autonomy, and recognition, scope to use and develop skill, training, career development opportunities and high quality leadership under non-financial reward category.

These rewards are not provided to increase the financial position of an individual employee but focused on making life more attractive while an individual is considered himself as an employee [7].

H5- There is significant differences between preparatory and high school teachers' on their job Satisfaction.

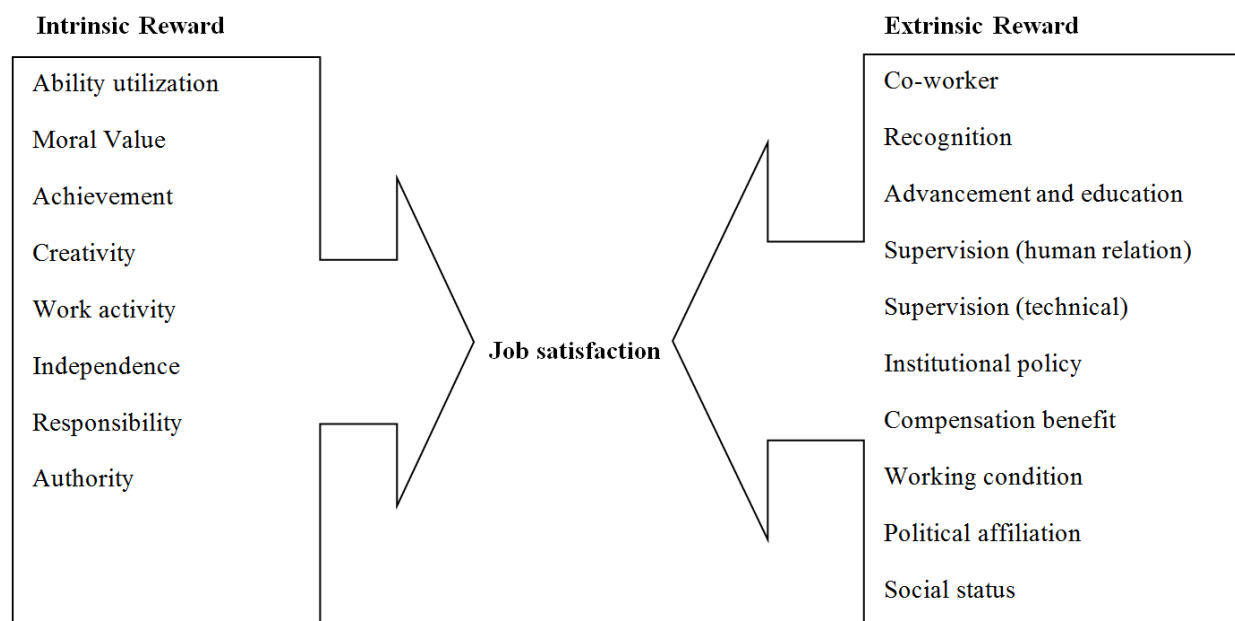
## 2.3. Conceptual Frame Work

The conceptual frame work of the study has developed after having thorough looking various motivation theories mainly Herzberg's 2-factor motivation theory and satisfaction dimension which was under Minnesota satisfaction questionnaire. Of course, the variables which were taken for this particular study do not exactly much with both above sources. But adapted and modified to certain degree to establish relationship among reward variables and Job satisfaction.

## 3. Research Design and Methodology

This study employed Both Descriptive and explanatory research designs in order to determine the relationship between the variables. Among descriptive research correlational research is the one in which the researcher is attempt to determine whether there is a correlation between two or more variable. Explanatory research design used to understand the cause and effect relationship and determine how events occur i.e. reward variables and how they influence job satisfaction [8].

The study was based on both primary and secondary sources of data. The primary data was collected with the help of a survey questionnaire. The population consisted of the teachers of preparatory and high school who are found at Debreberhan city administration that can be divided in to two clusters depending on the level of schools and each level has got equal proportion and the number of samples for each school is determined through percentage proportion. The selected participants have various demographic characteristics including Age, gender, tenure and qualification, of which 25% or 166 teachers were taken as a sample based on their number of employees.



Source: Adapted from Herzberg (1967) and Minnesota satisfaction questionnaire (1967)

**Figure 1.** Conceptual frame work.

So based on this fact the sampling technique that was applied is the probabilistic proportional sampling since it can avoid over sampling error for a cluster, and it has the potential to give us the right picture because each cluster's are different in their number of employees they have. After having these clusters, the proposed samples were selected using simple random sampling. This gives a multistage sampling nature for the sampling method and also tries to minimize biasness up to the highest possible extent.

A seven point likert scale questionnaire [35] was used as an instrument for data collection that includes reward dimensions which mainly adapted from [10] motivational theory, Minnesota satisfaction questionnaire and four point likert scale was used to measure overall job satisfaction based on single global rating approach [33]. Reward variables are categorized into intrinsic and extrinsic reward. Though, different scholars suggest various variables under each reward categories, the study based on reward variables that are mainly focused on the major reward facets.

Intrinsic reward consist Ability utilization, moral value, achievement, creativity, activity, independence, responsibility, and authority.

Extrinsic rewards consists co-workers, recognition, advancement and education, supervision-human relation; supervision-technical, institutional policy, compensation and working condition [3]. In addition to these variables political affiliation also included as extrinsic reward.

The questionnaire was forwarded to the subject matter specialist to check whether the questionnaires are measure what they are intended to measure. These activities enable the questionnaires to have high reliability and validity. Research questionnaire prepared in a way it provide an opportunity to participants to understand each questions simply and give their replay free of any bias. Then each

questionnaire provided to individual participants after having their consent to participate in the research.

Finally questionnaires are collected after five days of distribution in order to give them enough time to fill the questionnaires. The collected data was analyzed using both descriptive and inferential statistics. From the descriptive part the data is analyzed with mean and correlational coefficient. ANOVA and Regression analysis had been conducted under inferential statistical treatment. Both statistical analyses are used to answer the intended research questions by using SPSS V.20.

## 4. Result and Discussion

### 4.1. Demographic Information

Demographic composition of the sample in terms of Gender, Age, Level of Education, Years of Experience, Occupational level and Employee Department is as follows: We found that 82.10% of respondents were male and 17.90% of respondents were female respectively, (59%, of the respondents were between the age 26-35. Those respondents who were above 35 accumulated only 9% (n=12), whereas respondents at age of 35 and below are 91% (n=122), the respondents are BSc/BA degree holders which consists 86.6% (n=116). Among the respondents 7.5% are graduated with Masters Degree. The rest respondents, 6% are graduated with diploma respectively. Designation wise there were 58 or 43.3% were preparatory teachers, 76 (56.7%) high school teachers respectively. Experience of employees showed that 3% (n=4) are working on teaching profession for less than one year. 31.1%, 22.4%, 27.6% of the respondents are stayed in this particular profession for 1-3 years, 4-5 years, and 6-10 years respectively. Among the respondents 3% are working on teaching for 16-20 years. Those who have more than 20 years' experience are about 4.5% (n=6). However demographic data

has not been used in the analysis of the study.

The data collection instrument was tested for its reliability using Cronbach's alpha, which was found to be .925 and .958 for intrinsic reward and extrinsic reward variables respectively.

#### 4.2. Descriptive Statistics

This section of analysis consist mean and standard deviation of reward variables (both intrinsic and extrinsic) and job satisfaction.

**Table 1.** Descriptive statistics for intrinsic reward, extrinsic reward and job satisfaction.

Reward variables	Mean	Standard deviation
Ability utilization	4.01	1.59
Moral value	4.34	1.47
Achievement	3.82	1.85
Job security	3.35	1.76
Work activity	4.15	1.60
Independency	4.65	1.64
Responsibility	5.30	1.63
Authority	4.47	1.89
Co-worker	4.83	1.43
Recognition	4.07	1.79
Advancement	3.25	1.75
Supervisor human relation	3.71	1.75
Supervisor technical	3.46	1.68
Institutional policy	3.51	1.66
Compensation	2.41	1.53
Working condition	3.37	1.68
Political affiliation	3.28	2.12
Social status	3.45	1.76
Overall satisfaction	2.90	1.88

#### 4.3. Correlation

**Table 2.** Pearson correlation to see the relationship between intrinsic reward job satisfactions.

Job satisfaction		
Intrinsic Reward Variables	Correlation	Sig.(2-tailed)
Ability utilization	.282**	.001
Moral value	.250**	.004
Achievement	.500**	.000
Job security	.556**	.000
Work activity	.404**	.000
Independency	.298**	.000
Responsibility	.348**	.000
Authority	.429**	.000

\*\* correlation is significant at the 0.01 level (2-tailed)

\* correlation is significant at the 0.05 level (2-tailed)

Table 2 demonstrate the strength and direction of relationship between job satisfaction and intrinsic reward variable. It shows that job security ( $r=0.556$ ,  $p<0.01$ ) has positive and strong significant relationship. It also illustrate that Achievement ( $0.500$ ,  $p<0.01$ ), Authority ( $0.429$ ,  $p<0.01$ ) and work activity ( $0.404$ ,  $P<0.01$ ) are the next three intrinsic reward variable which are positively significantly related with intrinsic reward variables accordingly.

In general all intrinsic reward variables are positively and significantly related with job satisfaction and support the alternative hypothesis which states that intrinsic reward have significant effect on teachers' job satisfaction. But in the next section it is treated with inferential statistics to understand its effect and weather to reject or not the null hypothesis.

**Table 3.** Pearson correlation to see the relationship between Extrinsic reward and job satisfactions.

Job satisfaction		
Extrinsic reward Variables	Correlations	Sig.(2-tailed)
Co-workers	.317**	.000
Recognitions	.447**	.000
Advancement	.581**	.000
Supervisor Human relation	.469**	.000
Supervisor technical	.535**	.000
Institutional policy	.517**	.000
Compensation	.512**	.000
Working condition	.553**	.000
Political affiliation	.282**	.001
Social status	.534**	.000

\*\* correlation is significant at the 0.01 level (2-tailed)

\* correlation is significant at the 0.05 level (2-tailed)

The above table depicts the relationships between extrinsic reward variables and employees job satisfaction. Among the above ten extrinsic variables Advancement ( $r=0.581$ ,  $p<0.01$ ), working condition ( $r=0.553$ ,  $p<0.01$ ), Supervisor technical ( $r=0.535$ ,  $p<0.01$ ), Social status ( $r=0.534$ ,  $p<0.01$ ), Institutional policy ( $r=0.517$ ,  $p<0.01$ ), and Compensation ( $r=0.512$ ,  $p<0.01$ ) are strongly and positively related with job satisfaction. The rest of the variables, even if their value slightly decreases, also positively and significantly related with job satisfaction since ( $p<0.01$ ), but small strength evidenced with political affiliation.

**Table 4.** The One way analysis of variance (ANOVA) Demographic variables and job satisfaction.

		Sum of Squares	Df	Mean Square	F	Sig.
Gender	Between Group	1.495	6	.249	1.680	.131
	Within the group	18.841	127	.148		
	Total	20.336	133			
Age	Between Group	5.608	6	.935	2.121	.055
	Within the group	55.952	127	.441		
	Total	61.560	133			
Educational Attainment	Between Group	1.611	6	.269	2.084	.060
	Within the group	16.359	127	.129		
	Total	17.970	133			
Level of School	Between Group	2.440	6	.407	1.696	.127
	Within the group	30.456	127	.240		

		Sum of Squares	Df	Mean Square	F	Sig.
Length of Service	Total	32.896	133			
	Between Group	17.133	6	2.855		
	Within the group	238.755	127	1.880	1.519	.177
	Total	255.888	133			

H<sub>1</sub>. Different demographic variables have effect on teachers' job satisfaction

Ho- different demographic variables have no effect on teachers' job satisfaction

#### 4.4. Inferential Statistics

This section of the study conducted to test the hypothesis by using inferential statistics. Therefore, multiple regressions used to observe which independent variable has potential effect on dependent variable. In addition ANOVA was used to check whether there is a difference between respondents response.

The one way ANOVA test result shown in the table 4 used to taste the mean of all the group whether it is the same or not. If difference in the mean exhibited we can understand that job satisfaction is depending on those demographic characteristics. The result indicated the value for F ratio for all demographic variables and the significant value for all F ratios are greater than (0.05). Because of this ANOVA result we can conclude that different demographic variables have no effect on teachers' job satisfaction. Therefore, its fail to reject the null hypothesis.

**Table 5. Multiple Regressions.**

R	.633 <sup>a</sup>
R square	.401
Adjusted R square	.396
F	88.270
Sig.	.000
Std. Error	1.467

Variable	Beta	T	Sig.
Reward	.633	9.395	0.000

Defendant (Satisfaction)

Independent (Reward variables)

H<sub>2</sub>- reward has significant effect on the teachers' job satisfaction

Ho- there is no significant relationship between reward and teachers' job satisfaction

Table 5 shows result from multiple regression made between reward variables and job satisfaction which is ( $R^2=.401$ ), ( $p<0.01$ ). Thus 40.1% of variance in job satisfaction can be explained by overall reward variables including Ability utilization, moral value, Achievement, Job security, Work activity, Independence, Responsibility, Authority, Co-workers, Recognition, Advancement, Supervisor Human relation, Supervisor technical, Institutional policy, Compensation, working condition, Political affiliation and social status.

Therefore, significant effect is evidenced by reward variables on job satisfaction. Thus study rejects the null hypothesis.

Table 6 shows the liner regression result for intrinsic reward and job satisfaction. It depicted that the adjusted  $R^2=.245$  ( $p<0.01$ ). Thus 24.5% of variation in job satisfaction can be explained by intrinsic reward. The value of beta also

shows the positive rate of change by dependent variable (.495) with independent variable is significant ( $p<0.01$ ). Therefore it articulated that intrinsic rewards have significant effect on teachers' job satisfaction and reject the null hypothesis.

**Table 6. Regression: Intrinsic reward and job satisfaction.**

R	.495 <sup>a</sup>
R <sup>2</sup>	.245
Adjusted R squared	.239
Standard error	1.644
F ratio	42.839
Sig.	.000

Variable	Beta	T	Sig
Intrinsic Reward	.495	6.545	.000

a. Dependant variable: Overall Satisfaction

b. Predictor: (constant), Intrinsic Reward

H<sub>3</sub>- intrinsic rewards have significant effect on teachers' job satisfaction

Ho- intrinsic rewards have no significant influence on teachers' job satisfaction

**Table 7. Regression: Extrinsic reward and job satisfaction.**

R	.645 <sup>a</sup>
R <sup>2</sup>	.417
Adjusted R squared	.412
Standard error	1.445
F ratio	94.268
Sig.	.000

Variable	Beta	T	Sig
Extrinsic Reward	.645	9.709	.000

a. Dependant variable: Overall satisfaction

b. Predictor: (constant), Extrinsic reward

H<sub>4</sub>- extrinsic rewards have significant effect on teachers' job satisfaction

Ho- extrinsic rewards have no significant influence on teachers' job satisfaction

The above table shows the liner regression analysis of extrinsic and job satisfaction. It indicated R square of the result is (.417) at ( $p<0.01$ ). This means that 41.7% variations in employees job satisfaction is explained by extrinsic reward provided to them. (Beta .645,  $p<0.01$ ) also indicate that a positive and significant rate of change is made by extrinsic reward. Because of the above facts that shows extrinsic rewards have significant effect on teachers' job satisfaction, the null hypothesis is rejected.

**Table 8. Regression: Level of the school and job satisfaction.**

R	.136 <sup>a</sup>
R <sup>2</sup>	.018
Adjusted R squared	.011
Standard error	1.875



F ratio	2.483
Sig.	.000

Variable	Beta	T	Sig
Level of the school	.136	1.576	.117

a. Dependant variable: Overall Satisfaction

b. Predictor: (Constant), Level of the School

$H_5$ - there is significant differences between preparatory and high school teachers' on their job satisfaction

$H_0$ - there is no significant differences between preparatory and high school teachers' job satisfaction

From the regression result of level of school and job satisfaction, table 8 shows that  $R^2=.018$  ( $p>0.01$ ). This mean that 1.8% of variation in job satisfaction occurred due to the difference in level of the school i.e. either preparatory or high school. The percentage of variation is very small as well as ( $p>0.01$ ), this mean that there is no significant difference between preparatory and high school teachers' job satisfaction. Therefore the study fails to reject the null hypothesis.

**Table 9.** Multiple Regression: Extrinsic reward, intrinsic reward and Job satisfaction.

R	.647 <sup>a</sup>
R <sup>2</sup>	.418
Adjusted R squared	.409
Standard error	1.4489
F ratio	47.055
Sig.	.000

Variable	Beta	T	Sig
Extrinsic reward	.605	1.576	.000
Intrinsic reward	.055	.569	.000

a. Dependant variable: Overall Satisfaction

b. Predictor: (Constant), Extrinsic reward, intrinsic reward

The above table 9 shows that ( $R^2=.418$ ,  $p<0.01$ ) both reward variables have positive and significant effect on teachers' job satisfaction. Extrinsic reward ( $B=.605$ ,  $p<0.01$ ) and intrinsic reward ( $B=.569$ ,  $p<0.01$ ) indicate that positive and significant rate of change occurred by both independent variables on dependent variable. Here the study show that extrinsic reward variables are more determinant factors than intrinsic reward variables.

$$\text{Job satisfaction} = -.836 + (.605\text{Extrinsic reward} \times .055\text{Intrinsic reward}) + 1.4489$$

#### 4.5. Summary of Major Finding

This particular study find out the following findings:

- Frequency tables used to show the frequency distribution of respondents demographic characteristics. Male consists (82.1%) and females are accounted (17.9%). Among the respondents  $N=122$  (91%) are age of below 36. Of all respondents 86.6% are graduated with BSc/BA degree. 81.3% of respondents (teachers) are working on teaching profession from one to ten years.

- Descriptive statistics was used to indicate the mean value for intrinsic reward variables, extrinsic reward variables and job satisfaction. The values for intrinsic reward variables are ability utilization (mean=4.01), moral value (mean=4.34), achievement (3.82), Job security (mean=3.35), work activity (mean=4.15), independency (mean=4.65), responsibility (mean=5.30), and authority (mean=4.47). The values for extrinsic reward variables are co-worker (mean=4.83), recognition (mean=4.07), advancement (mean=3.25), supervisor human relation (mean=3.71), supervisor technical (mean=3.46), institutional policy (mean=3.51), compensation (mean=2.41), working condition (mean=3.37), political affiliation (mean=3.28) and social status (mean=3.45). The result has shown that governmental school teachers are more satisfied with responsibility, co-workers, and independency with mean value 5.30, 4.83 and 4.65 respectively. The lowest average level of satisfaction was seen for compensation followed by overall satisfaction (mean=2.90).

- The correlation coefficient was computed for the purpose of determining the direction and strength of relationship between reward variables and employees job satisfaction in teaching profession. The result showed that there is positive and statistically significant relationship between reward variables and job satisfaction.

- For intrinsic reward ability utilization ( $r=.282$ ,  $p<0.01$ ), moral value ( $r=.250$ ,  $p<0.01$ ), achievement ( $r=.500$ ,  $p<0.01$ ), job security ( $r=.556$ ,  $p<0.01$ ), work activity ( $r=.404$ ,  $p<0.01$ ), independency ( $r=.298$ ,  $p<0.01$ ), responsibility ( $r=.348$ ,  $p<0.01$ ) and authority ( $r=.429$ ). for extrinsic reward co-worker ( $r=.317$ ,  $p<0.01$ ), recognition ( $r=.447$ ,  $p<0.01$ ), advancement ( $r=.581$ ,  $p<0.01$ ), supervisor human relation ( $r=.469$ ,  $p<0.01$ ), supervisor technical ( $r=.535$ ,  $p<0.01$ ), institutional policy ( $r=.517$ ,  $p<0.01$ ), compensation ( $r=.512$ ,  $p<0.01$ ), working condition ( $r=.553$ ,  $p<0.01$ ), political affiliation ( $r=.282$ ,  $p<0.01$ ) and social status ( $r=.534$ ,  $p<0.01$ ). Each category of reward, intrinsic and extrinsic, significantly and positively related with job satisfaction.

- Regression analysis conducted to determine the magnitude to which the variables crate a variation on job satisfaction. For intrinsic reward ( $R^2=.245$ ) which be a sign of 24.5% of variance in job satisfaction is explained by the variables ability utilization, moral value, achievement, job security, work activity, independence, responsibility and authority. For extrinsic reward ( $R^2=.417$ ) which shows 41.7% of variance in job satisfaction occurred due to extrinsic reward variables including co-workers, recognition, advancement, supervisor human relation, supervisor technical, institutional policy, compensation, working condition, political affiliation and social status. This means that both reward dimensions cause variation on job satisfaction.

- The ANOVA analysis of demographic variables and job

satisfaction resulted in ( $p>0.05$ ) for all demographic variables which indicate that variation in job satisfaction is reported by variation in demographic variables is insignificant at  $p>0.05$ . Therefore, demographic variables have no effect on teachers' job satisfaction.

- g. From the regression result of level of school and job satisfaction it find out that ( $R^2=0.018$ ). This means that 1.8% of variation in job satisfaction occurred due to the difference in level of the school i.e. either preparatory or high school. But the percentage of variation is very small as well as ( $p>0.05$ ), this mean that there is no significant difference between preparatory and high school teachers' job satisfaction.
- h. The qualitative analysis of the study reveals that respondents are mainly satisfied by financial reward which consists 68%. 17% and 15% of respondents are satisfied by non-financial and by both reward types respectively.

## 5. Conclusion

This study intended to find out the effect of reward on job satisfaction of Debreberhan city preparatory and high school teachers. Besides it analyzed weather demographic variables affect the level of job satisfaction.

Based on the finding of descriptive statistics of reward variables respondents are somehow satisfied with some reward variables except compensation. The average satisfaction level of compensation is very far less than other reward variables. Respondents are satisfied by responsibility, co- workers, independency and moral value.

In the findings of correlation analysis the study find out that all reward variables, both intrinsic and extrinsic reward, are positively and significantly related with teachers' job satisfaction. This mean that job satisfaction linked with reward and reward strongly and positively related with job satisfaction. The one way analysis of variance result shown that different demographic variables like gender, age, educational attainment, level of school and length of service in teaching profession do not affect the level of teachers' job satisfaction.

The result shows that 40.1% of variation on teachers' job satisfaction is attributed to the reward practice of the institution. The study also shows the particular effect of each reward dimension separately. Among reward dimensions extrinsic reward has potential effect on teachers' job satisfaction and explained by variables including co-worker, recognition, advancement, supervisor human relation, supervisor technical, institutional policy, compensation, working condition, political affiliation and social status. According to this study, teachers are mainly satisfied by the responsibility that emanated from the job and followed by co-worker relationship they have with their peer teachers. When we look compensation variable it is at the bottom on the list of satisfaction. This indicates that employees are not satisfied by compensation and incentive packages that are

offered by the government. This result shows that extrinsic reward has strong effect on job satisfaction than intrinsic reward.

The study also attempt to specifically know if there is a significant difference in the level of job satisfaction based on the level of school and it has got no significant difference between preparatory and high school teachers on the level of job satisfaction.

The qualitative analysis of the study exhibited that employees are more satisfied by financial reward than non-financial reward. They explicitly stated that they mainly satisfied by monetary reward and enables them to fulfill their needs and they added also they have earned very small amount of salary as compared to the job they are doing. The rest of respondents replied that they are satisfied by non-financial reward like recognition and relationship with co-workers.

The qualitative analysis also indicates that large proportion of respondents needs the government to increase their salary in order to enhance the existing level of teachers' satisfaction towards their job. According to respondents every individuals, the community and government, at large have to work hand to hand to boost level of satisfaction. Participants of the study also point out educational opportunity, political free environment, conducive working condition, good perception about the profession by the society and adding incentive schemes as a means to enhance teachers' job satisfaction.

Generally, the study justified that respondents are not satisfied by the compensation they have got from the job. On the other hand, they point out that they prefer the financial reward as a means of satisfier. This shows that the intrinsic reward variable especially compensation is far less than it expected to be. Other researches that was conducted by [23], [24], and [13] regarding employees' job satisfaction supported that employees prefer extrinsic rewards than intrinsic reward.

## 6. Recommendation

Results of this study showed that both intrinsic and extrinsic rewards are positively related with teachers' job satisfaction. This study not only shows the relationship of reward variables and job satisfaction but also exhibits the magnitude of independent variables in which they have on dependent variable, which is job satisfaction. Therefore the concerned parties have put in practice the following recommendations.

- a. Because reward has strong effect on employees job satisfaction government has to work towards the improvement of teachers' reward in order to change the existing level of overall teachers' job satisfaction.
- b. Extrinsic reward is one of reward dimension that affect employees job satisfaction most. But among the extrinsic reward variables compensation has got the list of all reward variables. Therefore there has to be done a lot concerning the compensation package which offered

to teachers.

- c. Intrinsic rewards also have significant effect on employee's job satisfaction. There has to be given great emphasis on those variables like teachers' responsibility that they acquire from their work, to work independently, authority they exercise and moral value of the profession.
- d. It is evidenced by the study that majority of employees are satisfied by financial rewards. Thus it's very important to design various financial rewards like allowances, bonus and other incentives.
- e. Giving great emphasis on educational opportunity, creating political free situation, establishing good working environment, developing society awareness towards teaching profession is very crucial to improve level of teachers' job satisfaction.
- f. The current teachers' level of job satisfaction is not as good as it should be and for the entire out come all reward variables play their role and related significantly. This low level of satisfaction has to be given great emphasis and improved to have satisfied employees and to get most out of them. It's known that these professionals are responsible in developing well mannered, educated and responsible citizens. This can only achievable through having committed and motivated employees to execute their duties. If satisfying these professionals failed, and continue in the same manner it's difficult to accomplish teaching and learning objectives.

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