

# The Relationship between Reward System and of the Job Satisfaction: An Empirical Study among Nurses in Jaffna Teaching Hospital

Jasinth. B<sup>1</sup> and Sooriya. K<sup>2</sup>

<sup>1,2</sup>Faculty of Management studies and Commerce, University of Jaffna

## Abstract

The reward practices linked to job satisfaction have been applied differently by both private and public enterprises. There is an increasing tendency towards linking rewards to job satisfaction research done in this area have not been adequately enough. The main objective of this study is to find the extent of the reward, exist among the employees in the Teaching Hospital Jaffna.

This is because reward and job satisfaction is core factor in which organizations should be keen in order to meet the accurate service and goals of the hospital. Data were collected by use of questionnaire; it was given to different levels of the employees (Nurses) in the Jaffna Teaching Hospital. It approached from sample of 50 employees that was drawn from a convenient sampling method from a population of 232 Nurses from Hospital. The expected outcome is aimed at unearthing the need to motivate in terms of rewarding the Nurses in Teaching Hospital Jaffna so as to improve their job satisfaction.

**Keywords:** Job satisfaction, reward systems, Commitment, Absenteeism & Turnover

## Introduction

The ultimate goal of every human is happiness. Happiness comes from satisfaction which is generated from both work and personal. Therefore every employee is working for the satisfaction in their particular job in every organization that may be profitable or service organization. Satisfaction is the key drive to work efficiently. Satisfaction comes in many ways. They are rewards, achievement, and recognition. No organization can sack without a certain level of employees' satisfaction. Now a day Rewards system and job satisfaction of employees is the problem of every organization. Every organization to find good and qualified Human Resources and to organize the work as to achieve the organizational goals, allowing the organization to rise to a new level whether it is service organization of profitable organization. In service organization like hospitals, people need reward for their job. Nurses in hospital expect rewards for the work done. Now in the competitive world, organizational success depends on quality of services provided by the organization to its customers so do this organization depends on its employees. As same as that, quality services should be provided by the nurses to the patients in hospitals, so that they will be provided with rewards. If the rewards are provided to the nurses they will be satisfied in their job.

Nurses can be provided with the intrinsic or extrinsic rewards as per their service. Intrinsic rewards are the non-physical rewards. In other words, intrinsic rewards can be defined as the feeling of contentment one finds in completion of any task. Intrinsic reward of nurses is directly related to job satisfaction as a successful task automatically produces it. Higher the

success rate of patients cured higher will be the rate of intrinsic rewards nurses receive which are sense of achievement, words of praise from the seniors and doctors, recognition, taking pride from the job, Work freedom or autonomy.

Extrinsic rewards are the physical ones that come from an external source (employers) only. A properly designed extrinsic reward can also be emotionally attached with the nurses as employees value such rewards. An extrinsic reward is also directly related to job performance & satisfaction of the employees but it is necessary that employees receive reward every time they accomplish the task. It depends upon the policy of the hospitals. There are various ways a hospital can choose to reward its nurses. Some examples of extrinsic rewards are Pay, Bonus, Fringe benefits, improved working condition, Promotion in hospital. If the rewards for nurses are high, then there will be low absenteeism, high commitment, and low turnover in hospital. The reward system in a high involvement organization needs to emphasize and support the idea of information, knowledge and power moving to the perform level. It can do this by rewarding individual for developing their skills, by facilitating the movement of information down ward in the organization and finally by balancing power with rewards that depend on performance.

### **Research problem**

This means the study faces setbacks or failures it initiates its research procedures. The problem focused here can be stated as follows.

- a) To what extent the reward system relate with employee's satisfaction?
- b) What is the relationship between Reward satisfaction and employee behaviors as commitment, absenteeism and turnover?

Though favorable reward system, organizations try to create an environment, which will motivate their employees and increase their level of satisfaction, performance and commitment and could maintain low level of absenteeism turnover.

### **Objective of the study**

Primary objective

- To identify to what extent the reward, exist among the employees in the teaching hospital
- Secondary objective
- To identify the prime factors cause job satisfaction
- To identify the relationship between rewards prime factors of job satisfaction
- To identify the relationship between the employee rewards and their job satisfaction
- To recommend the government and private officials to improve the satisfaction on hospital Nurses.

### **Significance of the Research**

In the modern world, there are several competitions among the organizations. So organizations have to keep and use its human resource effectively. They also have to motivate by providing rewards to their employees toward its goal. Employee satisfaction has long been, one of management's most difficult and important duties. Therefore employee is more motivated committed and satisfied when they feel if they are significantly contributing to its company's success. This study will attempt to identify the relationship for organizational reward systems and the employee satisfaction. Finding of this study could enable organizations to make

suitable alteration or take corrective action in their motivational tools, which will assist them in reaching their objectives. Finding of this study could also form further research questions for further investigation, in future on employee motivational practices in health sector organization.

## **Literature Review**

### **Rewards**

Reward management is concerned with the formulation and implementation of strategies and policies in order to reward people fairly equitably and consistently in accordance with the value they bring to the organization. It aims at meeting the needs of both the organization and employees.

Decenzo(1999) says that our knowledge of motivation tells us that people do what they do to satisfy some need before they do anything therefore they look for payoff or reward, rewards and their link to motivation rewards include promotion, desirable work assignments and a host of other less obvious payoffs. Peer acceptance or kind words of recognition .people behave in ways that they believe are in their best interest they constantly look for payoffs for the efforts. Researchers have also argued that rewards offered by organizations may have a powerful impact on employees' attitudes towards their jobs and the company for which they work (Lincoln & Kallerberg 1990).

### **Job satisfaction**

Job satisfaction has been a topic of wide interest to both academic and practitioners for past four decades. In fact it has been one of the most frequently studied variables in organizational behavior research and human resource theory and practices (Spector 1997). The traditional model of job satisfaction focuses on all the feelings that an individual has about his/her job. However what makes a job satisfying The Business & Management Review, Vol.3 Number-2, January 2013 24 or dissatisfying is not limited to the nature of the job but it also depends upon the individual's, perceptions, attitudes and expectations towards the job itself (Hong Lu, et al. 2005).

Job satisfaction has been defined and measured as a global construct and as a concept with multi dimensions or 'facets' (Price 1997). This study adopts a global approach over a faceted approach, conceptualizing job satisfaction as a degree of positive emotions towards a work role (Locke 1976; Kallerberg 1977). Given that employees satisfaction with their jobs, have been found to be related to number of organizational outcomes, such as increased customer satisfaction (Ryan, et al. 1996), lower turnover rates (Mobley 1977), increased response rate (Ryan, et al. 1996) and higher performance at work place (Lauderweerd & Boumans 1988), it is not surprising that the concept of job satisfaction has attracted much attention. Researchers have attempted to identify the various constituents of job satisfaction, measure the relative importance of each constituent and examine what effect these components have on worker's productivity (Hong Lu, et al. 2005). A range of findings derived from quantitative and qualitative studies have been reported in the literature on sources of job satisfaction among employees. However most of these studies have been conducted within healthcare particularly, nursing with few focusing on financial services (Timothy, et al. 2001).. Based on Herzberg & Mausner's two factor theory, these rewards are either intrinsic or extrinsic thus impacting the level of satisfaction employees experience with their jobs (Hong Lu, et al. 2005). Hence in

this context, it is vital to distinguish between intrinsic and extrinsic rewards. Intrinsic rewards are inherent to job or they exist within the job itself such as variety, challenge and autonomy. Extrinsic rewards on the other hand include pay and fringe benefits, promotion or advancement opportunities within organizations, social aspect and workplace conditions. Further research has suggested that while intrinsic rewards will probably be more salient for job involvement (Driscoll & Randall 1999), satisfaction with extrinsic rewards will lead to continuance commitment with organization resulting in increased customer satisfaction and loyalty (O'Reilly, et al. 1991).

## Methodology

### Introduction

Employee's satisfaction is complex because it's affected by 'diverse environmental variables and many different individual factors. It is difficult to predict employee satisfaction is influenced by several factors. In this, efforts are made to determine the employee's satisfaction is varied by importance given to the organizational reward system. Formal and informal rewards are used to recognize the behavior and results that accomplish the vision.

### Conceptualization

In this model relationship is assumed between employee's rewards and job satisfaction.

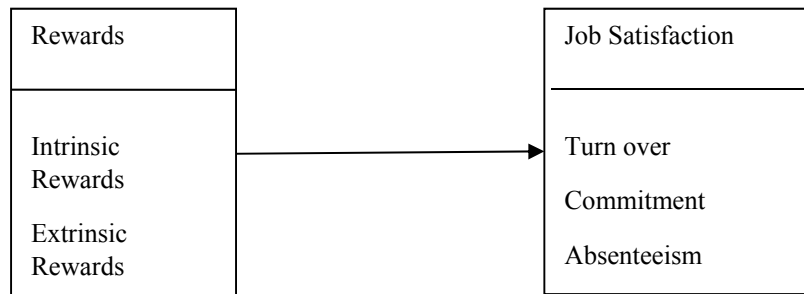


Figure 3.1 Conceptualization

### Hypotheses

Based on the assumed causal relationship given in the conceptual model the following hypotheses were developed for testing.

- H<sub>1</sub>-There is a significant relationship between the reward and job satisfaction
- H<sub>1a</sub>-There is a significant relationship between the intrinsic reward and job satisfaction.
- H<sub>1b</sub> -There is a significant relationship between extrinsic reward and job satisfaction
- H<sub>2</sub>-There is a significant relationship between the reward and commitment.
- H<sub>3</sub>There is a significant relationship between the Rewards and absenteeism
- H<sub>4</sub>-There is a significant relationship between the Rewards and turnover.

## Methodology

### Selection of sample

In order to carry out this research, it is difficult to analysis whole population, convenient sampling technique was used. The sample was selected from nurses. It was decided to select at Jaffna District hospital. The sample of this study comprised of 232 Nurses who were drawn by use of convenient sampling method. Questionnaires have been designed for utilizing different behaviors. There about fifty samples have been selected from the hospital. Reward is measured using the questionnaire developed by Launderweerd, J., & Boumans, N. (1988). Job satisfaction is measured by the scale developed by Driscoll, M., & Randall, D. (1999).

Table 3.1: Selection of Sample

Description	Classification tion	Number of Nurses Selected	Total Sample percentage
Grade	Grade I	20	40%
	Grade II A	20	40%
	Grade III B	10	20%
<b>Total</b>		<b>50</b>	<b>100%</b>

### Research Design

Research Design The study will use descriptive research technique. Descriptive studies try to describe characteristics of subject opinions, attitudes and perception of people of interest to the researcher. Descriptive studies also aim at obtaining information from a representative selection of the population and from the same; the researcher is able to generalize the findings to a larger population.

### Method of analysis

Since it is hard to analysis all population, only a sample of thirty employees have been Selected from the total employees in working district hospital in Jaffna. Before making any conclusion from this research, it is necessary to carry out same analysis. From the data obtained from Questionnaires and other sources. For this purpose some of the statistical analysis techniques are used in this research. Mainly Correlation analysis is utilized.

### Correlation analysis

Correlation analysis is a statistical analysis which statistically measures the extent and nature of the relationship between two Variables.

Correlation value graded roughly (Collins and Hussey 2009)

0.9 to 0.99 Very high Positive relationships

0.7 to 0.89 high positive relationships

0.4 to 0.69 moderate positive relationship

0.39 to 0.00 Low positive relationship

-0.9 to- 0.99 Very high negative relationships

-0.7 to- 0.89 high negative relationships

-0.4 to -0.69 moderate negative relationship  
-0.39 to -0.00 Low negative relationship

The Co – efficient of correlation is calculated using the following equation.

- Rewards and job satisfaction
- Intrinsic reward and job satisfaction.
- Extrinsic reward and job satisfaction
- Rewards and Commitment
- Rewards and absenteeism
- Rewards and turnover.

## Data Analysis

Table 4.1: Hypothesis testing through correlation analysis

Hypothesis	Result	Correlation
There is a significant relationship between total reward system and job satisfaction.	Accepted	0.451
There is a significant relationship between intrinsic reward and job satisfaction.	Accepted	0.332
There is a significant relationship between extrinsic reward and job satisfaction.	Accepted	0.448
There is a significant relationship between reward and job commitment	Accepted	0.673
There is a significant relationship between reward and absenteeism	Accepted	-0.125
There is a significant relation-ship between reward and turnover	Accepted	-0.043

All results have been drawn from the sig level 0.05.

According to the correlation analysis, there is a low positive relationship between the intrinsic rewards and the job satisfaction of the staff of the district hospital. The correlation co- efficient for the above is 0.332 which indicates that the intrinsic rewards such as co- workers' corporation with each other, nurses achieved their targets with the sufficient level of loyalty, intuition of work, self-happiness etc, which directly relate with the job satisfaction. This means that when the degree of intrinsic reward raises the satisfaction level of the employee/ staff of this hospital also increases.

The correlation co- efficient between the extrinsic reward system and the job satisfaction is moderate positive relationship that is 0.448 which indicates that there is a slightly low positive relationship between these variable. When the rewards of promotions, attractive wages, promotions, high career ladder, recognitions, sick and holiday leaves permitted to the staff, then the total satisfaction level of these staff enhanced without any disturbances. This will lead to work with good conditions in order to staff of this hospital work with the loyalty and regularity in the work. The relationship between the total rewards system and the job satisfaction is also moderate positive, the correlation co- efficient between these two variables

is 0.451. Therefore, rewards system given to the staff of this hospital lead to the high level of satisfaction. Without any doubt, the staff of this hospital work with stress further 45.10% of the rewards system leads to enhance the job satisfaction of the staff. Therefore finally, it can be said that the proportion of 54.90% of the reward system need to be improved further more in future.

Correlation co- efficient between the rewards system and commitment is also moderate positive that is 0.673. It indicates that the sufficient level of reward system in hospital leads to improve the commitment of the staff between others and employees work with the loyalty on their job. So based on the analysis, enough reward system enhance the commitment between staff of the District Hospital – Jaffna. Specifically regularity in the work, good working conditions, work loyalty which lead to improve the commitment of the staff. The correlation co- efficient between the rewards system and absenteeism is low negative relationship that is -0.125. This indicates that when the intrinsic and extrinsic and extrinsic reward system increase there will be a lower level of absenteeism and wise versa. In the district hospital- Jaffna when the reward system improve in a considerable percentage then the absenteeism reduced by a small percentage, the above degree of relationship clearly shown that when the rewards issued to the staff of this hospital, their absenteeism will be reduced by a small percentage that is 12.5%

The correlation co- efficient between the rewards system and the employees turnover is low negative relationship that is -0.043 which clearly explains that when the reward system is improved the turnover of employee from the hospital reduced by 4.3% therefore, sufficient level of rewards to be issued to the nurses. Although the reward system and the turnover have the low negative relationship, those nurses who need the work for their life balancing, they will continue to work with dissatisfaction

## **Finding and conclusion**

### **Findings**

There is lower positive relationship between the intrinsic rewards and job satisfaction of the staffs of this hospital that is (+0.332). And that is between the extrinsic reward system and the job satisfaction also low positive that is (+0.448). Therefore, as a whole, there is a considerable positive relationship between the total reward system and the job satisfaction of the nurses of this hospital. Correlation co-efficient between the rewards and employee commitment that is (+0.673) viewed that is found to have lower positive relationship. On this basis, it could be seen that the staff's commitment also depends on the reward system.

When the relationship between the rewards and the staffs absenteeism is viewed a lower negative relationship ( $r=-0.125$ ) is found. On this basis, when ministry of health increases the reward system favorably, the changes of employees' absenteeism are found to be reduced. In accordance with relationship between the staff turnover and rewards there is also lower negative relationship (-0.043) exists those factors of this hospital. Out of the factors which influence employees' turnover, the reward system is very important. On this basis Jaffna district hospital should implement an attractive, favorable reward system in order to reduce the staff turnover.

### **Recommendations**

District hospital Jaffna must be careful in the following factors to increase the job satisfaction of the staff (particularly nurses) by redesigning the reward system.

- Work environment Society of this hospital must try to create supportive, pleasant full working environment internally, in order to satisfy the staff and work with efficiency
- Facilitate child – care center near to the work place.
- Employees should be trained according to the present content of the environment
- The facilities to be provided to the employees in order to enhance their job satisfaction job abilities and satisfaction.
- This hospital can buildup the commitment among employees by rewards and achieve both individual and Organizational objectives.
- Employees with one another vary individually, according to physically and mentally. So, hospital's society must identify their different types of needs and fulfill them. Regarding the salary and other allowances.
- Management intensifies the salary scheme of employees. It should be supported to up great their standard of living. Further, the following non monetary awards also be increased.
- Holiday pay
- Bonus
- Pension benefits
- Overtime pay
- Proper training and promotion also to be given to the staff of this hospital in order to they will be satisfied their job.
- Responsibility with challenges

When an employee is involved in a challenging task, the result of which should be taken in to the account the responsibilities assigned to the nurses should have relevant authority. As regards the staff (nurses) moderately satisfied. Because the responsibility and financial rewards are not assigned to them in a disciplinary way. The facilities provided to the employees should be compared with that of other private Organization (hospital) and facilities similar to it or more to be provided quickly.

### **Suggestions for further research**

The effectiveness of any Organization is influenced greatly by human behaviors. Staffs who are a resources common to all Organization. Effective's administrative exactitudes helped to create a work environment. That encourages, support and sustained improvement in work satisfaction. The following suggestion recommended for future researches.

1. In this study only district hospital Jaffna is considered to develop the analysis and findings. There are millions of employees and Organization in Sri Lanka. In future studies could consider almost all employees and hospital in the others of district.
2. Finding of this study analyzed only the employees of district hospital of Jaffna. But there are various type of hospital and different types of employees works there. So, this analysis will helpful to conduct the further researcher including all the employees in the hospital of Sri Lanka.



3. Even through various factors determine the job satisfaction, if is considered as to how the monetary and non monetary matters influence on the job satisfaction of the staff of this hospital in this analysis. Therefore, the analysis in relation to other factors that determine the job satisfaction must be considered.
4. The analysis in relation to the effect and the problems and the inconvenience of the staff of this hospital / other hospital may be conducted based on the result of this analysis.

## Conclusion

As the result of this analysis about the employee rewards and job satisfaction of Jaffna district hospital. This research reveals that the job satisfaction regarding the staff commitment, absenteeism and turnover of the staff of this hospital is influenced by the intrinsic and extrinsic reward system of the government of Sri-Lanka. It is clearly revealed by that there is a considerable positive relationship (+0.451) between the reward system and total job satisfaction of Jaffna district teaching hospital. At the same there is a low negative relationship between the reward system and the absenteeism and staff turnover.

According to the analysis and finding of this research study, by providing intrinsic and extrinsic rewards to the staff of the Jaffna district hospital, there are made in attain job satisfaction by increasing the commitment and reducing absenteeism and turnover from their job.

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