EFFECTS OF REWARD PRACTICES ON EMPLOYEE JOB SATISFACTION OF KENYA AIRWAYS, NAIROBI CITY COUNTY, KENYA

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Abstract:

The human resource department plays a vital role in assuring that the employees are satisfied with the job that they do every day. Research has shown that satisfied workers are more productive and committed to their teams. Recently, Kenya Airways have faced numerous challenges resulting from a reduced rate of productivity for their workers and high turnover for its technical staff as a result of an increased level of dissatisfaction ensuing from poor pay, slow career progression, and hiring of expatriates. The main objective of this study was to investigate the effects of reward practices on employee job satisfaction at Kenya Airways in Nairobi County, Kenya. This study was anchored on two theories that include Abraham Maslow's hierarchy of needs theory, and Expectancy theory. The study used descriptive research design to gather data on different subjects based on the research problem. Kenya Airways has 1501 staff; hence the study focused on a sample size of 150 employees from flight operations, HR, finance, operations, and commercial departments representing 10% of the workers' population. The research collected both primary and secondary data to ensure that adequate data were gathered for analysis. A pilot study was carried on the instruments for collecting data to ensure the vital components of the main study are feasible. The testing of the instrument was carried out to guarantee reliability and validity. Additionally, the study adopted Cronbach's Alpha to measure reliability and validity. Statistical Package for Social Sciences (SPSS) V22 was utilized for the interpretation and analysis of data. Multiple regression analysis was achieved using SPSS to determine the association of the variables used in the study. The findings showed the correlation study to determine the

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relationship between reward practices was positively correlated with job satisfaction ($r = 0.751$, $\varrho < 0.05$) Showing that reward practices had a positive correlation with job satisfaction. Based on the findings of this study, Reward was the most significant variable that affect job satisfaction with a beta value of ($\beta 2 = 0.847$). Looking at the p values of all the variables, it had ($p < 0.0$). The research study concluded reward practices significantly and positively affects employee job satisfaction of Kenya airways. The study recommended that the management should focus to offer pay and benefits equal to competitors to motivate workers to remain dedicated to the company and reduce the high turnover rate among the technocrats.

Keywords: reward practices, employee job satisfaction

1. Introduction

Job satisfaction is the feeling of fulfillment that people derive from their job when one is cognizant of the value and effort (Gathungu and Wachira, 2013). The field of human resource management practice treats job satisfaction as one significant area as it mirrors the interests and attitudes of the employees toward their job and their commitment to the company. Managers in the contemporary world are forced to focus on job satisfaction for the junior workers because the factors that promote the level of fulfillment at the workplace vary from one employee to the other. Besides, the managers' role is to create a pleasant work environment for all employees. When the workers are satisfied, the managers always know that they contribute positively to the organization's growth through reduced wastage, increased productivity, better products, and quality services (Balozi, 2011).

Makhamara (2016) argues that rewards play a significant role in building strong and committed workers that promote high performance and productivity. Organizations should come up with a well-balanced reward system and recognition programs to inspire the employees' performance. Rewards involve all the categories of benefits, financial benefits, and tangible services that workers obtain to enhance the employment relationship with the company. Long and Shields (2010) noted two factors that adjudicate the level of reward attractiveness, the weight that is given attaches to a certain reward, and the quantity of reward that is provided by the organization.

When the employees receive healthier recognition and reward system, they become closer to their organizations and boost their productivity and performance. The increase of efficiency on how the staff do their job leads to the company's high success. The rewards that used by an organization influences the behavior of the workers. Unfortunately, organizations are understanding that setting up impartiality around employee's input in the company and the company's input to the employee. Therefore, human resource management practices should use extrinsic and intrinsic rewards to enhance level of commitment of the employees to their work and achieve job satisfaction.

2. Statement of the Problem

One of the principal roles for HR departments is to make sure that the workers are happy and satisfied by their routine jobs. The research has shown that satisfied employees are more productive as they are willing to play their roles with minimal follow-ups. Dissatisfied workers, on the other hand, are less productive and prone to low turnover and poor performance. In recent times, Kenya Airways has faced different challenges that led to greater turnover and low productivity of its technical staff due to lack of job satisfaction. Some of the company's problems have to deal with: periodical strikes, poor pay, boycotts, safety issues, unfair dismissals, collective bargaining disagreements, outsourcing employees, and the helplessness of the workers to join trade unions. Such challenges are rampant in the company, thus significantly affecting the employees' satisfaction and leading to poor performance and employee turnover, hence my motivation to carry out the study.

Wanjiku (2011) investigated the factors that influence employee job satisfaction at Kenya Commercial Bank (KCB). It was found that the staffs were satisfied with rewards and recognition, communication, career progression, standard work overload, supervision, and improved interpersonal relations. The employees indicated that the benefits and remuneration were not commensurate with their work as they experienced a lot of pressures in their routine. The study found that motivation factor needed to be strengthened and improved to enhance the level of satisfaction and create a positive job attitude. The management also needs to support career progression and ensure there is adequate staff to minimize the workload that results in employees' stress, thus fostering and better services to the customers.

However, not much analysis exists on the effect of reward practices on employee job satisfaction. The study above focused on the banking sector and ignored other sectors, such as the airline industry like KQ. The study's independent variables were psychological contract and organizational culture and not effect of reward practices on staff job satisfaction that the study will address. Based on the above discussions, the intention for this investigation is to aid by analyzing the effects of reward practices on employees' job satisfaction at Kenya Airways, Nairobi City County, Kenya.

2.1 Objective of the Study
- To Investigate the Effect of Reward Practices on Employee Job Satisfaction of Kenya Airways Nairobi City County, Kenya.

3. Theoretical Review

The theoretical framework refers to the structure that can support or hold a theory of a research study (Kothari, 2014). This study employed the following theories: The Expectancy Theory, and Abraham Maslow Hierarchy of Needs.

3.1 The Expectancy Theory

This was instituted by Vroom. In this theory, people make their selections based on their expectancy that they will receive some rewards. This implies that individuals are only stirred to act in a certain way only if they perceive that their expected results will be achieved (Nel et al., 2001). Therefore, people will put more effort into their work if hard work brings about pleasing inducements like recognition, pay rise, or promotion (Schultz, 1982). For that reason, it is necessary for an organization to link performance to the rewarding system.

This theory assumes that individuals are rational decision-makers most of the time. Therefore, they often think about actions and decisions and act in a way that meets their needs and helps them accomplish their goals. Expectancy theory shows that the motivation of many people in an organization is guided by the promise that accomplishing a particular goal will result in specific rewards. The theory is guided by the knowledge that vast differences exist among individuals in their needs and the level of importance they attach to rewards. Therefore, this theory supports the reward variable in the study.

3.2 Abraham Maslow Hierarch of Needs Theory

The theory was established in Maslow's 1943 paper. It is a theory that outlines the needs that inspire people's behavior from five viewpoints. Physical needs form the first level of needs that motivate the workers to perform better. People become satisfied or motivated with their work if they can afford essential and biological needs such as clothing, food, sex, and shelter.

The other perspectives of needs that lead worker job contentment are safety needs. The staff is inspired to perform better when they have job protection and security from their employers (Rue et al., 2003). The third level of the Maslow's needs focuses on employee job satisfaction and productivity that are deemed as social needs. Workers are highly likely to get fulfillment with their work if they possess sound interpersonal relations with their supervisors and workmates. Effective social interactions in the working environment help in eliminating boredom and enhancing the productivity of the employees.

The fourth perspectives of needs that impact staff job satisfaction are esteem needs. People with well-paying jobs tend to feel respected and recognized by society, hence improving their job fulfillment level. The final level of needs that affect the behaviors of the employees in a company and boost their morale is self-actualization. This is perceived as the highest form of personal satisfaction associated with employees or individuals to attain self-fulfillment and growth through personal growth.

The assumption of this theory supports reward practice's ultimate goal. The nexus to the chain of needs is that it starts at the bottom. One must fulfill the basic needs before moving to psychological needs and the need for self-fulfillment. If your workforce is not provided with a sustainable wage, it will not bring change in the workplace or improve productivity. Reward practices should work their way up the chain of needs, and they

are more feasible to get an enthusiastic affirmative when one extends an offer. Therefore, this theory supports reward practices and employee job fulfillment in this research.

3.3 Empirical Review

An empirical review of literature is a guided explore of published writings encompassing books, papers and journals that present empirical findings and discusses the theory pertinent to the specific topic (Zikmund et al., 2010). This empirical review covers reward practices. This investigation permeated this gap by establishing the reward practices and worker job satisfaction in Kenya Airways in Nairobi City County, Kenya.
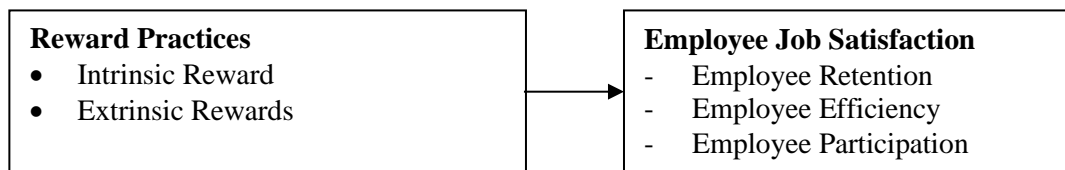
Wangechi et al. (2018) inspected the impact of the reward policies on employee job satisfaction in the Nyeri County Government. The research problem was analyzed using a descriptive design. The sample was selected using systematic sampling. The research engaged 162 staff of the County Government of Nyeri. Data was gathered from target participants using self-administered forms. The response rate was 82.1 percent. Also, the investigators conducted a reliability assessment of the data collection tool using Cronbach alpha Coefficient. Percentages and frequencies were generated from the collected data through the use of distribution tables. Multiple regression analysis was executed to find out the relationship of every parameter of independent variables in the research. The use of a reward system as a motivation factor had an effect on almost 11.3 percent of job satisfaction among the staff of the Nyeri County Government. The analysis discovered a statistical and beneficial association between the reward system and the satisfaction of the workers. The research suggested that the county government evaluates employee rewards by comparing how the private sector rewards its staff to enhance job satisfaction at the County Government.

Axelsson and Bokedal (2009) explored the influence of rewards on propelling divergent employee generations at Volvo Car Corporation. The review was established on a case study of Volvo Car Corporation in Goteborg. Twenty examinations were finalized with senior managers at the organization to collect empirical data. The findings revealed that non-monetary rewards and challenging work motivate the managers as opposed to shares and bonuses. It was also discovered titles do not motivate managers. Nevertheless, both generations are motivated by opportunities for growth. A conclusion was drawn that their generational differences in the company. The research proposed further studies to be conducted on reward arrangements and how they impact further views as life stage and gender in a company.

Kampkotter (2016) scrutinized the effect of extrinsic and intrinsic rewards on job fulfillment based on a case examination of call center staff in Pakistan. The data was gotten from 210 call workers that worked on various telecom companies. Standardized questionnaires were utilized in the collection of data. Findings revealed positive trends among the involved variables. Extrinsic rewards are reasonably crucial than the intrinsic reward system when employee job satisfaction was reviewed. After the interpretation of the results, a substantial relationship was discovered between the extrinsic and intrinsic rewards and job fulfillment. However, a reasonable extrinsic reward system has a more

significant relationship than the intrinsic reward systems. That implies that call center workers are more concerned about the amount of payment they receive from the job. Workers usually report high satisfaction rates when they are provided extrinsic rewards in comparison to the intrinsic rewards. The above researches have addressed the reward system in companies and how it relates to other features like employee motives and job satisfaction. Generally, the studies reveal that rewards have a definite influence on job performance. Nonetheless, various rewards seem to vary the influence on job fulfillment.

3.4 Conceptual Framework

Reward Practices	Employee Job Satisfaction
• Intrinsic Reward • Extrinsic Rewards	- Employee Retention - Employee Efficiency - Employee Participation

Figure 2.1: Conceptual Framework

A conceptual framework explains the interconnections that exist between variables and elaborates on how those variables address the issues of how and why a relationship is expected to exist (Mathooko, 2011). The relationship is diagrammatically presented below, where instructions of the arrows reveal the relationship linking the dependent variable. On the other hand, the independent variables, which is reward practice is shown, will be the key driver of the dependent variable, which is employee job satisfaction.

4. Research Design

This is a research tool that keeps together all the components of research (Myers, 2008). In this inquiry, a descriptive research design established the interrelation linking the independent variables and dependent variables and determine any connection that exists linking the variables. This approach to research is considered effective as it answers questions like where, when, how, what, and who of a phenomenon (Kothari, 2014).

4.1 Target Population
Mugenda et al. (2006) spells out a population as a precise group of persons, episodes, modules, amenities and collection objects that are studied in research. KQ Human Resource (2020), the airline has 1501 staff at J.K.I.A Nairobi City County. The study's sample size comprised of 150 employees which is 10% of the target population. The participants obtained from different departments within the organization included HR, Operations, Finance, Commercial, and Flight Operations.

Table 4.1: Target Population

Levels of Management	Population size	Sample Size
Flight Operations	710	71
Human Resource	30	3
Finance	45	4
Operations	580	58
Commercial	136	14
Total	1500	100

Source: Researcher 2020.

4.2 Sampling Techniques

The researcher focused on 10% of the desired population in the study, with a selection scope of 150. Also, the research utilized a stratified random sampling technique since the target populace is heterogeneous; this ensured each subgroup received proper representation in all departments within the population (Mugenda et al., 2006). The desired sample was determined by first grouping the 1,501 employees into the various departments. The researcher ensured the inclusion of various population characteristics of KQ, such as managers, departmental heads, and support staff in each department.

4.3 Data Collection Instruments

The research gathered data from primary references that was employed in the research effectively. It was the researcher's role to develop a research instrument concerning the study objectives. Primary data was crucial as it provided first-hand information; hence it was collected using questionnaires. According to Mellenberg (2008), a questionnaire is helpful in the collection of objective data since the respondents are not easily influenced in a certain direction, and also it helps in obtaining data from a significant sample within a limited time.

4.4 Data Collection Procedures

The data was clustered using the following approach. The analyst acquired a letter of introduction from Kenyatta University. The researcher further sought consent from NACOSTI (National Commission for Science, Technology, and Innovation) to conduct the study. The researcher explored various departments to talk to the supervisors in control to get permission to gather the necessary data from every department. The gathering of data was enabled by way of structured questionary. The administering of the form was through the department supervisors and were returned through them and picked by the researcher. Follow-ups was carried out through personal visits and calls to expedite the exercise.

4.5 Data Analysis and Data Presentation

The questionnaires were cross-examined for consistency and completeness of the data collected. The data derived out of the completed examination was modified, computed, classified on a similarity basis and entered into SPSS V21 Software for interpretation. The

quantitative information was evaluated to get descriptive statistics for presenting and summarizing statistics using central tendencies (mean and standard deviation) and percentages where figures and tables were used to represent data.

Multiple linear regression analyses were utilized to check the association that prevails amid the variables. Kothari (2014), argue that the technique enables one to grasp large quantities of data and communicate with the crucial elements and concepts of the research study. Multi regression equation was used in the study.

$$Y = \beta_0 + \beta_1 x_1 + \varepsilon$$

Where:
Y = Employee Job Satisfaction at Kenya Airways;
X_1 = Reward Practices;
B_1, = Regression co-efficient;
B_0 is the Y intercept;
ε is the error term.

5. Research Findings and Discussion

5.1 Response Rate
The research involved extensive effort to reach all the respondents who were employees from the flight operations, human resource, finance, operations, and commercial departments in the organization. Following the distribution of 150 questionnaires, 114 questionnaires were deemed adequately filled and hence were subsequently usable in the analysis. Thus, the response rate was 76%. The amount seemed adequate for analysis purposes. This rate was considered adequate for data analysis since according to Khan (2006) return rates of more than 60% is considered very good. This reaction rate is presented in Table 5.1.

Table 5.1: Response Rate

Number of Questionnaires Issued	Number of Returned Questionnaires	Response Rate (%)
150	114	76%

5.2 Descriptive Analysis
5.2.1 Reward Practices
The study sought to establish reward practices in KQ. The respondents using a Likert scale of 1-5 ranging from; 1+ strongly disagree (SD) = strongly agree (SA) were requested to denote their level of agreement or disagreement. The outcome is summarized in Table 5.2.

Table 5.2: Reward Practices and Employee Job Satisfaction

Statement	Mean	Std. Deviation
Satisfied with the organization's existing benefit package	3.87	0.61
Employees receive praise and recognition from seniors	3.9	0.61
Organization pays for academic and professional qualifications and experience	3.82	0.72
Company offers adequate opportunities for promotions and career development	3.76	1.08
Employees' salary is equitable with their colleagues in the firm and those within the aviation industry	3.61	0.89
Overall Mean	**3.8**	**0.78**

The researcher examined reward practices in KQ. Respondent agreed that an employee pay is determined by their experience, academic and professional qualifications. A mean count of 3.8 shows this. Respondents also agreed that their employees receive praise and recognition from their seniors. As shown by a mean of 3.9. It was also revealed that the organization offers adequate opportunities for promotions and career development this was demonstrated by an average of 3.76. Most of the respondents acknowledge that they are contented with the corporation existing benefit package as shown by a mean of 3.87. Further finding showed that employee salary is not equitable with their colleagues in the firm and those within the aviation industry as depicted by a mean of 3.61. The overall mean of 3.8 indicates that reward is significant. This is in agreement with Aziri (2010) who concluded in his study that reward positively affects job satisfaction.

5.2.2 Correlation Analysis
The study used correlation analysis in assessing the relationship between variables.

Table: 5.3: Correlation Matrix

		Reward Practices	Employee Job Satisfaction
	N		
Reward Practices	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	114	
Employee Job Satisfaction	Pearson Correlation	.751**	1
	Sig. (2-tailed)	.001	
	N	114	114

The correlation analysis to determine the affinity linking reward practices and employee job satisfaction ($r = 0.751$, $\varrho < 0.05$ Showing that reward practices had a positive correlation with job satisfaction.

The results regarding this were summed up and described in Table 5.3.

Table 5.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785[a]	.616	.593	0.556
a. Predictors: (Constant), Reward Practices				

Table 5.4 points out that the coefficient of resolution that is the probability variation in the dependent variable is supported along the difference in independent variables (training practices, reward and recruitment practices). The discussion shown in table 5.4 is eminent that a strong positive relationship prevails among the study variables as shown by 0.785. The regression model R square is 0.616, which accounts for 61.6% influence level on job satisfaction and 38.4% accounts for the variance, which implies that further studies need to be conducted on other variables to fill the gap.

From the above statistics, the analysis established that regression model had a significance level of 0.00%, which is a signal that the data was ultimate for preparing a Verdict on the population parameters as the value of significance was less than 5%. This indicates that the overall regression model is significant.

Table 5.5: Regression Coefficients[a]

Model		Unstandardized Coefficient		Standardized Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.7	.516	.393	3.24	.002
	Reward Practices	.847	.157		3.16	.002
a. Dependent Variable: Employee Job Satisfaction						

Multiple regression analysis was carried out so as to regulate the association between employee job satisfaction and the three variables.

$$Y = 1.67 + (0.847 X_1)$$

From the above regression model, all independent variables have a favorable coefficient. This shows that there is a positive relationship linking dependent variable taking all factors into account constant was 1.67. Reward was identified as the most significant variable that affect job satisfaction with a beta value of ($\beta 2 = 0.847$). Looking at the p values of the variable, it had ($p < 0.05$). Therefore, the study finds that reward practices was significant to employee job satisfaction.

6. Conclusions and Recommendations

6.1 Conclusions

The study elements that measured reward agreed that extrinsic and intrinsic reward motivate employees to perform effectively. As such, outstanding employees receive praises and recognition from their employers. The study shows respondents were satisfied with the pay structure comparative to the market rates in the airline sector. The

study noted that the relationship connecting reward practices was positively related with employee job satisfaction. The study concludes that good reward packages have soaring levels of duty and gratification at work. It can therefore be concluded that the organization influenceively retains suitable employees by making certain that their pay and benefits are superior as compared to competitors.

6.2 Recommendations

The study established that the organizations should focus to offer pay and benefits equal to competitors to motivate workers to remain dedicated to the company and reduce the high turnover rate among the technocrats. The management of KQ ought to link their reward package to that of its competitors to see where to improve. Good remuneration is not the only basis because workers realize gratification in their jobs, but it's generally ranked high on the list. Competitive pay normally compels employees to feel valued and gives them less motivation to look elsewhere for labour.

Conflict of Interest Statement

The authors declare no conflicts of interests.

About the Author

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