

# The Supremacy of Financial and Non-Financial Rewards towards Employees' Job Satisfaction in Tanzania; Evidence from Commercial Banks - Mtwara Region

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**Abstract:-** Employees are the strategic asset of an organization that gives it competitive advantage through unique contribution from its employees. Designing and execution of rewards package is a bit challenge if there is a need for mutual benefit between employer and employee. To continue enjoying employee's contribution, organization needs to invest heavily in satisfying their needs through rewards system. The study adopted a survey design where purposive sampling strategy was used to select departments in all commercial bank branches and, simple random strategy was used to obtain a representative sample of the population. Primary data were gathered through questionnaire administered to 63 respondents out of 80 employees working with banks branches at Mtwara Region. Data were tested and analyses descriptively by use of frequency and percentage, Compared Means scores, conduction of reliability test, use of correlation analysis, factor analysis and multiple linear regression.

Results of the study revealed that, non-financial rewards influence job satisfaction in commercial banks branches at Mtwara Region but on the other side, financial rewards were found to have no correlation with job satisfaction in this case but significantly influence it. Thus, the null hypothesis of the study is rejected and alternative hypothesis is accepted.

In regards with the study findings, the study has recommended the following to be done by banks. To rethink and possibly harmonize their rewards systems to sweet the sector as by doing so they will be in position to reduce unnecessary movement resulting from turnover. Adjust intrinsic and extrinsic reward policies and strategize in procession with existing trade and industry atmosphere, Relationship improvement and a fit between employees and their supervisor should be attained and sustained strategically, Avoid postponements of rewards after achieving set goals. Involve employees in decisions regarding designing their rewards packages. HR department should also rethink of hiring criteria by looking at individuals who do not have high expectations on rewards as these individuals will not pose much of their efforts in demands for rewards (This calls for demographic

factors consideration in rewards package design). High Organs of the banks should build a connection between their corporate strategies and rewards packages to enhance employees' job satisfaction.

**Keywords:-** Rewards Package; Job Satisfaction; Demographic Factors; Commercial Banks; Tanzania.

## I. MOTIVATION OF THE STUDY

Employees' job satisfaction is a critical topic to think about when it comes to issues related to productivity. The tendency of not been loyal to employers and high turnover rates are the outcome of pitiable rewards practices (Rao, 2005). Rewards and reward package have an essential role in influencing employees' Job satisfaction (Lawler, 2006). To date, most of young men have been to school in various places of the world and also exposed to different working environment that has dramatically shaped their expectations towards their jobs earning. Employees have specific set of skills and qualifications. The question is how effectively the skills and qualifications can be utilized in reaching organizational goals? It is at this point the rewards are seen to be very essential aspects that can be used to influence employees' job satisfaction (Kato, 2006). Most organizations in Tanzania have adopted governmental rewards policy programmed so as to cope well and ensure rewards packages are regulated and provided effectively as how it was argued by Lawler (2006) that, the more attractive the rewards packages is provided to an employees, the similar impact will be realized on output produced. Tosi et al., (2000) proceed by arguing that, reward packages plays a great role towards employee's job satisfaction. An employee, who is well rewarded, will enjoy and feel valued to the extent he or she is influenced to work hard.

In the age of globalization, the human capital is treated as an essential investment due to fact that, business atmosphere has emanated with competitions where now the industries emphasizes on effective labor force oriented by ensuring rewards packages are well balanced. Employees should be treated as crucial productive assert for organizational development (Lawler et al., 2006). Example, Thailand prefers rewards as backbone of business success specifically in banking industry. It was observed that, once

an employee is given rewards actually improves workforce and perform at high standard. Training of employees, provision of commission, job allowance and all other forms of rewards is also adopted by African employers so as to comply with global workforce competition by influencing employees' satisfaction so as to retain them (Tosi et al., 2000). In Tanzania, the government under the laws emphasizes on rewards and incentives by which all business should effectively consider rewards packages to be used so as to improve employee needs and satisfaction.

Rewards packages can be financial or non-financial depending on the nature of task that is to be accomplished as compared to gratification level. Some employees tend to be gratified more with financial rewards and vice versa (Bana et al., 2007). However, the problem is to identify the right rewards packages that employees are likely to be satisfied with, given the poor performances of portfolios emanated from poor loans appraisal and misbehavior in lending practices and the lower level of service provision that has been experienced over time by customers that has resulted from ineffective rewards practices and poor employees' supervision backed up by poor working relations in the banking sector. In Tanzania, the government act emphasized on the important of rewards for organizational development as well as employee satisfaction, the government policy considers pay and incentives as the corner point. During the governmental macroeconomic restructuring which began from the earlier 1980's to 1990's observed that, many public sector emanated with poor payment structure and performance that resulted to employees dissatisfaction with compensation structure and pay system adopted by organizational management.

It has been observed that, salaries as a reward is less likely compared to pay and incentives (URT—public service pay and incentives, 2010) the act put forward that, appreciation, recognition, promotion, bonus and working environment are the most essential to influence job satisfaction, commercial banks in Tanzania are required to regulate and activist for the reward packages because, despite the fact that, state policy stresses much on ensuring effective implementation of rewards in banking industry still private employees are dissatisfied with their Job (Kikoito, 2014) especially in commercial banks because, the amount of rewards they receive is not related to efforts invested in performing their daily duties and responsibilities. Banking sector is very sensitive due to its back up to country's GDP. The nature of service provision demands high interaction between employees and customers. Employees need to have right and positive attitude towards customers. So, if these employees are not satisfied with their job that is derived from financial and non-financial reward, how will they hold positive attitude towards customers?

#### A. Objectives of the study

The intention of the study was to examine the influence of financial and non-financial reward package towards employees' job satisfaction in commercial banks of Tanzania at Mtwara region.

#### B. Hypothesis of the study

##### ➤ Hypothesis 1

- H<sub>0</sub>: Financial and non-financial rewards package have no influence on employees' job satisfaction.
- H<sub>1</sub>: Financial and non-financial rewards package have influence on employees' job satisfaction.

##### ➤ Hypothesis 2

- H<sub>0</sub>: Employee's demographic factors have no influence on their job satisfaction.
- H<sub>1</sub>: Employee's demographic factors have influence on their job satisfaction.

#### C. Significant of the study

This study expects to provide an insight to commercial banks managements to go back to the ground and understand the essence of appropriate reward package that should be adopted by commercial banks in influencing employee job satisfaction which would in turn help minimize bad tendencies of poor performance especially in matters related to customer handling attitude. Also it will help the sector to be aware of the effects of employees' demographic factors towards job satisfaction.

## II. LITERATURE REVIEW

#### A. Definition of Key Concepts

##### B. Reward

Is a positive feedback by which employee is given after performing a certain task (Lin, 2007).

##### C. Forms of Reward

There are various forms of reward that can be used by commercial bank to satisfy their employees, According to Porter et al., (2003), rewards package can be in form of :- intrinsic or extrinsic. Intrinsic rewards are the rewards packages by which employees gain from or within job content and other job-related packages (Porter et al., 2003). Extrinsic rewards refers to all factors which are external such like employee salary, commission provided by organization to an employee after performing better in a certain assigned task (Porter et al., 2003).

##### D. Reward System (Package)

Refers to formal and systematic programmed packages that are to be used in compensating employee performance either intrinsically or extrinsically, the packages includes;- processes and plan, strategies, Philosophies and policies that are used in maintaining and regulating rewards provision in an organization (Armstrong, 2002). Furthermore, rewards system plays a great role in maintaining employee quality of production as well as satisfaction (Porter et al., 2003).

### E. Reward Strategies

Refers to the plan of action intended to accomplish rewards provision in organization. Rewards strategies enable the management in clarifying means to be used so as all rewards procedures are well regarded, (Porter et al., 2003). It is argued by Armstrong (2006) that, establishing rewards strategies can sometimes be related to organizational goals, as employees supposed to reach certain level of set to be rewarded.

### F. Reward Policy

Refer to a formal principle established by organization that is used as a guideline towards rewards programs. Also, reward policy includes aspects like equality in payments, pay ranks and proper methodologies to contingent pay, as well as providing preliminary instructions about the management expectations and reward management (Armstrong, 2007).

### G. Reward Practices

Reward practices refer to an organized rewards event that prepared for the purpose of evaluating pay structure and job evaluations. It comprises reward strategies and implemented policies (Armstrong, 2007).

### H. Reward Processes

Refers to the way by which organizational policies and practices are implemented (Armstrong, 2007).

### I. Reward Procedures

Refers to operational mechanism of rewards provision that is used to ensure effectiveness and sustain efficiency of value for money (Armstrong, 2007).

### J. Theories Explaining Rewards System

#### ➤ Equity Theory

The equity theory postulates relation between rewards given to employee and satisfaction, it explains the relation that employee who is extremely satisfied is expected to produce similar to such satisfaction. As a major theory, that helps in measuring employee job satisfaction as compared to output delivered by employee (Mondy, 2008) when he/she is dissatisfied from job, actually the workforce and innovation will be hindered and employee will not perform at extremely level. The equity theory shows that, equity emerges between employees' job satisfaction and rewards given, thus, the more the rewards package the more the satisfaction.

#### ➤ Goal Setting Theory

Goal setting theory explains about job satisfaction by basing on the idea that, involvement of employees in management planning process will make them become more satisfied. It account for the whole process of setting organization objectives, how performance measurement criteria will be set clearly to meet organizational goals (Kandula, 2006). High individual performance can be driven in four ways;- 1-focusing effort and attention towards achieving a specific goal, 2- putting more effort in attaining difficult goals, 3- Sustaining perseverance to

achieve goals set, and 4-Developing strategies. Setting of realistic goals for employees is embedded into the rewards systems. So, if a manager wants to increase organization performance is to tie the set goals with extrinsic rewards (Anthony et al., 2012).

#### ➤ The Expectancy Theory

The expectancy theory provides a foundation and framework behavior that, an employee is obviously attracted in order to reach satisfaction, thus, management determines and cope with such behavior for effective utilization, like if an employee is more attached to bonus packages or job allowance then the management should provide such kind of packages that satisfies employees to work excellently. The employee perception towards particular behavior that increase satisfaction to work create basis for expectation by which an organization must adopt it and ensure such employee behavior is maintained (Porter et al., 2003). Also, the expectancy theory creates employee ambitions as a result of expectation generated, once they are not satisfied from their expectations they actually feels as humiliated. Therefore, employee expectation should be treated as the basis for job satisfaction.

#### ➤ Efficiency Theory

Postulates on factors which brings about utilization of workforce effectively and efficiently, in ensuring employees are efficiently utilized, the management has to emphasize on rewards package like pay policies and other monetary benefits. Efficiency theory emphasizes on cost of operation as compared to what is produced and to what extent? Once the management put much consideration on rewards to satisfy employees, obviously employees morale should be high, thus produce at lower cost (Armstrong, 2006).

#### ➤ Herzberg (1959) Two-Factor Theory of Job Satisfaction

This theory is based on the idea that, rewards package has intrinsic and extrinsic factors and, employee's satisfaction varies from one another like some peoples are likely to be satisfied with intrinsic rewards and others with extrinsic rewards, also satisfaction level varies too, some factors are termed as dissatisfiers and others are termed as satisfiers employees. The two-factor theory put much consideration on intrinsic ad extrinsic factors that influence job satisfaction by determining preliminary process measures and determinant of employee's satisfaction, it suggests that, both intrinsic and extrinsic rewards might be regarded in ensuring employees are well satisfied from work.

### K. Effective Reward System

Rewards system used can hinder or promotes satisfaction to employees. The packages designed for rewards should fit employee requirement as employees are valued and sometimes rewarded based to their input, proficiency and capability. Porter et al., (2003) say that, rewards should be effectively designed to fit organizational strategy and policies that together helps in facilitating firm development.

### L. Reward System on Job Satisfaction

Porter et al., (2003), argued that, rewards system should base on emphasizing positive performance after being implemented, personal abilities and extra miles productive forces of an employee as well as employee capability. Furthermore, job satisfaction contributed by various factors including rewards packages and the system used in rewards provision can also influence satisfaction, rewarding employee at high level with well-balanced system actually results to high satisfaction level. Porter et al., (2003), postulated that, reward system should consider both intrinsic and extrinsic system due to fact that, satisfaction utilities differs among individuals.

### M. Job Satisfaction

Job satisfaction is a ration of utility an employee gains from a particular task (Smith et al., 1969), it is determined by employee attitude towards job values that brings about job satisfaction. Employee satisfaction will tend to increase after being satisfied from job packages provided (Spector, 1997). High morale from employees comes from their job satisfaction that increases efficiency and effectiveness in job performance (Luthanset et al., 2005). The combination of both intrinsic and extrinsic rewards promotes extreme satisfaction (Ali and Ahmed, 2009). Organizations should promote effective reward policies and programs because when employees get dissatisfied with the reward given will start to develop negative attitudes about a company which in turn makes him/her think of leaving a company (Spector, 1997).

### N. Measures of Job Satisfaction

Job satisfaction is measured from performance output, because when employees get well satisfied with the job his/her morale increases drastically, requires not as much of supervision accompanied with positive attitudes towards a job (Snipes et al., 2005). Satisfaction condition begin from creating a good foundation for satisfaction such as creating conducive working environmental with supportive organizational policies, organization culture and structure as well as management style that will provide organizational comfort.

### O. Supervision and Employees' Job Satisfaction

Supervision is one of the factors that are not well addressed when it comes to issues related to job satisfaction (Humayun et al., 2014). Employees might be satisfied with other rewards but when it comes to supervision things turns around and this kind of relationship tarnishes away employees' creativity and innovations, morale, as well as performance. Relations between employees and supervisors can sometimes bring challenges in their wellbeing which is also the case that is very much experienced in our commercial banks. A good leader who always influence his/her colleagues' towards attaining their personal and organizations goals are in greater chance of experiencing high performance rate that is geared from job satisfaction as compared to those who are not influential to their colleagues (Shah et al., 2012).

### P. Job Satisfaction and Demographic Factors

Demographic factors should not be undermined in issues of job satisfaction as they have major impact apart from other factors that could considered in deriving job satisfaction. Most of rewards package have been designed without much consideration of these factors although researches in this area have not come out with consistent results of whether demographic factors can be relied when design rewards package. In some studies factors like position of the job and age are influential to job satisfaction but factors like marital status, gender, education level and working experience do not have significant influence towards employee's job satisfaction (Paul and Phua, 2011).

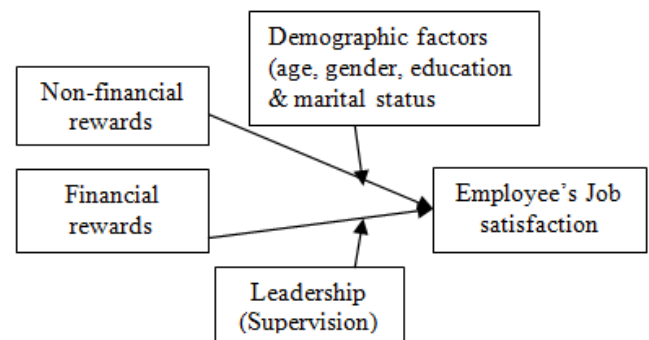


Fig 1:- Conceptual Framework

## III. METHODOLOGY

### A. Introduction

Research methodology can simply be defined as procedures and process that are held scientifically during problem solving (Kothari, 2004).

### B. Research Design

Is referred as a conceptual structure that shows a plan and framework on how investigation was held. It comprised with published procedures to be used in collecting information related to the study, how to be measured and data examination (Kothari, 2004). A survey design was chosen due to fact that, the method is flexible in collecting information from different areas of study.

### C. Description of the Research Area

The research was done at Mtwara Region, the southernmost region which is found in the southern part of Tanzania, to west side, Mtwara is neighbored by Ruvuma region, to north side the Lindi region and Indian Ocean on the eastern side. Main economic activities for the region are agriculture-specifically Cashew nuts, fishing, manufacturing, trade, banking, education and transportation due to existence of deep-port as well as administrative activities. Mtwara region is one of the attractive areas for commercial banks to invest due to availability of large customers' base in all economic undertakings conducted by residencies. Moreover, it is one of the growing regions with a promising number of new banks branches; hence, it is useful for relevant data collection regarding the study.

**D. Study Population**

Population includes finite or infinite objects by which a researcher includes during investigation. Finite population refers to population that is given an exact name or definite number as well as infinite population includes population with no limited numbers sometimes can be referred as uncountable elements with no exact figure (Kothari, 2009). The total population of this study involved seven Banks Branches which were:-NBC, NMB, CRDB, TPB, BOA, EXIM and DTB banks, all these branches had a total of 80 (Eighty) employees and therefore they were regarded as a finite element of the population.

**E. Sample Size**

Sample size is a number of elements obtained from population as a sample of experimentation (Kothari, 2009). The study involved commercial banks workers at all levels in all departments which helped the researcher to get a clear picture on how reward package influence employees job

satisfaction in commercial bank at Mtwara region. This study sample was obtained by considering formula given by Taro Yamane with the confidence level of 94% and 6% was considered as the sampling error. The formula is given below (Yamane, 1973).

$$n = \frac{N}{1 + N(e)^2}$$

Where by n = sample size

N = Population size

e = precision level (94% confidence level or 6% precision level was assumed)

$$n = \frac{80}{1 + 80(0.06)^2}$$

$$n = 62.11 \approx 63 \text{ (Rounded to nearest)}$$

The sample size was then divided by the population and converted into percentage for the purpose of getting the representative sample size for each Bank Branch which is 75% found by  $((62.11/80)*100)$ .

| Commercial Banks Branches at Mtwara Town | Population | 77.637% of respondents | Adjusted Sample size |
|--|------------|------------------------|----------------------|
| NBC                                      | 14         | 10.86                  | 11                   |
| NMB                                      | 14         | 10.86                  | 11                   |
| CRDB                                     | 14         | 10.86                  | 11                   |
| TPB                                      | 10         | 7.76                   | 8                    |
| BOA                                      | 10         | 7.76                   | 8                    |
| EXI                                      | 9          | 6.98                   | 7                    |
| DTB                                      | 9          | 6.98                   | 7                    |
| <b>TOTAL</b>                             | <b>80</b>  | <b>62.06</b>           | <b>63</b>            |

Table 1:- Sample size

**F. Sampling Techniques**

The study used purposive sampling strategy to include all departments in the bank branch because they are all affected by rewards package. Simple random sampling strategy was used in selecting respondents from each department involved as shown in table 1.

information for respondents and part B consisted questions designed in five likert-scale ranged from 1-Strongly disagree, 2-Agree, 3-Neutral, 4-Strongly agree and 5-Disagree. Secondary data were obtained through documentary review, reading of various published materials and books.

**G. Data gathering strategy**

Data collection methods refers to the tools used in obtaining study related information through questionnaire, interviewing, history analysis or documentary review (Bari dam, 1990). Primary data were gathered through questionnaire in this case. Questionnaire had two parts (A and B) part A was designed to accommodate demographic

**H. Data Analysis techniques**

Smith (2011) argued that, data analysis is the practice that enabled a researcher to extract most useful information from the data.

Internal consistence for this study questionnaire was tested by use of Cronbach’s Alpha which is .949.

**IV. DATA PRESENTATIONS AND DISCUSSION**

| Category                  |                  |              |             |                       | Category                          |                  |              |             |                       |
|---------------------------|------------------|--------------|-------------|-----------------------|-----------------------------------|------------------|--------------|-------------|-----------------------|
| <b>Gender</b>             | <b>Frequency</b> | <b>%</b>     | <b>Mean</b> | <b>Std. Deviation</b> | <b>Working Experience (Years)</b> | <b>Frequency</b> | <b>%</b>     | <b>Mean</b> | <b>Std. Deviation</b> |
| Male                      | 36               | 57.14        | 1.00        | .000                  | Below 5                           | 12               | 19.04        | 1.60        | .56                   |
| Female                    | 27               | 42.85        | 2.52        | .512                  | 5-10                              | 22               | 34.92        | 2.07        | .94                   |
| <b>Total</b>              | <b>63</b>        | <b>99.99</b> |             |                       | 10-15                             | 21               | 33.33        | 2.53        | 1.10                  |
| <b>Age</b>                | <b>Frequency</b> | <b>%</b>     | <b>Mean</b> | <b>Std. Deviation</b> | Above 15                          | 8                | 12.69        | 2.60        | 1.04                  |
| Below 25                  | 7                | 11.11        | 1.00        | .000                  | <b>Total</b>                      | <b>63</b>        | <b>99.98</b> |             |                       |
| 25-35                     | 40               | 63.49        | 1.07        | .258                  | <b>Marital Status</b>             | <b>Frequency</b> | <b>%</b>     | <b>Mean</b> | <b>Std. Deviation</b> |
| 36-46                     | 12               | 19.04        | 2.44        | .512                  | Single                            | 12               | 19.04        | 1.00        | .000                  |
| Above 47                  | 4                | 6.34         | 3.00        | .000                  | Married                           | 43               | 68.25        | 1.76        | .830                  |
| <b>Total</b>              | <b>63</b>        | <b>99.98</b> |             |                       | Widowed                           | 8                | 12.69        | 3.00        | .000                  |
| <b>Level of Education</b> | <b>Frequency</b> | <b>%</b>     | <b>Mean</b> | <b>Std. Deviation</b> | <b>Total</b>                      | <b>63</b>        | <b>99.98</b> |             |                       |
| Certificate               | 3                | 4.76         | 1.00        | .000                  |                                   |                  |              |             |                       |
| Diploma                   | 4                | 6.34         | 1.00        | .000                  |                                   |                  |              |             |                       |
| First Degree              | 43               | 68.25        | 2.85        | .363                  |                                   |                  |              |             |                       |
| Master’s Degree           | 12               | 19.04        | 1.53        | .516                  |                                   |                  |              |             |                       |
| Vocational training       | 1                | 1.58         | 1.00        | .000                  |                                   |                  |              |             |                       |
| <b>Total</b>              | <b>63</b>        | <b>99.97</b> |             |                       |                                   |                  |              |             |                       |

Table 2:- Respondent’s Demographic Factors and Job Satisfaction

Table 2 shows standard deviation of the demographic factors factors and the mean values. Items with the mean value above 2.5 means satisfied with the job. So, from the table it can be seen that, Females employees and those who are widows tends to be satisfied with their jobs as compared to men. Similarly, employees who are holder of first degree have been found to be satisfied with their jobs as compared to those who poses lower level of education as well as those with high levels and this is due to fact that, they have higher expectations about their job earning which sometimes can’t be achieved easily as this people are found with the tendency of moving from one company to the other thinking that they can get good place to work as compared to the earlier one. But also those who are above

47 years are found to have satisfaction with their job and one of the reason for this tendency is because, at this time of age they are overwhelmed with family issues to take care for and also most of employers would not prefer working with an aged person who are no longer risk takers, but also they are people who are looking for job security that is why they get satisfied with their jobs. Those who are single and with early marriage age, with higher level of education and lower level of education are not settled in their minds due to higher expectations they have. It is very important to think of the demographic factors when it comes to issues of rewards package because this will help managers to find best ways to motivate them and reach their job satisfactions. Ali et al., (2016) Says, personal demographic

factors have high influence towards once job satisfaction. The response of gender, age, level of education and marital status towards job satisfaction differs and some researchers have even come with contradicting findings that the

relationship not stable in its configuration that can be generalized (Ang et al., 1993; Clark, 1996; Kh Metle, 2003; Opkara, 2004; Dawal et al., 2008; Ali et al., 2016).

|  |                     | Financial Rewards | Non-Financial Rewards |
|--|---------------------|-------------------|-----------------------|
| Financial Rewards  | Pearson Correlation | 1                 | .769**                |
|  | Sig. (2-tailed)     |                   | .000                  |
|  | N                   | 63                | 63                    |
| Non-Financial Rewards  | Pearson Correlation | .769**            | 1                     |
|  | Sig. (2-tailed)     | .000              |                       |
|  | N                   | 63                | 63                    |
| **. Correlation is significant at the 0.01 level (2-tailed). |                     |                   |                       |

Table 3:- Correlations Results

Findings from correlation table 3 shows that, the two variables are correlated strongly at 0.01 levels of significance; this offers a chance for Factor Analysis application with KMO (Kaiser-Meyer-Olkin Measure of sampling Adequacy) results of .867, which signifies high adequacy of the sample for the factor analysis. Significant of the Bartlett's Test of Sphericity was 0.000.

The coefficient of correlation in this case  $r = .769$ . The significant relationship between rewards systems and Job Satisfaction is said to be there. Our  $p$  value  $< .000$  less than .05 and is significant.

| Component  | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              |
|--|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
|  | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % |
| 1  | 1.834               | 91.697        | 91.697       | 1.834                               | 91.697        | 91.697       |
| 2  | .166                | 8.303         | 100.000      |                                     |               |              |
| Extraction Method: Principal Component Analysis. |                     |               |              |                                     |               |              |

Table 4:- Total Variance Explained

In this case, one factor was extracted and explains about 91.697% of the total variability. The rotated component matrix in table 4 shows how different individuals allied to different reward factors, in our case, it

has shown good internal consistence with the overall Cronbach's Alpha of .949. The rotated component matrix given in table 5 justifies how individuals relate to one or any of the reward factors.

|  | Component |
|--|-----------|
|  | 1         |
| Non-Financial Rewards  | .958      |
| Financial Rewards  | .958      |
| Extraction Method: Principal Component Analysis.                       |           |
| a. 1components extracted. Only Values greater than 0.50 were retained. |           |

Table 5:- Component Matrix<sup>a</sup>

So, factor one consisted of two items: - Non-Financial Rewards and Financial rewards

*A. Regression Analysis*

The technique was deployed for the purpose of testing the hypothesis developed.

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
|       |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |               |
| 1     | .987 <sup>a</sup> | .974     | .973              | .132                       | .974              | 1097.132 | 2   | 59  | .000          | 2.008         |

a. Predictors: (Constant), Financial Rewards, Non-Financial Rewards  
 b. Dependent Variable: Job Satisfaction

Table 6:- Model Summary<sup>b</sup>

Table 6 shows multiple linear regression model summary and overall fit statistics. The R value is .987 and is very closer to 1 meaning that, rewards system and employees' job satisfaction are strongly correlated. The model's Adjusted R<sup>2</sup> is .973 and the R<sup>2</sup> = .974. So, the

linear regression model explains 97.4% of data variability. Our Durbin-Watson d = 2.008, it is between the acceptable critical values of 1.5 < d < 2.5. Hence, it is assumed that, the first order linear auto correlation of the data in this case does not exist.

| Model |            | Sum of Squares | df | Mean Square | F        | Sig.              |
|-------|------------|----------------|----|-------------|----------|-------------------|
| 1     | Regression | 38.324         | 2  | 19.162      | 1097.132 | .000 <sup>b</sup> |
|       | Residual   | 1.030          | 59 | .017        |          |                   |
|       | Total      | 39.355         | 61 |             |          |                   |

a. Dependent Variable: Job Satisfaction  
 b. Predictors: (Constant), Financial Rewards, Non-Financial Rewards

Table 7:- ANOVA<sup>a</sup>

Table 7 displays the F<sub>arithmetic</sub> found which is 1097.132 higher than 2.236 at p value of .000<0.05. So, this model is significant, therefore, the H<sub>0</sub> is denied and H<sub>1</sub> is accepted, in other words, Proper rewards practices has significant influence towards employees' Job Satisfaction in commercial Banks at Mtwara. Employees may become less motivated, less committed in achieve organization goals and even decreasing their performance rate if they are not satisfied with what is been given to them (Ermias, 2017).

Employee dissatisfaction has always had negative impact like not being committed to their employers and start thinking of leaving the company (Samad, 2007) the end result of this is customer start suffering from long queues and additional recruitment cost. So, the rationale behind rewarding employees is to form connection that will sustain favorite deeds of employees' behavior and the outcome results that will make him/her feel valued (Whetten and Cameron, 2007).

| Model |                       | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | Correlations |         |      | Collinearity Statistics |       |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|--------------|---------|------|-------------------------|-------|
|       |                       | B                           | Std. Error | Beta                      |        |      | Zero-order   | Partial | Part | Tolerance               | VIF   |
| 1     | (Constant)            | 2.313                       | .092       |                           | 25.186 | .000 |              |         |      |                         |       |
|       | Non-Financial Rewards | .996                        | .031       | 1.240                     | 32.489 | .000 | .971         | .973    | .684 | .305                    | 3.283 |
|       | Financial Rewards     | 0.221                       | .007       | 1.215                     | 32.024 | .000 | .972         | .972    | .684 | .317                    | 3.155 |

a. Dependent Variable: Job Satisfaction

Table 8:- Coefficients<sup>a</sup>

When trying to compare between t<sub>arithmetic</sub> found in Table with t<sub>table</sub> chosen in this case, it can be established that, the variable non-financial rewards (X<sub>1</sub>) and the variable financial rewards (X<sub>2</sub>) have a significant effect and has positive influence towards employees Job Satisfaction because t<sub>arithmetic</sub>>t<sub>table</sub>. The multiple linear regression equation is given as: Job Satisfaction=2.313+0.996(non-financial rewards)+0.221(financial rewards)+ε. So for each additional investments made to None-Financial Rewards package in the Banking sector will lead to 99.6% increase in Job Satisfactions; while if similar investment is done to

financial rewards package will lead to 22.1% increase in job satisfaction in this case. Andersen (2012) once said that, good performance from employees cannot be backed up by money alone, it can also be justified by the study of Wanjihia (2016) done in Kenya which showed that, 77.1% of the respondents valued other Non-Financial rewards. The problem of multicollinearity in this model was also examined and found no multicollinearity of independent variables as the tolerance value range is .305-.317 which is more than 0.10 and the VIF value range is 3.155-3.283 which is less than 10. Rewards package vary and can be



applied under different conditions and none of them is better than the other in motivating employees towards Job Satisfaction (Kreitner and Kinicki, 2010). Cole and Kelly (2011) insisted that, employees should be well rewarded in response to their hard working contribution and performance. Some studies found employees working with bank to have more attachment with financial rewards as

compared to non-Financial rewards (Karl and Sutton 1998, Houston 2000). This finding contradict with findings which shows that, people working in public institutions pays more attention to non-financial rewards specifically job security (Kiviniemi et al., 2002). So it is true that, managers need to know what type of rewards will satisfy an employee given the conditions and nature of the sector under operations.

|                           |                     | Age of the Respondent | Gender of the Respondent | Education Level | Respondent Marital Status |
|---------------------------|---------------------|-----------------------|--------------------------|-----------------|---------------------------|
| Age of the Respondent     | Pearson Correlation | 1                     | .368**                   | .944**          | .839**                    |
|                           | Sig. (2-tailed)     |                       | .003                     | .000            | .000                      |
|                           | N                   | 63                    | 63                       | 63              | 63                        |
| Gender of the Respondent  | Pearson Correlation | .368**                | 1                        | .299*           | .393**                    |
|                           | Sig. (2-tailed)     | .003                  |                          | .018            | .002                      |
|                           | N                   | 63                    | 63                       | 63              | 63                        |
| Education Level           | Pearson Correlation | .944**                | .299*                    | 1               | .859**                    |
|                           | Sig. (2-tailed)     | .000                  | .018                     |                 | .000                      |
|                           | N                   | 63                    | 63                       | 63              | 63                        |
| Respondent Marital Status | Pearson Correlation | .839**                | .393**                   | .859**          | 1                         |
|                           | Sig. (2-tailed)     | .000                  | .002                     | .000            |                           |
|                           | N                   | 63                    | 63                       | 63              | 63                        |

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
 \* . Correlation is significant at the 0.05 level (2-tailed).

Table 9:- Correlations for Demographic Factors

Table 9: shows that, job Satisfaction has significant positive correlation with demographic factors in this case.

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .718             | .869   | 4          |

Table 10:- Reliability Statistics for Demographic Factors

Table 10: shows the overall Cronbach's Alpha is .718 which means there is a significant high internal consistence of the factors.

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
|       |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |               |
| 1     | .987 <sup>a</sup> | .975     | .975              | .128                       | .975              | 2344.106 | 1   | 60  | .000          | 2.021         |

a. Predictors: (Constant), respondent marital status, gender of the respondent, age of the respondent, education level  
 b. Dependent Variable: job satisfaction

Table 11:- Model Summary<sup>b</sup>

Table 11 shows multiple linear regression model summary and overall fit statistics. The R value is .987 and is very closer to 1 meaning that, employees' demographic factors and job satisfaction are strongly correlated. The model's Adjusted R<sup>2</sup> is .975 and the R<sup>2</sup> = .975. So, the

linear regression model explains 97.5% of data variability. Our Durbin-Watson d = 2.021, it is between the acceptable critical values of 1.5 < d < 2.5. Hence, it is assumed that, the first order linear auto correlation of the data in this case does not exist.

| Model |            | Sum of Squares | df | Mean Square | F        | Sig.              |
|-------|------------|----------------|----|-------------|----------|-------------------|
| 1     | Regression | 38.121         | 1  | 38.123      | 2344.106 | .000 <sup>b</sup> |
|       | Residual   | 0.976          | 60 | .016        |          |                   |
|       | Total      | 39.097         | 61 |             |          |                   |

a. Dependent Variable: job satisfaction  
 b. Predictors: (Constant), respondent marital status, gender of the respondent, age of the respondent, education level

Table 12:- ANOVA<sup>a</sup>

Table 12 displays the  $F_{arithmetic}$  found which is 2344.106 higher than 2.236 at p value of  $.000 < 0.05$ . So, this model is significant, therefore, the  $H_0$  is denied and  $H_1$  is accepted, in other words, demographic factors have

significant influence towards employees' Job Satisfaction in this case. Ali, (2016) has insisted that there is a relationship between employees' demographic characteristics and his or her satisfaction towards a job.

| Model           | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | 95.0% Confidence Interval for B |             | Correlations |         |       | Collinearity Statistics |       |
|-----------------|-----------------------------|------------|---------------------------|--------|------|---------------------------------|-------------|--------------|---------|-------|-------------------------|-------|
|                 | B                           | Std. Error | Beta                      |        |      | Lower Bound                     | Upper Bound | Zero-order   | Partial | Part  | Tolerance               | VIF   |
| 1 (Constant)    | .416                        | .188       |                           | 2.217  | .031 | .040                            | .792        |              |         |       |                         |       |
| age             | .674                        | .269       | .423                      | 2.511  | .015 | .136                            | 1.212       | .711         | .318    | .174  | .170                    | 5.892 |
| gender          | .053                        | .024       | .176                      | 2.238  | .029 | .006                            | .100        | .390         | .284    | .157  | .793                    | 1.262 |
| Education level | .274                        | .071       | .181                      | 3.532  | .046 | .005                            | .543        | .782         | .261    | .143  | .618                    | 1.636 |
| marital status  | -.636                       | .205       | -.444                     | -3.107 | .003 | -1.045                          | -.226       | .598         | -.381   | -.217 | .240                    | 4.169 |

a. Dependent Variable: job satisfaction

Table 13:- Coefficients<sup>a</sup>

Coefficients table 13 compares between  $t_{arithmetic}$  found in Table with  $t_{table}$  chosen in this case, it can be established that, the variable age ( $X_1$ ), gender ( $X_2$ ), education level ( $X_3$ ) have significant positive influence towards Job Satisfaction because  $t_{arithmetic} > t_{table}$ . The multiple linear regression equation is given as:  $\text{job satisfaction} = .416 + .674(\text{age}) + .053(\text{gender}) + .274(\text{education level}) + \epsilon$ . On the other hand, the variable marital status ( $X_4$ ) has negative influence towards job satisfaction but statistically significant. Marital status has a value of ( $\beta = -.636$ ,  $t = -3.107$ ,  $p < .05$ ). The problem of multicollinearity in this model was also examined and found no multicollinearity of independent variables as the tolerance value range is .170-.793 which is more than 0.10 and the VIF value range is 1.262-5.892 which is less than 10. Jamal and Baba (1992) in their study came up with findings that, marital status of an employee has influence in his or her job satisfaction, other studies had no conclusion about relationship between marital status and job satisfaction (Robbins et al., 2003). The response of gender, age, level of education and marital status towards job satisfaction differs and some researchers have even come with contradicting findings that the relationship not stable in its configuration that can be generalized (Ang et al., 1993; Clark, 1997; Kh Metle, 2003; Opkara, 2004; Dawal et al., 2008; Ali et al., 2016).

**V. CONCLUSION**

Generally, the current rewards systems in commercial banks are not sufficient enough to consistently influence employees' Job Satisfaction. Aktar et al., (2012), says financial and non-financial rewards have great role to play in employees' performance held in banking industry of Bangladesh. Supervisors have great role to play in fulfilling the desire for employees' job satisfaction by setting conducive working environment and a good fit of their relations (Snipes et al., 2005; Chen, 2008; Humayun et al.,

2014). Therefore, the null hypothesis are rejected and the alternative hypothesis are accepted.

**RECOMMENDATIONS**

The commercial banks management and trade unions ought to adjust intrinsic and extrinsic reward policies and strategize in procession with existing trade and industry atmosphere and situate proper and aggressive bonus, incentive and salary scale that will encourage satisfaction to employees.

A remarkable relationship improvement and a fit between employees and their supervisor should be attained and sustained strategically, as to a large extent; the relationship between the two has brought serious problems in deriving Employees' Job Satisfactions.

For rewards to be effective and meaningfully to attract Job satisfaction, managers should avoid postponements of rewards once an employee has achieved a set number of goal or goals because, when an employee is rewarded instantly, it is easy for him/her to continue elicit same behavior if at all it was a good one.

Involving employees in decisions regarding designing their rewards packages as it is an ongoing process so every time there will be a need to change to adapt with the changing life environment. The rewards packages are there but are not encouraging to employees. This will help them air out critical views and contribute to the improvement of the total packages.

HR department should also rethink of hiring criteria by looking at individuals who do not have high expectations on rewards as these individuals will not pose much of their efforts in demands for rewards.

High organs of the bank needs to effectively build a connection between their business strategies and rewards packages to enhance employees job satisfaction as there exist a gap between the two, that is why the service delivery attitude is still at lower level.

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