

ORIGINAL ARTICLE

Academic Staff Reward System: A Case of Jimma University

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Abstract

In response to the emerging environmental pressure (highly dynamic, complex and competitive for qualified employees), higher learning institutions are transforming their structures and management systems. As a result, many universities are rethinking their reward strategies to better align them with the new realities in order to improve teaching staff motivation and retention. This study was conducted to identify academic staff reward related problems and to examine the effectiveness of both financial and non-financial reward systems at Jimma University, Ethiopia. A descriptive survey with both quantitative and qualitative methods was carried out with 150 instructors out of the total academic staff of 806 from eight faculties. Self administered questionnaires were distributed to the academic staff and some qualitative data obtained from interviews with human resource plan and program officers and human resources personnel were used. The result of the study indicates that inefficient administration, lack of recognition and appreciation, absence of participation in decision-making, unsatisfactory financial rewards, and poor performance evaluation were ranked as major ones. However, job security, opportunity for further education and promotion were ranked less. The solutions suggested focused on rewarding seniority, reducing staff discrimination, improvement of performance evaluation and the reward system, and improving the skill and ability of administrators and developing participative management.

INTRODUCTION

The academic staff of higher education institution is a key resource to institution's success. Academic staff, in particular, accounts for a significant component of the budget of higher education institutions and has a major role to play in achieving the objectives of the institution. The performance of academic staff, both as

teachers and researchers and also as managers, determines, to a large extent, the quality of the student experience of higher education and has a significant impact on student learning and thereby on the contribution that such institutions can make to society. According to Rowley (2009), most higher education institutions have an

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implicit or explicit mission to offer a high quality learning experience to all their students. For him, academic staff manage this learning experience and are the main interface with students. Consequently, their motivation is crucial in determining the quality of this interface. Similarly, Dessler (2003) states that, without increased motivation and morale of the employees the organization risks losing valuable employees and will be at a disadvantage in attracting potential top talents.

Exceptionally, well motivated academic staff can, with appropriate support, build a national and international reputation for themselves and the institution in the research, publishing and professional areas. Such a profile may have a significant impact on the ability of the institution to attract high caliber students, research funds and consultancy contracts.

Reward can serve the purpose of attracting prospective job applicants, retaining

valuable employees, motivating employees, as well as assisting achieving human resource objectives and obtaining competitive advantage (Bratton and Gold, 2007). This is particularly important in competitive academic climate where colleges and universities are fighting for high-caliber employees in order to improve the quality of teaching and gaining excellent reputation (www.fratfiles.com/essays).

The very important motivating factor for people joining and continuing in an organization is the kind of work they get, and the reputation they enjoy in the organization. There is a wide variety of methods available for motivating staff, from recognizing the employee's achievements by simply saying 'thank you' to more complex schemes which combine and set targets with fixed rewards.

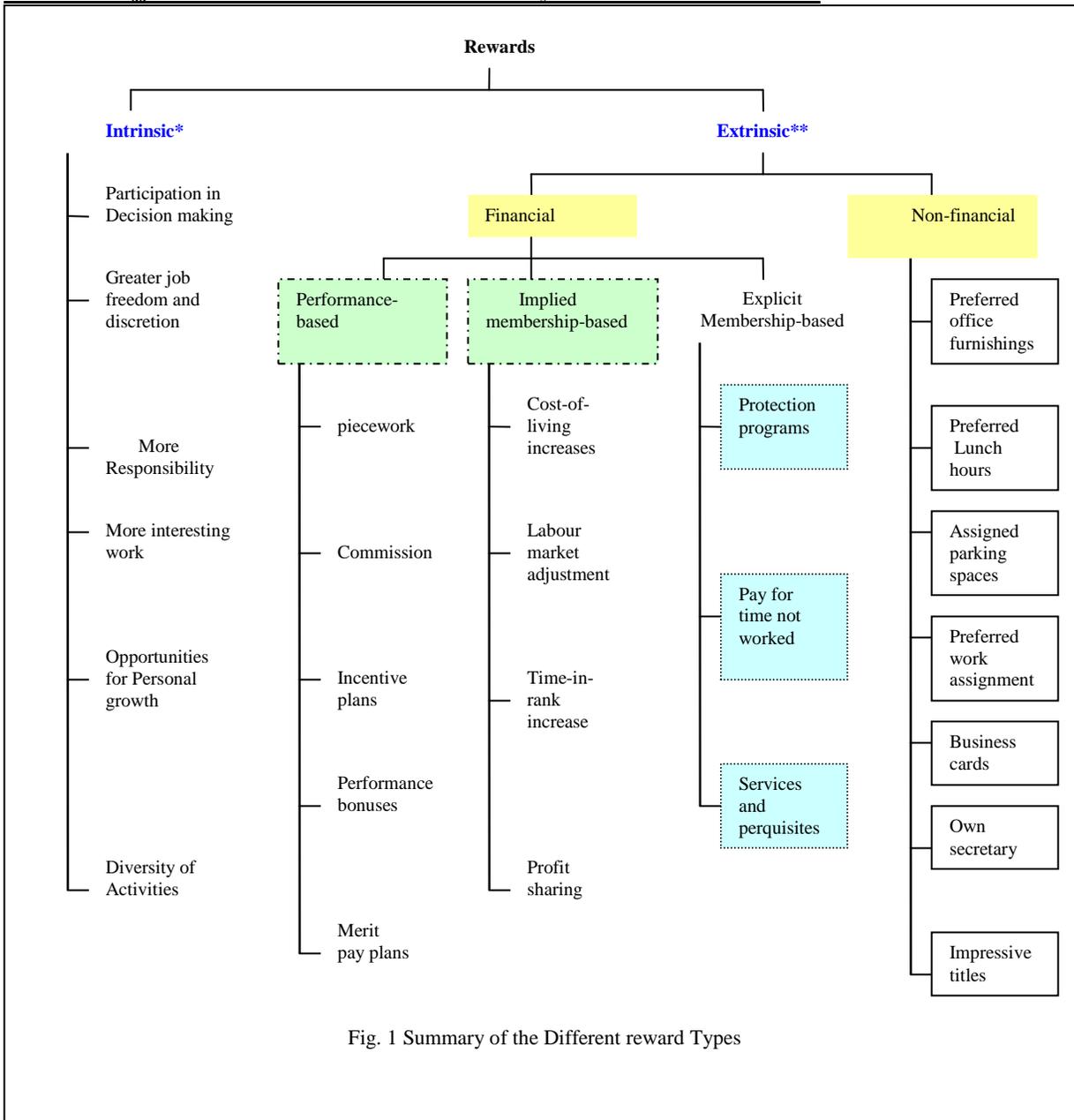


Fig. 1 Summary of the Different reward Types

Source: Compiled from different sources by the researchers

* These rewards derive from factors inherent to the way by which the work is designed and the job content. This includes design features, such as the degree of variety of the work and the extent of autonomy, as well as the significance attributed to the work.

**To perform at their best, most individuals need to have financial or other extrinsic rewards tied to their performance.

Statement of the problem: Among higher education institutions in Ethiopia, Jimma University is the oldest public institution known to provide higher education and contribute a lot in alleviating shortage of skilled human resources in various fields. The University has a worsening problem of turnover. Despite recent infrastructural growth and department expansion in various programs, Jimma University is losing a growing number of teaching manpower (<http://www.jimmatimes.com>). This grave problem has kept many new departments understaffed. These actual problems of the university aroused the researchers' interest to assess the reward system of the university. The study thus answers the following basic questions:

- What are the different reward systems currently used by university for its academic staff?
- Are the academic staff of the university satisfied with the existing reward systems?

Based on the problem discussed above, the main objective is to assess the overall academic staff reward system of Jimma University.

This study can allow policy makers, firstly, to consider and revise the current reward systems in general and secondly, to focus on academic staff retention so that the institution can improve the quality of education by maintaining experienced teaching staff.

It could also be relevant to the future research in that the findings may encourage other researchers to undertake an in-depth

investigation in the design and implementation of employee reward system in higher learning institutions.

Research Design and Methodology

The study was conducted at Jimma University and the subject of the study was academic staff. Jimma University is a public higher educational institution established in December 1999 by the amalgamation of Jimma College of Agriculture (founded in 1952), and Jimma Institute of Health Sciences (established in 1983). The two campuses are located in Jimma city 335 km southwest of Addis Ababa with an area of 167 hectares. The vision of Jimma University is to be the leading public premier in the country, renown in Africa and recognized in the world.

A cross-sectional survey design was used to assess the effectiveness of reward system across faculties.

Sample Size: While determining the sample size the formula of Paler-Calmorin and Calmorin, 2006 was utilized. This method was used because it is one of the best method in determining the sample size in probability sampling. By using this formula and assuming the sampling error of 1% and 99% reliability a sample of 214 academic staff members were stratified and randomly selected out of eight faculties. It is assumed that the standard value at 1% level of probability is 2.58 with 99% reliability and a sampling error of 1% or 0.01. Then the sample size is computed as:

$$n = \frac{NZ + (s_e)^2 x(1-P)}{N s_e + Z^2 xP(1-P)}$$

Where n = sample size

N = total number of population

Z= the standard value (2.58) of 1% level of probability with 0.99 reliability

Se= Sampling error (0.01)

p = the population proportion

Therefore,

$$n = \frac{806(2.58) + (0.01)^2 x(1-0.5)}{806(0.01) + (2.58)^2 x0.5(1-0.5)} = 213.8483 \approx 214$$

Sampling Techniques: the stratified sampling method with proportional

to size sampling of $y_i = \frac{214 x_i}{806}$ was used.

Where: X_i is the number of instructors in the respective faculty

Y_i is the number of instructors selected into the sample

The individual sample representatives from each faculty are taken into the respondent based on convenience sampling.

Data collection: the instruments utilized to collect data from the sample are questionnaire and interview.

Questionnaire: - the study used a questionnaire to explore the effectiveness of the reward system used by JU. The target group of the study was academic staff. The questionnaire has three parts. One part contains questions about demographic factors while part two asked the respondents to give their opinion on the overall reward system in Jimma University. In this part the respondents were asked to express their opinion using a scale, 1 to 3 (agree = 1, undecided = 2, and disagree =3). Part three of the questionnaire presented a list of possible problems in Jimma University reward system. The respondents were asked to rank these

problems in the order of their importance. Further, respondents were encouraged to list additional problems that they think are important and were not included in the researchers suggested list of problems.

Interview: interview was conducted with personnel officers who have been doing activities related to a reward system of Jimma University. Hence, the human resource official's opinion on the reward system is included.

In addition to the primary data, secondary data from published and unpublished documents (pamphlet, calendar, and policy documents), books, Internet and other related resources supplemented the study.

Data Analysis: the data collected from the respondents via the questionnaire were analyzed by calculating mean, standard deviation and Chi- square (test result is significant if less than 5%) by using SPSS. It is assumed that a mean value of less than 2 is considered as favorable (agreement) with the statement while mean scores above 2 are considered disagreement with the statement.

RESULTS

The questionnaire was distributed to 214 academic staff members out of which 150 were returned, representing a 70% response rate. The questionnaire includes

demographic information needed to assess the respondents' age; educational qualification and level of experience in JU Table 1 shows the results.

Table 1. Demographic characteristic of respondents

Items	Respondents		
	Number	Percentage	
Age of respondent	Below 25 years	41	27.3
	25 - 35 years	86	57.3
	36 - 45 years	18	12.0
	46 - 55 years	5	3.3
	Total	150	100
Educational qualification of respondents	First degree	71	47.3
	second degree (masters)	75	50.0
	PhD and above	4	2.7
	Total	150	100
Service experience at Jimma University	Below 2 years	68	45.3
	2 - 4 years	49	32.7
	5 - 8 years	29	19.3
	9 - 12 years	2	1.3
	13 - 16 years	2	1.3
Total	150	100	

It was expected that the longer the years of experience, the less the turnover and the more likely it is to obtain a reliable reward. The study revealed that while 45% of the respondents had less than 2 years of experience, 33% had between 2 and 4 years experience and no respondents had more than 16 years of experience in JU.

Such a composition, on one hand can be a signal for the university to create opportunities for further education to their large proportion of young and inexperienced staff members. On the other

*1Birr equivalent to 0.08 USD

hand, this may also indicate that there is high turnover in which the experienced and senior staff leaving the university.

Currently Available Rewards: respondents were asked about the average financial reward they earned monthly other than their basic salary. Accordingly, only 12% reported that they earned more than 1000 Birr*, 79% of the respondents received 500 Birr or less monthly above basic salary and the remaining 9% earned from 501 to 1000. The Chi-square test

result (0.597) indicates that there is non-significant difference between faculties

regarding average financial reward they earned monthly other than their basic salary.

Table 2. Chi-Square Tests for the difference between faculties for financial reward other than basic salary.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.351(a)	35	.597
Likelihood Ratio	36.517	35	.398
Linear-by-Linear Association	3.588	1	.058
N of Valid Cases	149		

Regarding the feeling of respondents whether they think that, “JU has any special award for special contribution made by the academic staff?” the results are shown in Table 3.

Table 3. Special award for special contribution made by the academic staff

Question		Respondents	
		Number	Percentage
Do you think that the university has special award for special contribution made by the academic staff?	Yes	7	4.7
	No	143	95.3
Total		150	100
I am reasonably promoted according to the legislation of the university.	Agree	92	61.3
	Undecided	40	26.7
	Disagree	18	12.0
Total		150	100

Although the majority (95.3 %) of the respondents feel that there is no special award for special contribution, 61% agree that they are promoted reasonably according to the legislation of the university. The response of the respondents were further indicates that the major reward systems currently present are annual

promotion, opportunity for further education, job security and job freedom.

The chi-square test for the relationship between educational qualification and perception of respondents on award given by the university is shown in the following table.

Table 4. Relationship between award given and academic qualification of respondents

Educational qual. Vs. the staff feeling of the university special award.		Do you think that the university has any special award?			
		Yes	No	Total	
Educational qualification of respondents	First degree	N	3	68	71
		% within Educa.	4.2	95.8	100
	Second degree /masters	N	4	71	75
		% within Educa.	5.3	94.7	100
	PhD and above	N	0	4	4
		% within Educa.	0	100	100
	Total	N	7	143	150
		% within Educa.	4.7	95.3	100
	X ² - value		0.860		

The chi-square tests for the relationship between educational qualification and perception of respondents on rewards given by Jimma University revealed that the Chi-square test (0.860) is statistically non-

significant as it had a higher value than 5% (0.05) probability.

Most academic staff feel that there is no transparency and fairness in the reward systems and the reward is not clearly based on performance evaluation results.

Table 5. Respondent's responses on performance evaluation and their perception on the transparency and fairness.

Items	N	Mean	Std. Deviation
The JU rewards its employees based on their performance Evaluation results.	150	2.6	.80
The criteria for performance measurement are clear to me.	149	2.5	.81
There is transparency and fairness in the reward systems of the university.	150	2.7	.74

The result, shows that either the university did not reward performance based on evaluation result or did not properly evaluate performance. However, according to the responses of assistant personnel department to the interview question, even though it is not properly implemented there is a formal performance evaluation in which a teaching staff is evaluated by peers, students, and department head. These opposing views indicate that even if performance evaluation is formally

available its results are not clearly communicated to the academic staff.

Major Problems: Nine points were believed to reflect the most prevalent problems of Jimma University reward system. Rank orders of one to nine (1 - 9) have been assigned to them in which 1 reflects the most serious problem and 9 shows relatively the least serious one. Accordingly, respondents were asked to rank these points. Table 6 show the results.

Table 6. Mean rates and rank orders of the proposed problems in the JU reward systems.

Items	Mean	Rank order
Absence of recognition and appreciation.	3.4	2
Lack of opportunity for promotion and salary increment.	5.4	5
Less chance in participation in decision making.	3.8	3
Low level of job freedom.	5.7	6
Inadequate salary and incentive.	4.6	4
Lack of opportunity for further education.	6.1	8
Inefficient university administration.	3.1	1
Low level of job security.	6.1	7
Lack of opportunity for growth and career development.	6.6	9

As it has been shown in the above table inefficient university administration and absence of recognition and appreciation ranked first and second receptively whereas lack of opportunity for growth and career development ranked last from the listed nine problems.

Academic Staff Satisfaction: The respondents were asked about the convenience of the workplace and the overall satisfaction. The mean score of 2.5 shows that Jimma University academic staff were not satisfied by the overall reward system. Similarly, there was no significant difference between faculties as revealed by the $\chi^2 - test$ as shown below.

Table 7. Significance of overall satisfaction of respondents among faculties they are currently working.

	Faculty	I am satisfied by the overall reward system of JU.			
		Agree	Undecided	Disagree	Total
Business & Economics	N	5	2	19	26
	% within Faculty	19.2	7.7	73.1	100
Technology	N	2	7	7	16
	% within Faculty	12.5	43.8	43.8	100
Social science & Humanities	N	0	3	7	10
	% within Faculty	0	30.0	70.0	100
Public Health	N	3	5	17	25
	% within Faculty	12.0	20.0	68.0	100
Law	N	0	0	5	5
	% within Faculty	0	0	100	100
Education	N	5	9	25	39
	% within Faculty	12.8	23.1	64.1	100
Medical Science	N	3	7	15	25
	% within Faculty	12.0	28.0	60.0	100
Natural & Information Science	N	1	0	3	4
	% within Faculty	25.0	0	75.0	100
Total	N	19	33	98	150
	% within Faculty	12.7	22.0	65.3	100
X ² - value		0.419NS			

Finally, the respondents were also asked about their preference for JU as compared to similar universities. The χ^2 - test calculated their preference revealed that as the individual qualification increases their preference of JU other than similar

organization slightly increased. However, the overall response of the respondents indicates that 65% prefer other similar universities for their work. Table 8 shows the results.

Table 8. Respondent’s qualification and organizational preference.

Educational qualification		Do you prefer JU than other similar universities in the country for your work?		Total
		Yes	No	
First degree	N	21	50	71
	% within Educ.	29.6	70.4	100
Second degree (masters)	N	27	47	74
	% within Educ.	36.5	63.5	100
PhD and above	N	4	0	4
	% within Educ.	100	0	100
Total	N	52	97	149
	% within Educ.	34.9	65.1	100
X ² - value		0.015		

DISCUSSION

The result shown in table 1 indicates that the fact that Jimma university academic staff composed of inexperienced staff members (78% less than 4 years) might in part be because of lack of appropriate reward if not the only. According to an article by Eyualem (2009), highly trained and experienced researchers and consultants have been leaving their positions in higher learning institutions. Torrington et al. (2008) reports that the longer the years of experience, the less turnover and the more likely it is to obtain reliable reward. The evidence seems to indicate that reward play a key role in retaining experienced staff.

This conforms conveniently with Hammer and Stanton; (1995) claim that “the way to people’s hearts and minds is not through their ears but through their wallets.” However, the survey result indicates that the currently available financial reward at Jimma university is poor. That is 32% the of respondents received 300 Birr or less monthly income other than their basic

salary.

Academic culture appears to be changing towards an environment in which teaching is more effectively recognized and rewarded. Byars and Rue (2006); and Tyson and York (1996) argue that apart from the obvious pay, staff perception on the transparency and fairness influences job satisfaction. There is little consistency in the way in which performance evaluation is conducted and its results communicated to the respondents. The mean score of 2.6 indicate that the academic staff did not feel that their reward is based on their performance. A study by Ivancevich (1998) shows that, the fairness in performance evaluation and the feedback given to the employee plays a great role in increasing employee’s productivity.

Dessler *et al.* (2002) found out that, the fundamental premise of variable pay and other reward scheme is top performers

must get top pay and rewarded in order to secure their commitment to the organization. They also argue that accurate performance appraisal or measurable outcome is a precondition of effective pay-for-performance plan.

The lack of participation in decision making and effective management system in JU discourage academic staff and leads to turnover. The mean score of 2.3 indicates that respondents were not well recognized for their contribution. The literature indicates that staff recognition and participation are important in job satisfaction. Singh (2004) found out that employee participation can make one's job more interesting and meaningful. Singh (2004) further explain by stating that workers participation in management provides intrinsic motivation as what is indicated by Herzberg's theory; the intrinsic motivation (satisfiers) are increasing opportunities, responsibility, involvement and self-esteem. It also justifies the achievement motivation of McClelland and obviously participation in management endorses management's belief in the theory of X of McGregor. In spite of this fact, Jimma university administration gave less credit for teaching staff participation in decision making.

The survey result indicates that opportunity for growth and career development (further education), job security and job freedom are the major reward available at Jimma university. Literature also supports that organization with better job freedom, career development and job security can retain talents (Torrington et al. 2008). The respondents were ranked the problem related to these issues least as compared to other problems they felt in Jimma university.

The results of the study indicate that the academic staff of JU were not satisfied by the overall reward system. Although there is variation among faculties, the chi-square result ($p > 0.05$) shows that the variation is not-significant. Byars and Rue (2006) assert that job satisfaction has a positive impact on turnover, absenteeism, tardiness, accidents grievances, and strikes. Ivancevich (1998) has also drawn attention to the fact that organizations prefer satisfied employees simply because such employees make the work environment more pleasant.

CONCLUSION AND RECOMMENDATIONS CONCLUSION

The study attempted to examine the overall academic staff reward system of JU. It also tried to find out the effectiveness of the current reward system. From the overall background of the respondents we can conclude that JU is staffed with young male employees having a first or second degree. This indicates that JU lacks experienced staff who could play an important role in guiding the younger and inexperienced staff in research and could have led the way in establishing a centre of excellence.

The currently available reward systems of the institution other than the basic salary are poor and there is also no significant difference among the different level of educational qualification in that respect. The administration of the institution is "less efficient and non-participative" as expressed by respondents.

It seems important to devise systems in Jimma university that are based on rigorous criteria that are consistent with the ways academic performance is assessed. The survey result indicates teaching staff is seen

to be valued and rewarded too little. Moreover, respondents did not believe with the transparency and fairness of performance evaluation.

As it was repeatedly mentioned by the respondents, bureaucratic procedures, lack of staff empowerment, unequal treatment among teaching staff, lack of clear and consistent performance evaluation, unfavorable work environment and security problems in the town are considered as the major causes of dissatisfaction.

According to the findings of the survey, we can conclude that the majority of the teaching staff was not satisfied by the overall reward systems of JU and the dissatisfaction did not significantly vary among faculties. In the same way, the majority of academic staff prefers other similar universities for their work, regardless of the significant difference among respondent's response in educational qualification.

Regardless of the poor reward system current available in JU, more than half the survey respondents said that they are promoted reasonably according to the legislation of the university. The respondent's response also shows that annual promotion, opportunity for further education; job security and job freedom are the major rewards currently available at JU.

RECOMMENDATIONS

Based on the above findings the following recommendations are made

1. As Torrington *et al.* (2008) found out, rewarding seniority by providing incentives might help the

organization to retain experienced staff longer. Thus, the university should develop proper policies which reward seniority.

2. Jimma University should improve its performance evaluation system by setting clear criteria for evaluation. In addition the results (feedback) of performance evaluation should be communicated timely to the staff.
3. In order to reduce the troubles in the living environment, the university should have to work in collaboration with the city administration to reduce security problem urgently; and construct residential rooms in the compound of the university for the teaching staff a long-term option.
4. As Belcher and Atchison (1976) state organizational reward practice is one major way through which employees are valued and recognized, the university should value and recognize the academic staff for their contribution(s). This can be done through promotion, giving prize, publicly and acknowledgement in its different publications.
5. The university should take remedial measures that would enhance a kind of working environment in which every member of the academic staff is treated fairly and properly which avoids sense of discrimination, the consequence of which is alienation.
6. As the problem of university administration is cited as the most prevalent, the institution should improve its leadership and administrative skill through training. The university should review its systems of administration to build a participative and transparent management so that the academic

staff discuss their problem directly or through their representatives.

7. We recommend a review of the way in which an appreciation of teaching is embedded in the leadership and management 'culture' of JU, and in particular the extent to which academic managers are trained to recognize and reward teaching performance as well as research performance.

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