
A Critical Analysis of Rewards System in Private Schools: The Prospects and Effects on the Employee's Loyalty

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ABSTRACT

The study analyzed the rewards system in private schools, its prospects, and its effects on the employee's loyalty. Reward systems are made up of compensation, incentives, and any other form of benefit provided by the employing system and environment to the employees as a token of appreciation for their service. Reward systems inspire teaching, which is the lifeblood of secondary education, and one of the major reasons for rewarding teachers is to improve their job satisfaction, which translates to better status and quality of teaching. The study revealed that a well-designed reward system can have significant positive effects on employee loyalty within an organization. When employees perceive that their efforts and contributions are recognized and rewarded, it can lead to increased job satisfaction, motivation, and a stronger sense of commitment. The study concluded that the reward system in private schools creates a complex interplay between employee loyalty, performance, and overall organizational effectiveness. The prospects and effects of employee loyalty within the context of the reward system are influenced by various factors, including the design of the reward structure, the alignment of rewards with organizational goals, and the individual motivations of employees. Private schools that have a well-structured and strategically designed reward system are more likely to foster employee loyalty. One of the recommendations made was that Private schools should ensure that their reward systems are strategically designed to align with the school's mission, values, and goals.

KEYWORDS: Rewards System, Private Schools, Prospects, Effects and Employees' Loyalty

Introduction

Rewarding is an essential component of any organization, institution, or business of any nature. It has been observed that better outcomes in terms of performance and engagement can be attained if it is based on motivation because the workers show a lack of interest when there is no proper reward system in the organization. Over the years, reward systems have received valuable attention from researchers because of their



invaluable contributions to performance. It has been observed that better outcomes in terms of performance and engagement can be attained if it is based on motivation because the workers show a lack of interest when there is no proper reward system in the organization.

It has been observed by Martono et al. (2018) that employee performance can fall below a low standard if there is inadequate motivation. In order to increase a firm's productivity and generate more revenue, it is important that the employees be well engaged and motivated towards their work. Rewarding them not only enhances their motivation but also helps them support the extra expenses that every individual desires. The study highlighted various advantages that are associated with an effective rewarding system, such as good performance and increased motivation (Martono et al., 2018). Not just in terms of good performance and employee productivity, it has been observed that motivated employees also keep customers satisfied by meeting their expectations. Because a good performance that is rewarded by the organization is more likely to be repeated in comparison to those that are left unrecognized or unappreciated, On the other hand, the inadequacy of motivation and poor reward systems result in negative consequences in terms of a low level of satisfaction among employees, a lack of concentration at work, a high employee turnover rate, early retirements, and dissatisfied customers.

Private schools operate within a competitive milieu, where the recruitment and retention of skilled educators are paramount for maintaining a high standard of education. The rewards systems in place become instrumental in fostering a sense of value and recognition among employees, thereby impacting their loyalty towards the institution. Scholars such as Deci and Ryan (1985) have established the significance of intrinsic motivation, suggesting that rewards aligning with an individual's intrinsic desires can foster a deeper commitment to the organization. While the impact of rewards on employee loyalty is evident, the nuanced effects within the context of private schools warrant further exploration. This analysis draws upon the work of Dulebohn et al. (2018), emphasizing the necessity to delve into compensation strategies that resonate with the unique needs and aspirations of educators. Additionally, the study by Eisenberger et al. (2002) underscores the pivotal role of perceived supervisor support in bolstering employee retention, shedding light on the interconnectedness of rewards, support, and loyalty.

Reward practices in private schools motivate teachers to work willingly towards achieving organizational goals. Willingness to work, however, depends on how well the school principals integrate the interests and needs of the teachers with the objectives of the school. How to motivate teachers in the school system is a very significant role of good leadership. Absence of motivation would hamper performance because stress, discomfort, and frustration reduce students' quality output (Alfandi and Alkawsaneh, 2014). According to behavioral scientists, people work because of the need to attain a number of goals or to satisfy certain needs or motives, and teachers are no exception. The overall aim of the reward system is to support the attainment of the organization's goals and objectives by helping the organization ensure that it has the skilled, committed, and well-motivated work force it needs. In a school system, it is necessary for the administrators to develop the most suitable incentives and a good reward system, which could be financial or non-financial.



Concept of Reward

Reward is an incentive plan to reinforce the desirable behavior of workers or employers in return for their service to the organization. Rewards can be monetary in the form of salary or non-monetary in the form of awards for some special services to the company or simply giving an employee a job that he enjoys doing. The primary objective of organizations in giving rewards is to attract, maintain, and retain efficient, high-performing, and motivated employees (MBA School Team 2023). A reward is something that you are given, for example, because you have behaved well, worked hard, or provided a service to the community (Collins, 2023).

Reward is generally understood as the total amount of financial and non-financial compensation or total remuneration provided to an employee in return for labor or service rendered at work. Reward, which is at times described as compensation or remuneration, is possibly the most critical contract term in each paid job (Anku et al., 2018). A reward is something you get for a job well done. If you study hard for that vocabulary test, an "A" might be the reward in your future (Vocabulary.com Inc., 2023). A reward generally refers to something given or received in recognition of one's efforts, achievements, or actions. It can be a tangible item, such as money, gifts, or prizes, or an intangible benefit, such as recognition, praise, or a sense of accomplishment. Rewards are often used to motivate individuals to perform certain tasks or behaviors, as they create a positive association between the action and the outcome.

Types of Reward

According to Assignment Point (2023), a reward is a payment provided by an employer to employees. It is a thing given in recognition of service, effort, or achievement. It consists of packages of pay, benefits, services, etc. It can be broadly defined as the materials and psychological profits for performing tasks in the workplace. Broadly, results can be divided into the following types:

Intrinsic Rewards and Extrinsic Rewards

- **Intrinsic rewards**

Intrinsic rewards are the satisfaction that an individual obtains from the job itself. It means they are the factors of esteem and self-actualization needs of the employees. The satisfaction one gets from the job itself is its intrinsic reward. These satisfactions are self-initiated rewards, such as having pride in one's work, having a feeling of accomplishment, or being part of a team. These satisfactions are self-initiated rewards and are fulfilled internally by the employees. These rewards consist of having pride in work, having a feeling of accomplishment, being a part of the team, etc.

- **Extrinsic Rewards**

Extrinsic rewards are the benefits provided externally. These rewards are provided in terms of money and fringe benefits. Extrinsic rewards include money, promotions, and fringe benefits. Their common thread is that extrinsic rewards are external to the job and come from an outside source, mainly management. These



rewards are necessary to fulfill the physiological and safety needs of the employees. Such rewards are the result of the management policies and procedures of the organization.

Financial Rewards and Non-financial Rewards

- **Financial Rewards**

A financial reward means those direct and indirect payments that enhance an employee's well-being. Rewards may or may not enhance the employee's financial well-being. If they do, they can do this directly through wages, bonuses, profit sharing, and the like, or indirectly through supportive benefits such as pension plans, paid vacations, paid sick leave, and purchase discounts. Financial rewards make an employee financially sound so that he or she can fulfill his or her material desires. Direct payment consists of salary, wages, commissions, incentives, bonuses, allowances, etc. Indirect payment includes pensions, medical insurance, paid leaves, paid sick leaves, purchases, discounts, etc.

- **Non-financial Rewards**

Non-financial rewards are employee benefits that do not enhance an employee's financial well-being. Non-financial rewards are potentially at the disposal of the organization. They do not increase the employee's financial position; instead of making the employee's life better off the job, non-financial rewards emphasize making life on the job more attractive. However, such rewards provide more job satisfaction. Preferred lunch hours, preferred office furnishing, parking spaces, an impressive job title, desired work assignments, business cards, your own secretary, etc. are some of its examples.

Performance-Based Rewards and Membership Based Rewards

- **Performance-Based Rewards**

Performance-based rewards are such benefits that are provided on the basis of an employee's job performance ability. The reward depends on the performance of an individual on the actual work floor. Performance-based rewards are exemplified by the use of commissions, piecework pay plans, incentive systems, group bonuses, or other forms of merit pay plans. These rewards are exemplified by the use of commissions, piecework pay plans, incentive systems, group bonuses, or other forms of merit pay plans.

- **Membership Based Rewards**

Membership-based rewards are those that are paid on the basis of being a member of an organization. Membership-based rewards include cost of living increases, profit sharing, benefits, and salary increases attributable to labor market conditions, seniority or time in rank, credentials (such as a college degree or a graduate diploma), or future potential (the recent M.B.A. from a prestigious university). It means the basis for allocating rewards is the employee's organizational membership. Hence, the reward goes to all employees, irrespective of their performance.



Concept of Reward System

A reward system refers to all the monetary, non-monetary, and psychological payments that an organization provides for its employees in exchange for the work they perform (ACCA Global, 2023). According to Armstrong (2010), reward systems consist of interrelated processes and practices that combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. Reward systems are based on the reward strategy, which runs from the business strategy, for instance, to gain competitive advantage, and the human resource (HR) strategy, which is impacted by the business strategy yet also impacts it. The HR strategy may, for instance, focus on resourcing, but it should also be concerned with fulfilling the necessities of employees as well as those of the business. All parts of strategy are influenced by the environment. Reward strategies coordinate the advancement and operation of reward practices and processes and furthermore shape reward policies, which in turn influence reward practices, processes, and procedures. (Armstrong 2010).

According to Solanki (2022), an employee reward system consists of an organization's integrated policies, processes, and practices for rewarding its employees in accordance with their contribution, skill, and competence and their market worth. It is developed within the framework of the organization's reward philosophy, strategies, and policies and contains arrangements in the form of processes, practices, structures, and procedures that will provide and maintain appropriate types and levels of pay, benefits, and other forms of reward. A reward system refers to the procedures, rules, and standards associated with the allocation of benefits and compensation to employees. A reward system in the context of performance management is defined as an integrated system that ensures equitable avenues for employees for fulfillment of their financial and non-financial needs and recognizes their contribution to the attainment of organizational goals. An employee reward system is motivational tactic organizations use to help their staff feel encouraged to complete high-quality work. It's different from an incentive program because incentives are goal-oriented and combined with a reward. A reward is given to team members who complete exceptional work or are a great asset to the team (Indeed Editorial Team, 2023). It is also the structured and organized approach that organizations use to recognize and incentivize desired behaviors, accomplishments, and performances of individuals or groups. A well-designed reward system can enhance motivation, engagement, and overall organizational performance.

Concept of Private Schools

A private school is a school that is not supported financially by the government and that parents have to pay for their children to go to (Collins, 2023). A private school is one that is not administered or funded by the government, unlike a public school. They are also known as independent schools, non-governmental, privately funded, or non-state schools. They are usually funded by fees charged to their students (Wikipedia, the free encyclopedia, 2023). It is also a school founded, conducted, and maintained by a private group rather than by the government, usually charging tuition and often following a particular philosophy, viewpoint, etc. A private school is a school that is not run by the federal or national government. It may be run by a private organization, a religious institution, or a trust.



Private schools are sometimes also called independent schools, but they depend on the country that they live in. For example, in Britain, private schools are privately owned schools, while independent schools are those that are run by a trust, foundation, or trust (Teachmint 2023). A private school is an educational institution that is funded through private means, such as tuition fees and donations, rather than by the government. These schools often operate independently of government regulations and guidelines, though they may have to meet certain standards for accreditation. They can offer specific teaching styles or curriculum and can also be affiliated with certain religious or educational philosophies. Private schools often offer more personalized attention due to smaller class sizes and can include kindergarten, elementary, middle, and high schools. Private, or independent, schools are privately owned and funded without the assistance of local, state, or federal governments. Elementary, middle and secondary schools can be private, as can colleges and universities. At private schools, students pay tuition to attend. In contrast, public K-12 schools cost nothing, and public colleges generally offer significantly cheaper tuition than their private counterparts, (Learn.org. 2023).

Concept of Employees

An employee is someone that another person or company hires to perform a service. Business owners compensate employees for their work to grow and maintain their businesses. Employees typically have a specified pay rate and a written or implied employment contract with the party they work for. Employees work for an agreed-upon number of hours or shifts and perform the duties their employer outlines for them. After applying to a job, going through the interview process, and negotiating a job offer, an employee provides their employer with personal information such as their taxpayer ID and direct deposit payment information (in 2023). An employee is a worker hired by an employer to do a specific job. Employers control how employees are paid, when they work, and how they work. In exchange, employees get benefits that contractors do not. An employee is a worker who performs specific tasks for a business in exchange for regular pay (Heathfield, 2022). Employees negotiate a salary with their employer and typically receive benefits, including overtime pay and vacation. Employees are defined as all persons who, by agreement, work for another resident institutional unit and receive remuneration. An employee is a person who works and receives pay or compensation for it. Employees are classified into workers and salaried employees. A wage and salary earner (employee) is a person who has an employment relationship with an employer and who is compensated for work performed (Statistic Finland 2023).

Statistic Finland (2023) defines Wage and salary earners (employees) as persons aged between 18 and 74 who, according to the register data of employment statistics, have a valid employment relationship or employment pension insurance in the last week of the year. Persons employed by labor policy measures (other than business start-up allowance) in the last week of the year are also defined as wage and salary earners. (Wikipedia 2023) An employee is a term for workers and managers working for a company, organization, or community. These people are the staff of the organization. In general, any person hired by an employer to do a particular job in exchange for payment is an employee. An employee is an individual who is provided with a work position or job and who generally receives compensation for work done and time spent completing tasks for an employer or business (Rivera et al., 2019). An employee refers to someone



who works part-time or full-time in a fixed-term or permanent position under an employment contract and is paid for the completion of the contractual duties; a member of staff, regardless of his or her hierarchical level. He or she is a person who, on the basis of a formal employment contract, provides his workforce for temporary use against remuneration for the work done. Patro (2017) stated that a person who enters into a contract of employment with another in return for wages, salaries, or other valuable considerations is regarded as an employee. An employee is one employed by another, usually for wages or salary, in a position below the executive level. An individual working for pay in an organization is an employee. (Nedelko & Brzozowski 2020). An employee is a person who works full-time or part-time according to the contract of employment and has the rights and duties to do a specific job. Every employee has their own skills, knowledge, experience, and contribution to the employer.

Concept of Employee Loyalty

According to Cooks-Campbell (2022), Employee loyalty is the extent to which employees are committed and involved with their organization. Employees who are loyal are less likely to quit, look for another job, or speak negatively about their employer. They work harder and are more enthusiastic about their roles. Loyal employees help a company create a better environment for themselves as well as for their co-workers. They are more likely than other employees to stay with an organization or return after a leave of absence. (Indeed (2022), Employee loyalty is when an employee remains with a company for a lengthy period because they feel valued, appreciated, and believe in the company's overall mission. Employees who are loyal to a company are likely more invested in the company's success and work towards meeting organizational goals. Also, if an employee's current role is satisfactory, they may be less likely to search for new work opportunities. Employee loyalty is an umbrella term for a set of emotions that make employees feel attached to their current employer and less likely to see greener pastures elsewhere. Loyal employees are those who are hired to do a specific job, and they will do everything they can to do the best job. Loyal employees not only work hard for their pay, but they are committed to the success of your company (GBS Corporate, 2015). More often than not, they put the company's interests ahead of their own, but they are always striving to improve themselves and their role. Employee loyalty can be defined as employees who are devoted to the success of their organization and believe that being an employee of this organization is in their best interest. Employees are a fundamental resource for any business. They represent a considerable investment in terms of recruiting and training costs, as well as salaries and benefits. Many businesses believe that focusing on employee satisfaction through the use of employee satisfaction surveys is a way to improve employee loyalty (DeFranzo, 2010).

MBA Brief (2023) explains Employee Loyalty as the extent to which the personnel are faithful to the organization, having feelings of bonding, inclusion, care, responsibility, and devotion towards it. It can also be described as the extent to which there is a general willingness among employees to make an investment or personal sacrifice for the good of the organization. Employee loyalty is when your people choose to continue working with you for a long time because they love doing so. Bob (2023) says they are happy with the working environment, are motivated, work hard to achieve company goals, and believe in the business's mission. Loyal employees are less likely to jump ship if they spot opportunities elsewhere. Employee loyalty refers to the dedication,



commitment, and allegiance exhibited by employees towards their organization, resulting in long-term engagement, productivity, and a willingness to go above and beyond in their work. (In-Moment Team 2023), Employee loyalty is crucial in the workplace as it fosters a sense of stability, trust, and mutual benefit between employees and the organization. Loyal employees are more engaged, productive, and committed to achieving organizational goals. Employee loyalty is an organizational citizenship behavior that reflects allegiance to the organization through the promotion of its interests and image to outsiders (Bettencourt, Gwinner, & Meuter, 2001). Employees who engage in these loyalty behaviors act as advocates for the organization's products, services, and image. (Vantage Circle 2023), Employee loyalty is one of the most desirable traits in the workforce, and it shows genuine love and support for the organization and helps reduce attrition. The sense of reliability that a company can count on its employees to support them goes a long way toward achieving success. Employee loyalty is even more important now than ever before. With the current uncertain business environment, employers need loyal employees to help them grow together.

Types of Rewards System in Private Schools

Reward systems in private schools can vary widely depending on the school's philosophy, values, and goals. Here are some common types of reward systems that may be implemented in private schools:

1. **Academic Achievements Rewards:** Private schools often reward students for their academic accomplishments, such as high grades, exceptional test scores, and improvements in their academic performance. These rewards can include certificates, medals, academic scholarships, or special recognition during school assemblies, (Spacey, 2022).
2. **Extracurricular Achievement Rewards:** Private schools often encourage students to participate in extracurricular activities, such as sports, arts, music, and clubs. Students who excel in these areas may be rewarded with trophies, certificates, or even opportunities to represent the school at external events or competitions.
3. **Character and Behavior Rewards:** Private schools may emphasize the development of good character traits and behavior. Students who exhibit qualities like kindness, leadership, integrity, and responsibility might be recognized with awards, badges, or privileges.
4. **Community Service Rewards:** Encouraging community service and volunteerism is a common practice in private schools. Students who actively engage in community service projects could receive recognition, service hour's documentation, or even awards specifically designated for community involvement.
5. **Attendance and Punctuality Rewards:** Schools may incentivize regular attendance and punctuality by offering rewards to students who consistently arrive on time and attend classes. These rewards could include certificates, commendations, or even small gifts.
6. **Student of the Month/Quarter/Year:** The Student of the Month program is meant to promote success in and out of the classroom (Relevant English School (2023). Many private schools have a "Student of the Month" or similar recognition program where one or a few students are chosen based on various criteria, such as academics, behavior, leadership, or overall contribution to the school community.



7. **House or Team-Based Rewards:** Some private schools use a house or team system where students are divided into groups. These groups compete against each other in various activities, and the winning group could receive special privileges, trophies, or other rewards.
8. **Merit Points or Tokens:** Private schools may implement a system where students earn merit points, tokens, or virtual currency for positive behaviors, achievements, or contributions. These points can be accumulated and redeemed for rewards or privileges.
9. **Personalized Rewards:** Schools may tailor rewards to individual student interests or strengths. For example, a student passionate about science might be rewarded with a science-related gift or experience. It is a popular way to show appreciation and increase loyalty, (Linkedin, 2023).

Extent of Reward System in Private Schools

Today's reality in the global world is that people influence important aspects of organizational performance in a multitude of ways. People conceive and implement the organizational strategy. While the mix of people and systems mostly determines an organization's capabilities, Teachers who are rewarded financially, non-financially, or both tend to improve their drive to impart knowledge to the students. Financial and non-financial could be seen as intrinsic and extrinsic in nature. On the other hand, extrinsic rewards in private schools are those that an employee receives from his or her organization after good performance or after accomplishing a specific task. These rewards include gifts, promotions, salary increases, remuneration, and bonuses. As identified by Khan, Forooq, and Ullah (2010), remuneration is a vital factor that affects teachers' morale.

Reward systems that bring about achievement within the education sector are aligned with appropriate managerial approaches, appreciate contemporary functions of employee motivation, and improve learners' performance. Private school teachers' reward systems inspire teaching within the lifeblood of secondary education, and one of the major reasons for rewarding teachers is to improve their job satisfaction, which translates to better status and quality of teaching (Rakiro, 2016). For every reward system, there are a number of criteria that should be satisfied for it to be ideally motivational. Adam's equity theory affirms that a reward should have a value that is large enough to make an impact, timely, easily understandable, durable, and cost-effective enough to make the receiver feel its worthiness for the efforts put in.

Sims (2002) acknowledges that reward systems are made of compensation, incentives and any form of benefits provided by employing system and environment to the employees as a token of appreciation for their service. As a result, employees view unfair reward packages as a source of poor and unfair treatment in the system making them become dissatisfied in their work hence less commitment. Teachers in different institutional settings are impacted differently by compensation packages especially when they are administered equally by the employer because the nature of the job and stress incurred is not equal. Aspects such as time spent in academic work alongside other mandatory school responsibilities, class sizes, and the positions that individual teachers hold in schools are potential sources of satisfaction or dissatisfaction. For example,



decrease in job satisfaction among teachers in the United States was attributed to increase in class sizes.

Prospects of Reward System on the Employees Loyalty

A well-designed reward system can have significant positive effects on employee loyalty within an organization. When employees perceive that their efforts and contributions are recognized and rewarded, it can lead to increased job satisfaction, motivation, and a stronger sense of commitment. Cameron and Quinn (2006) Delving into the prospects of a reward system on employee loyalty, we have:

- **Enhanced Job Satisfaction:** A reward system that acknowledges and appreciates employees' hard work and achievements can lead to higher levels of job satisfaction. This, in turn, can result in employees being more engaged and committed to their roles.
- **Motivation and Productivity:** Rewards can serve as strong motivators for employees to perform at their best. When employees know that there are tangible rewards for their efforts, they are more likely to be motivated to excel in their tasks.
- **Increased Employee Retention:** A well-implemented reward system can contribute to higher employee retention rates. When employees feel valued and appreciated, they are less likely to seek employment elsewhere.
- **Positive Organizational Culture:** A reward system can contribute to fostering a positive organizational culture where employees feel recognized for their contributions. This can lead to a more harmonious work environment and a sense of camaraderie among team members.
- **Innovation and Creativity:** An effective reward system can encourage employees to think creatively and contribute innovative ideas to the organization. When employees know that their innovative efforts will be recognized and rewarded, they are more likely to share their ideas.
- **Improved Employee Morale:** Recognizing and rewarding employees' accomplishments can boost morale within the workforce. Employees who feel appreciated are more likely to have a positive attitude towards their work and colleagues. This positive morale can contribute to higher levels of loyalty.
- **Alignment with Organizational Goals:** A well-structured reward system can be designed to align with the organization's goals and values. When employees see a clear connection between their efforts and the overall success of the company, they are more likely to stay loyal and committed.

Incorporating a variety of rewards, such as financial incentives, public recognition, career development opportunities, and a positive work environment, can further enhance the effectiveness of the reward system on employee loyalty.

Effects of Reward on The Employees Loyalty in Private Schools

The effects of rewards on employee loyalty in private schools are a crucial area of study, as they directly impact the motivation and commitment of educators. Brown and Leigh (1996), Employee loyalty is essential for the overall success and reputation of



private schools. In this elaboration, below are the positive effects of rewards on employee loyalty:

- **Increased Job Satisfaction:** Rewards, such as competitive salaries, performance-based bonuses, and recognition, contribute to higher job satisfaction among employees. Satisfied employees are more likely to feel valued and engaged, leading to increased loyalty.
- **Motivation and Performance:** Rewards serve as incentives that motivate employees to perform at their best. Well-designed reward systems can improve teacher motivation and, consequently, their performance in the classroom.
- **Retention of Talent:** Private schools compete for experienced and talented educators. A well-structured reward system helps retain skilled teachers by providing them with incentives to stay with the institution.
- **Enhanced Organizational Commitment:** When employees feel that their efforts are recognized and rewarded, they develop a stronger sense of commitment to the organization. Organizational commitment is a key aspect of employee loyalty.
- **Positive Work Environment:** Rewards, when combined with a supportive and positive work environment, create a culture of appreciation and recognition. Employees who feel valued are more likely to be loyal and invested in the success of the school.
- **Employee Referrals:** Satisfied and loyal employees are more likely to refer potential candidates to the school. This can reduce recruitment costs and help bring in individuals who are a good fit for the institution.

A well-designed reward system in private schools has a positive impact on employee loyalty, leading to increased job satisfaction, motivation, performance, talent retention, organizational commitment, a positive work environment, and valuable employee referrals, (Bauer, & Erdogan, 2012). The reward is based on employee remuneration, their performance. It includes incentives, bonus, profit-sharing, etc. It is a documented incontrovertible fact that human performance of any sort is improved by increasing motivation. From this study it often easily inferred that workers reward package matters tons and will be a priority of both the employers and employees. Thus there is a positive relationship between rewards and employee motivation. The purpose of rewards is to motivate employees thereby increasing the result of the organization.

Conclusion

The study concludes that the reward system in private schools tells a complex interplay between employee loyalty, performance, and overall organizational effectiveness. The prospects and effects of employee loyalty within the context of the reward system are influenced by various factors, including the design of the reward structure, the alignment of rewards with organizational goals, and the individual motivations of employees. Private schools that have a well-structured and strategically designed reward system are more likely to foster employee loyalty. When rewards are aligned with the values and goals of the institution, employees tend to feel a stronger sense of commitment and engagement. The effects of employee loyalty on private schools are manifold. A loyal workforce is more likely to be motivated, productive, and



invested in the success of the school. Loyal employees often contribute to a positive organizational culture, higher levels of collaboration, and a sense of continuity.

Recommendations

1. Private schools should ensure that their reward systems are strategically designed to align with the school's mission, values, and goals.
2. Private schools should ensure that their reward systems are strategically designed to align with the school's mission, values, and goals.
3. Schools should communicate the reward system clearly to all employees. Transparency about the criteria for rewards, the process of evaluation, and the potential benefits of loyalty can enhance employee understanding and motivation.
4. Recognize that employees have diverse motivations and preferences. Tailor the reward system to acknowledge individual contributions and provide personalized incentives that resonate with each employee.
5. Implement a regular feedback mechanism that allows employees to express their opinions and concerns about the reward system. This fosters a sense of inclusion and shows that their input is valued.
6. Create pathways for career growth within the organization. Employees are more likely to remain loyal if they see opportunities for advancement and skill enhancement.



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