



A Study On Effectiveness On The Reward System On The Motivational Level Of Employees At Style Union

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ABSTRACT: This study explores the impact of reward systems on employee motivation within Style Union, a dynamic fashion retail brand. The research aims to evaluate how effectively the current reward structure enhances employee motivation and productivity. Using a descriptive research design, data was collected from 101 employees across various roles and analysed through statistical tools including Chi-square and correlation analysis. The findings reveal that while a majority of employees receive monetary rewards, overall satisfaction with the reward system remains moderate. Notably, reward frequency and employee perceptions of fairness and recognition play significant roles in influencing motivation. The analysis suggests that timely, performance-based rewards and clear communication from management substantially improve employee engagement and efficiency. Although demographic factors such as age and qualification show limited association with motivational perceptions, the study concludes that a more balanced, transparent, and customized reward system could lead to enhanced employee satisfaction and organizational performance. Based on these insights, recommendations are proposed to align reward strategies with employee expectations and business goals.

KEYWORDS: Reward system, Employee Motivation, Retail industry, Employee satisfaction and organisation performance

I INTRODUCTION

Reward system refers to the procedures, rules, and standards associated with allocation of benefits and compensation to employees. Reward system in the context of performance management is defined as an integrated system that ensures equitable avenues to employees for fulfilment of their financial and non-financial needs and recognition urge for their contribution to attainment of organizational goals. 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 which will provide and maintain appropriate types and levels of pay, benefits, and other forms of reward.

II REVIEW OF LITERATURE

Numerous studies emphasize that reward systems play a crucial role in enhancing employee motivation, productivity, and retention. Rewards are typically classified into monetary (such as salaries and bonuses) and non-monetary (like recognition and career growth), both of which influence employee morale differently. Chandrasekaran et al. (2025) and Dhanasekaran & Pushpanjali (2023) observed that a

balanced reward approach, especially personalized incentives for innovation, significantly boosts motivation. Mojahed (2024) highlighted that total reward systems in the UAE real estate sector notably improve executive performance and team dynamics. Similarly, Esvanti et al. (2025) stressed the global attention given to reward strategies in MSMEs and the importance of context-driven implementation. Other studies, including those by Govinda Gowda & Fernandes (2022) and Smith et al. (2015), found that intrinsic rewards like recognition often have a stronger motivational impact than financial incentives. Foundational motivational theories such as Herzberg's Two-Factor Theory and Vroom's Expectancy Theory support the view that motivation increases when employees perceive rewards as fair, valuable, and achievable. Research by Rehman et al. (2021) and Putri & Adnyani (2021) further confirm that effective reward systems not only improve commitment but also reduce turnover. Overall, the literature agrees that a well-structured, transparent reward system—blending both financial and non-financial elements—is essential for fostering employee engagement and aligning workforce performance with organizational goals.

III RESEARCH METHODOLOGY

Research Design:

A descriptive research design was employed. The study was conducted at Style Union with a target population of 101 employees.

Sampling Method:

A **non-probability census sampling technique** was used, targeting 101 employees across different departments.

Data Collection:

- **Primary Data:** Collected through structured questionnaires.
- **Secondary Data:** Sourced from company websites, journals, newspapers, and past research projects.

Tools for Analysis:

- **Chi-Square Test:** To examine the association between categorical variables.
- **Correlation Analysis:** To assess the strength of relationships between inventory factors.

Duration and Area:

The research was conducted at STYLE UNION . from **January to May**

ANALYSIS AND INTERPRETATION

Chi-Square Test – to find association between variables like gender and perception of job portals.

Correlation Analysis – to examine the relationship between variables such as age and sourcing perception.

Test	Variables Analysed	Test Value	p- value	Significance	CONCLUSION
Correlation	Qualification of the respondent ↔ How training program helps increase employee motivation	$r = 0.145$	0.000	There is no significant level	Weak positive correlation
Chi-Square	Age of the respondent ↔ Respondent of the employees how often rewarded	$\chi^2 = 8.333$ (df=9)	0.000	There is no significant level	Fail to reject the null hypothesis

FINDINGS

Employee Demographics:

- Majority female workforce (63.4%) aged mainly 20-25 years (59.4%).
- Most are graduates (69.3%) and trainees (60.4%).

Reward System Type and Satisfaction:

- 63.4% report receiving monetary rewards; 36.6% receive non-monetary.
- Only 5.9% feel very satisfied; 60% are neutral or dissatisfied.

Recognition and Promotion:

- Recognition mostly through promotions (31.7%) and bonuses (25.7%).
- Only 41.6% believe high performers are adequately rewarded.
- 62.3% feel promotions are performance-based.

Policy Clarity and Eligibility:

- 73.3% say rewards eligibility is clear.
- Rewards are mainly half-yearly (30.7%) or monthly (23.8%).

SUGGESTION

- The company may provide a balanced mix of monetary and non-monetary incentives.
- The company should customize rewards based on employee roles and performance.
- The company must Clearly convey reward policies and eligibility.
- The company has to implement monthly recognition programs and peer-to-peer awards.
- The company should conduct periodically review and improve the reward system based on feedback.
- The Company should use performance management systems to link rewards to outcomes.

CONCLUSION

Based on the findings, it is evident that the current reward system has a limited association with employee demographics such as age and qualification level, indicating that these factors do not significantly influence perceptions of rewards or motivation. Despite a majority of employees receiving monetary rewards, satisfaction levels remain low, highlighting a need for improvement in how rewards are structured and communicated. The data suggests that timely and performance-based rewards, along with clear policies and recognition practices, positively impact motivation and productivity. Therefore, the company should adopt a more balanced and tailored approach to incentives, ensuring transparency and regular feedback. Implementing monthly recognition programs and linking rewards more directly to performance outcomes will likely enhance employee motivation, satisfaction, and overall organizational effectiveness.

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