



A STUDY ON REWARD SYSTEM OF EMPLOYEES IN AN ORGANIZATION

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ABSTRACT:

Reward systems help to realize the attainment of organizational goals and objectives. Reward systems act as a powerful tool which may lead to increased efficiency of employees in service delivery. This paper identified the needs for financial and non-financial rewards in achieving the primary aim organization for efficiency and effectiveness in workplace. The work is anchored on interpretative understanding of Herzberg theory on two factors perspectives and has the potential to contribute to a better understanding of employee's attitude. Performance and perception towards achievement of organizational set goals and objectives. The paper also focused on different modes of reward factors influencing rewards system and performances as well as motivation on performances.

In the age of global competitors, obtaining the right work force and retaining it turns into the most essential assignment of all organization. To get the most from the resources, employees should be motivated managers must think of new ways to hold an employee's attention and interest in information technology sector. The primary data is collected from 100 participants. The reason on why the study is vital, it helps to understand why reward system is important within the organization . So the organization can adopt better ways to encourage workers through a good reward system to increase worker productivity.

Keywords: Reward system, Employees performance, intrinsic reward, extrinsic reward

INTRODUCTION:

Reward system is defined as " An integration of policies procedures and practices by an organization for rewarding it's employees as per their performance , skills, competence and their market value.

Reward system are central to the human resource Management operate. their purpose is to draw in gifted people, encourage them and retain people who have an improved work with the organization. Reward system have an immediate impact on the price facet of the organization's budget. Rewards are thought-about as a very important tool to ascertain the staff performance in each organization. Management use rewards for workers motivation. Thus we will say that effective reward system attract new workers for organization and encourage existing workers to perform high levels. Workers smart work is important to attain the particular goals and smart effort depends on rewards . The association and relationship between reward, motivation and job satisfaction of workers have abundant significance to success of each public and personal sectors. A reward system is very important for the worker performance. As worker performance are simpler to high reward system. Job performance is additionally a part of human resources management. Performance is Associate in Nursing what and for the organization succession and achieving the goals there's such a lot ever changing occurring within the faculty education within the world {and each|and each} faculty has should relay on workers smart performance reverse thought-about as vital tool to ascertain the staff performance in every organization management use rewards for workers motivation.

Rewards contribute to boost the satisfaction levels of staff.

Reward makes and overall positive impact on performance once it contributes to the event of high performance culture one within which the values ,norms Associate in Nursing time unit practices of an organization combined to form a climate within which the action of high levels of performance may be a method of life such a culture will be manifested during a high performance work system inside the superior culture and work system rewarded impacts and individual and organizational performance by focusing attention on the values of the organization for superior and also the behaviour needed to attain. Reward system helps Associate in Nursing organization be a lot of competitive, retain key workers and cut back turnover system can also worker motivation and reinforce the image of organization among key stakeholders for future workers.

LITERATURE REVIEW:

The literature was structured within the following form: worker performance and reward system structures and job satisfaction, worker motivation.

- 1)Andrew (2004) commitment of all employees is based on rewards and recognition.
- 2) Lawler (2003) argued that prosperity and survival of the organization is determined through the human resource how they are treated.
- 3) Wilson(1994) the process of performance management is one among the key elements of total reward system.

4)Eastman(2009) consistently found that intrinsic motivation is conducive to producing creative work.

OBJECTIVES:

- ❖ To study the definition and objectives of reward system.
- ❖ To analyze the effect of reward system on motivational level of employees.
- ❖ To identify the requirements, key considerations and approaches to design an ideal reward system.
- ❖ To define strength and weakness of the reward system and provide recommendations to improve current reward system.
- ❖ To suggest new techniques to motivate the employees.

IMPORTANCE:

- The reward system act as a supply of communication and feedback.
- The reward system helps the organization in securing the participation of workers on attain company goals and objectives.
- Reward system will increase the staff morale within the organization.
- Reward system ensures the reward to the staff with high level skills and responsibility.
- It makes the staff knowledgeable towards their specific jobs.

Relationship between Reward and worker performance

The Reward system of a firm is employed as a tool to observe performance of workers as well as a technique to encourage workers. so Associate in Nursing organization uses an award system to stimulate the performance of its workers. Any reward system ought to be created supported wants the requirements the wants and preferences of workers as someone's needs is also consummated by financial rewards whereas others are looking for promotion, appreciation, increase of responsibilities, trainings, and alternative sorts of non-financial rewards. Adequate reward system is essential for worker motivation each for prime achievers and low achievers. This is often as a result of rewards will increase the work satisfaction among high performers Associate in Nursing act as an incentive for low performers. The goals and objectives of organization are accomplished by planning tasks and duties of workers. The potency and effectiveness of the entire organization depends upon individual effectiveness and potency in achieving individual tasks and duties. Valued workers are preserved if they're properly rewarded. Reward is try to encourage job performance through selective distribution. Reward will improve the staff performance. But the improper use of reward will have a training impact on workers performance. Rewards will encourage workers to achieve the talents to assist them and organization grow this could additionally increase their want to continue being a part of the organization. Additionally correct reward system will cut back absences. Manager have to be compelled to perceive their workers perceptions of the importance and fairness of the reward then we tend to communicate what must be done to receive the reward.

Relationship between Recognition and performance:

The relationship should be established based on trust recognition and appreciation plays an important role in motivating employees and raising their performance. Awards are given to recognise exemplary performance beyonders scheduled assignments when employees perform the send mines in a cost-effective manner or developed a new way to complete faster without compromising with the quantity qualitative requirements performance planning performance and performance feedback for all essential for the planning is a process by organizational expectations or established and organizational goals are linked with the individual team's efforts from performance feedback using a mechanism to communicate to the employees how will people do a job or task compared to expectations performance standards , and goals feedback should comprise both qualitative and quantitative aspects of the assignments performance feedback can motivate employees to improve the performance.

Performance is the manner of demonstrating skills or capacities to achieve the assigned task. Recognition is a strong tool of motivating people acknowledgement for giving special attention to employee actions if your behaviour or performance meet an intrinsic psychological point whether formal or informal determination programs acknowledge employee contributions after the fact immediate recognition impacts more rewards can be monetary or non monetary organizations recognize and reward explain very performances on what style feels reinforce the performance improvement modify behavioral deposition.

Employee performance and Motivation

Performance of workers will be maximized by making a perception among them that their exertions and energy is efficacious for the corporate and management recognize and reward high performers motivation of workers is that the most important think about worker performance. Managers should notice ways that to boost performance whereas ascertaining workers and keeping them impelled not solely forestall worker burnout absence and high employee's turnover however additionally maximize performance. The foremost effective method of workers motivation is to reward them for his or her performance and supply adequate incentive to additional performance improvement. Rewards and incentives cause employees job satisfaction and high level motivation that influence company's overall performance.

TYPES OF REWARDS

Reward refers to anything that is provided in the form of a facility benefits or status to motivate the employees for the best performance there are different ways that an organization can reward its employees. Most of the reward systems are based on the cash rewards as a motivational factor for employees which includes sales commission annual or periodical bonuses employee awards extra on the other hand non financial incentives take the form of performance appreciation letters determination of performance of publicly providing improved working conditions increasing diversification in job description job rotation.

1. Intrinsic reward

Intrinsic reward is an outcome that provides an employee with personal satisfaction upon effectively performing a job this award is associated with employees internal satisfaction for their best performance on job it includes sense of pleasure professional growth person achievement organizations usually give this reward to employ when the employee is doing well on a job .

2. Extrinsic reward

This reward is generally financial and tangible one extrinsic rewards are given by managers to their employees has a direct link with job performance as most of the employees want time off advancement and recognition. In other words monetary rewards are the best source of employee motivation which cater the expectations of individual employees in order to keep them motivated therefore this way of motivation tends to be short-term and should be repeated constantly to retain motivation and performance of the employees by reward system an organization ensure that the employees have perceptions that they are valuable for the company and management acknowledges the role they play progress of the company.

3. Financial reward

Direct monetary rewards are financial rewards that includes giving cash compensation to employees for their direct completion of work or for their increased efforts wages and salaries commission incentives etc. are the best examples of financial rewards.

4. Non financial reward

Indirect monetary rewards are the non-financial rewards which consists of the items of financial value which the organization gives to the employees which does not include cash medical insurance subsidized canteen Life Insurance interest free loans subsidized transport free uniforms some examples of non financial rewards.

5. Performance based reward

This record is associated with employees job performance the reward of employees will be greater for good performance and the poor performance will be awarded according the employees who perform above the predetermined level of output will be paid additionally.

Example

1. Incentive system
2. Piecework pay plan
3. Group bonus

Scope of Reward system

- This study investigate the reward system and it's importance within the organization.
- Rewarding smart performance in associate degree organization.
- Building a good worker recognition strategy.
- It cantered on compensation associate degreed reward system joined of the inner issue touching the performance of an worker.

RESEARCH METHODOLOGY

Research objectives:

The general objective of the research was to study the impact of reward and recognition on employee motivation and the specific objectives were to identify the most effective means of rewards and recognition, to study the behavioral differences between appreciated employees, to understand the extent to which motivation enhances employee's performance, there will be an explanation and justification of the methods, design, data collection, data strategies and approaches chosen and why these are the most appropriate method to use. Also, methods used by past studies regarding the topic reward system will be deliberated and linked to the methodological approach of this research study.

Research design

The descriptive research design was adopted for this study it describes data and characteristics about phenomenon being studied. Descriptive research answers to questions who, what, where, when and how. It is a scientific method which involves observing and describing the behaviour of a subject without influencing it in any way.

Universe

Various employees from the companies were the respondents.

Sample size and sample design

50 employees were taken as the sample size by using convenience sampling method.

The sample size used in this survey was 100. A total of 150 questionnaires were distribution among which 100 responses come back.

Tools of data collection

A questionnaire was prepared to collect data from the employees on the various aspects of rewards and recognition desired by the researcher. Data for this research was mainly taken from primary sources, however secondary were also well thoroughly considered. Primary data sources included employees from different Irish financial sectors who were used in the interviews and focus group.

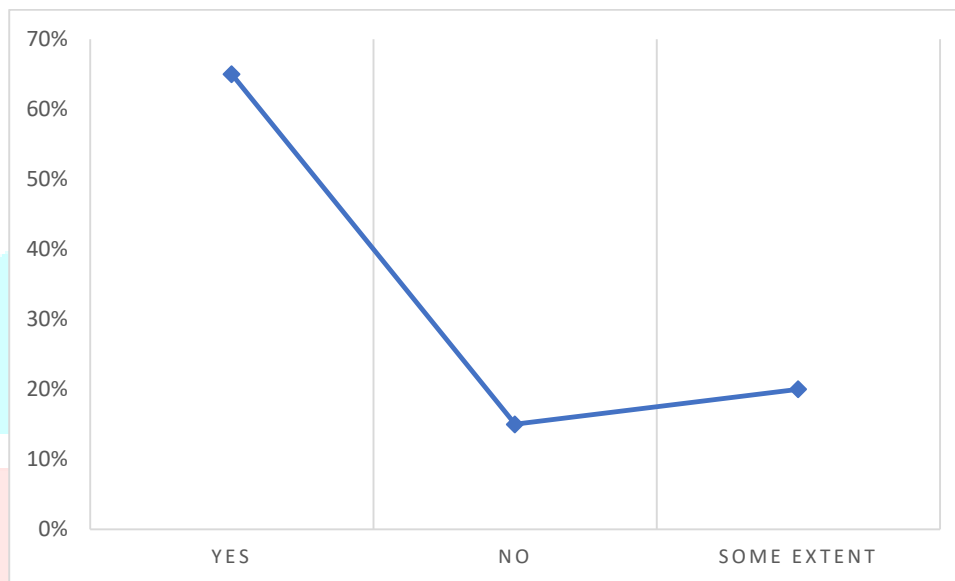
DATA ANALYSIS

QUESTIONNAIRE:

1. Is the rewards system of your organization being followed genuinely?

- (a) Yes
- (b) No
- (c) some extent

yes	no	Some extent
65%	15%	20%



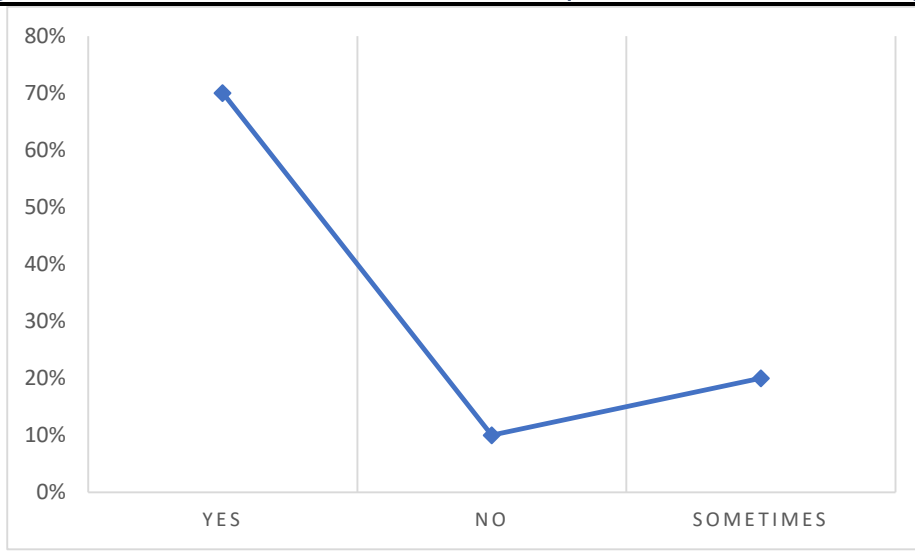
Interpretation

From above bar diagram 65% of the employee's feel genuine and the remaining employee's feel not genuine in the organization.

2. Are you being appreciated for every six months?

- a) Yes
- b) No
- c) sometimes

yes	no	Sometimes
70%	10%	20%



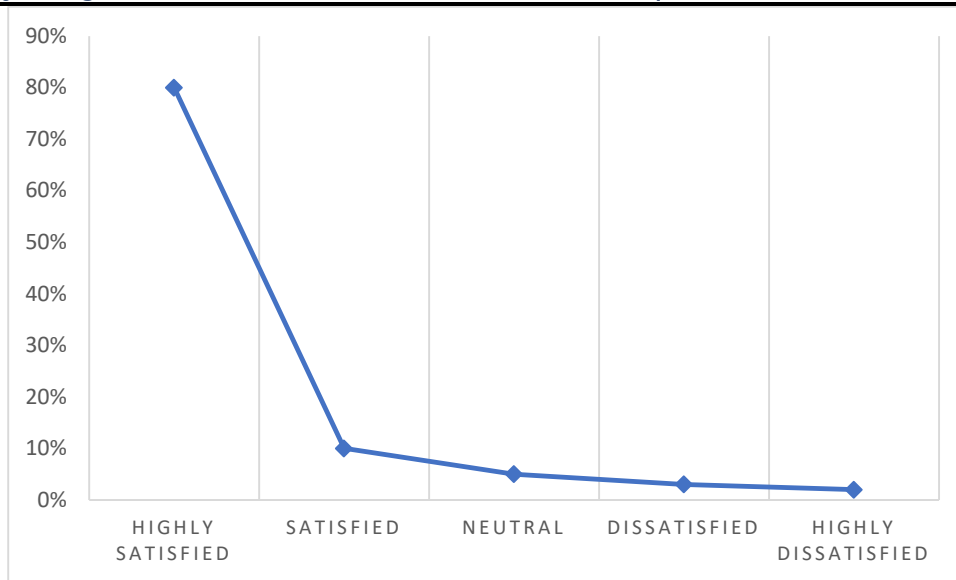
Interpretation

From above chart, we found that, 70% of employee’s being appreciated for every six months. And 10% of employee’s are not being appreciated.

3.How have you been satisfied with your reward system?

- a) Highly satisfied
- b) Satisfied
- c) Neutral
- d) Dissatisfied
- e) Highly dissatisfied

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
80%	10%	5%	3%	2%



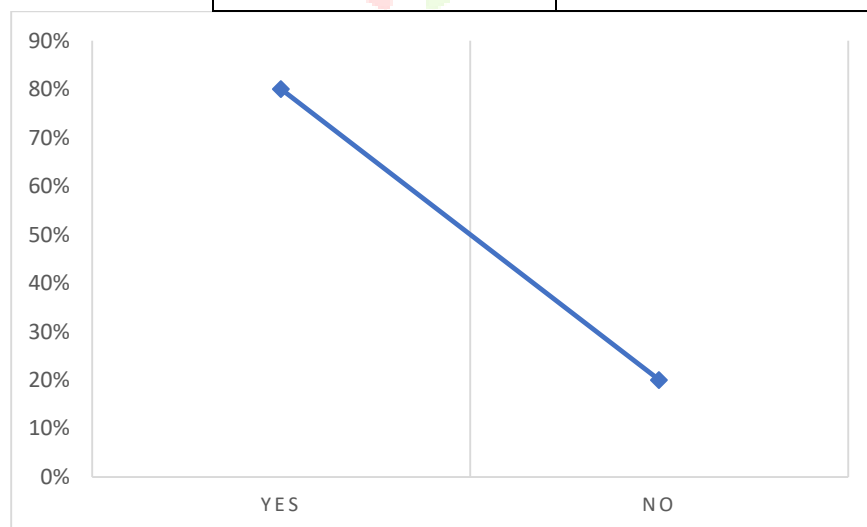
Interpretation

From above chart, most of the employee’s i.e. 80% are highly satisfied with the reward system. And 10% of employee’s are satisfied. The 5% of employee’s are neutrally satisfied and remaining 3%, 2% are dissatisfied and highly dissatisfied.

4. Is it necessary to motivate employees by reward system?

- a) Yes
- b) No

Yes	No
80%	20%



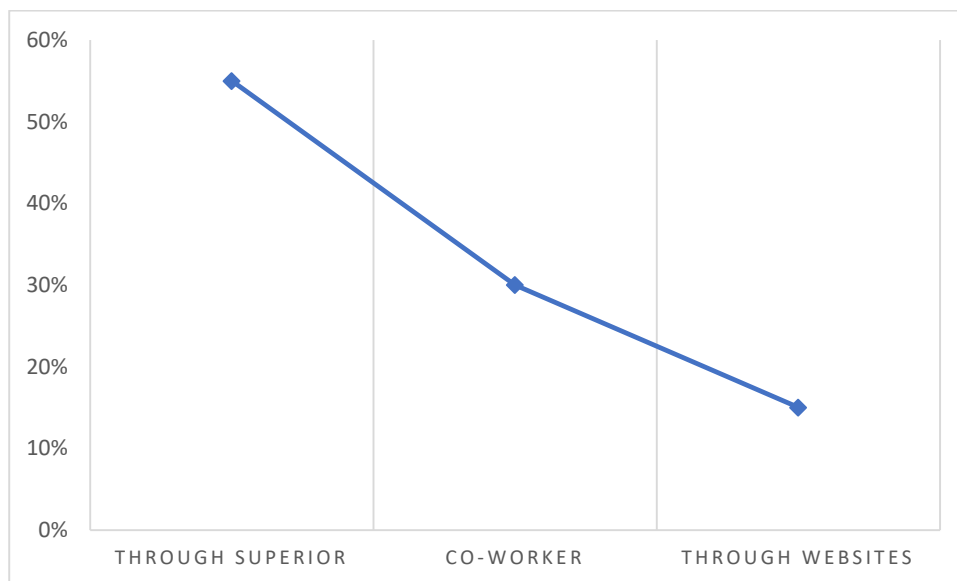
Interpretation

From the above chart, we analyzed that, reward system is must and should to motivate the employee's.

5.How did you come to know about any new rewards being introduced in the organization?

- a) Though superior
- b) Co-workers
- c) Through websites

Through superior	Co-worker	Through websites
55%	30%	15%



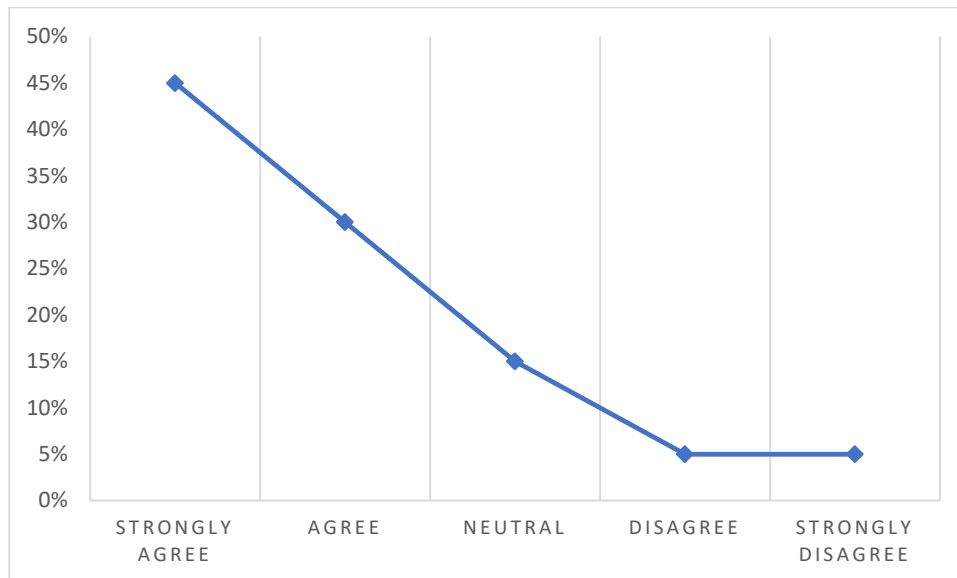
Interpretation

From the above chart, we identified that, most of the employee's get to know about the new introduced reward system through superiors rather than co-workers and websites.

6.Rewards provided by your organization are satisfactory?

- a) strongly agree
- b) agree
- c) neutral
- d) disagree
- e) strongly disagree

Strongly agree	agree	neutral	disagree	Strongly Disagree
45%	30%	15%	5%	5%



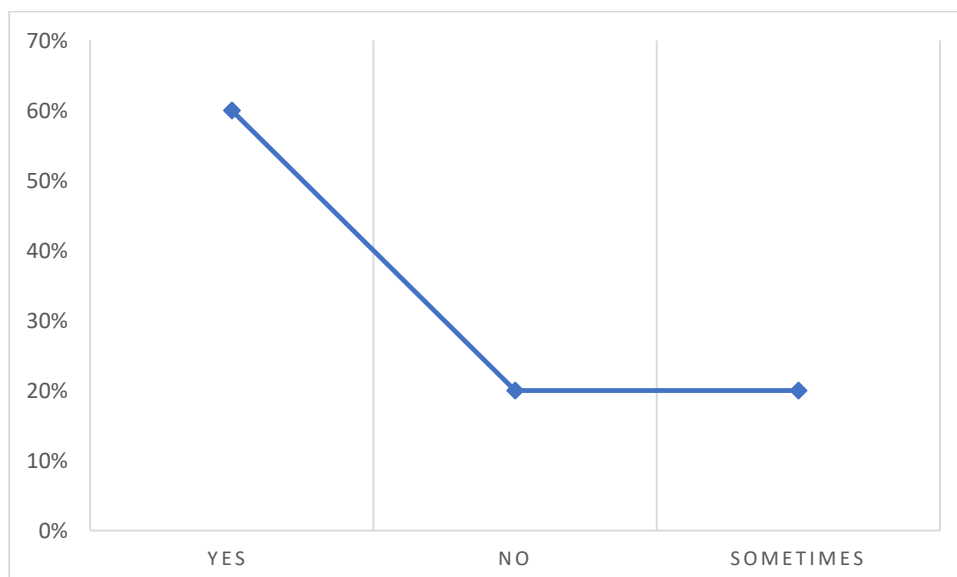
Interpretation

From the above chart, most of the employee’s i.e. 45% are strongly agree with the rewards. And 30% of employee’s are agreed. The 15% of employee’s are neutrally agreed and remaining 5%, 5% are disagreed and strongly disagreed.

7. Did you get any rewards for your performance in your organization?

- a) Yes
- b) No
- c) Some times

yes	no	Sometimes
60%	20%	20%



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Interpretation

From the above chart, we have known that, most of the employee’s gets rewards for their performance. Few employees doesn’t receive any rewards.

8. Which type of rewards do you prefer more?

- a) Monetary
- b) Non-monetary
- c) Both



Interpretation

From the above chart, we found that , most of the employee’s prefer non-monetary rewards compared to monetary rewards.

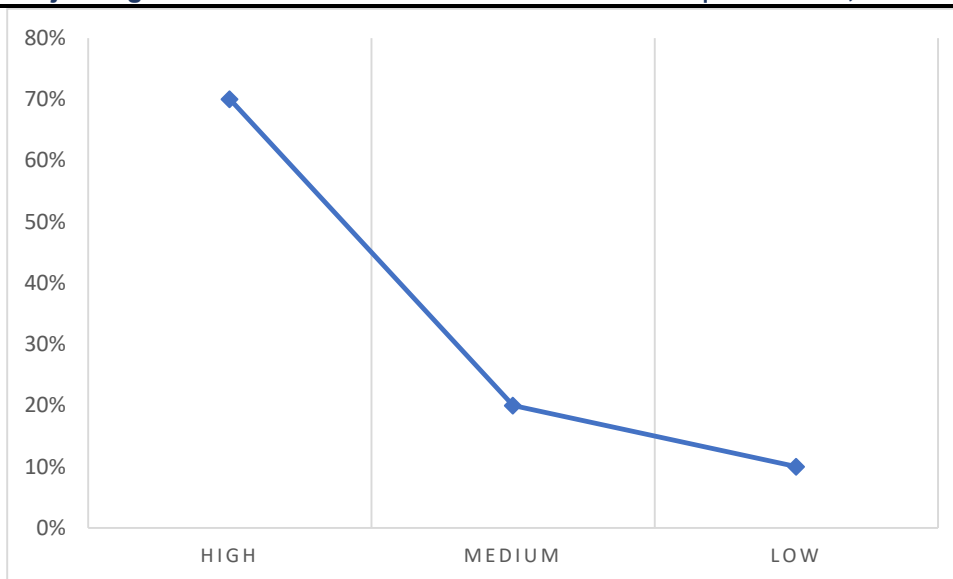
9.What is the motivation level through these rewards provided by your organization?

- a) high

monetary	Non-monetary	Both
30%	50%	20%

- b) medium
- c) low

high	medium	Low
70%	20%	10%



Interpretation

From the above chart, we have known that, motivation has high level through reward system with 70%.

FINDINGS:

- From the study, employees are satisfied through the reward system.
- Through the reward system performance of the employees increases.
- Most of the employee's get to know about the reward system through superior.
- Many of the organizations were able to reduce turnover due to effective reward system. The study will also help the organization to increase the motivational level of employees and thus increases the performance.
- The best way to motivate employees is to give rewards so that they will remain back in the organization.
- From the study we found that employees prefer to non-monetary reward compared to monetary rewards.
- Monetary incentives that an employee earns as a result a good performance. These rewards are aligned with organization in the achievement of its goals.

Conclusion:

- Rewards makes the employees comfortable that developed the level of job satisfaction and employee performance. Rewards directly effects the emotions and feelings of the employees and there is direct correlation between extrinsic reward and employee performance.

- Reward system plays a key role as they determine the employer employee relationship. The reward system defines what the employers what the employers is willing to give which has a direct impact on what employees are willing to contribute in exchange.
- Compensation and benefits alone are no longer effective as motivating mechanism because they can't create the employee engagement required to compete in today's complex and fast moving business environment.
- The key to make this reward system to be a successful one is to make sure employees understand the difference, the advantage and the importance of both financial and non-financial rewards. Financial reward such as cash, bonuses may motivate the employee temporarily but non-financial rewards stay in the employee's mind forever. Not only have these kinds of rewards made them feel valued but also increases their morale and their motivation.

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