



A Study on Impact of Reward System on Employees Job Satisfaction

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ABSTRACT

This study is to attempt to identify the impact of reward and recognition system on employee job satisfaction. The main objective of this study is to study the whether organization provide reward and recognition to its employee. To study the reward and recognition measures adopted by organization to satisfy its employee. Data collected for this study is by questionnaire method. A sample of 100 respondents were selected through a simple random sampling method..

Keywords-Employee Motivation and job satisfaction, reward and recognition

Introduction

The basic for the efficient functioning of a company is that its employees work hard and stay motivated no matter how tough is the client. A company can reciprocate to its employees in no way better than rewards and recognition. Although many elements of designing and designing are the same, it is useful to keep this difference in mind, especially for small business owners interested in motivating staffs while keeping costs low. They are intended to provide a retrieve psychological-reward a financial-benefit to their employees, rather than a financial benefit. The word 'reward' is often used to refer to a system of rewards and recognition systems that are often combined with reward programs, but they have a different purpose altogether.

LiteratureReview

Elmien Smith, Pieter Joubert (PhD) and Anis Mahomed Karadi (PhD) (September- 2015) the impact of intrinsic and extrinsic rewards on employee motivation at a medical devices company in South Africa:

The main purpose of this research was to investigate the role that intrinsic and extrinsic rewards play in motivating employees. This study in assessment of this problem adopted an explanatory research design using quantitative methodology and a survey strategy carried out among employees at a medical devices company in South Africa in order to assess these. The research had the following three essential objectives: to ascertain whether employees value rewards as motivation factors, to establish the extent to which employees are satisfied with current reward systems, and to identify which rewards (extrinsic or intrinsic) employees consider most beneficial. Based on the research conducted by examining employee perceptions towards the reward systems of the given Medical Devices organization and the work motivation of the employees, Employees at the company value rewards as a motivator, and would increase their efforts in order to gain rewards. All the respondents felt that they were ready to increase their work effort in order to receive rewards.

Rizwan Qaiser Danish & Ali Usman, "Impact of Reward and Recognition on Job Satisfaction and Motivation: Human resources are the most important among all the resources an organization owns. To retain efficient and experienced workforce in an organization is very crucial in overall performance of an organization. The present study is an attempt to find out the major factors that motivate employees and it tells what is the relationship among reward, recognition and motivation while working within an organization. The statistical analysis showed that different dimensions of work motivation and satisfaction are significantly correlated and reward and recognition have great impact on motivation of the employees. Ana-Maria Godeanu, "The antecedents of satisfaction with pay in teams: To performance-based Compensation and autonomy keep team-members satisfied", Eastern Journal of European Studies: Vol. 3No. 1 (pp. 145 – 168), Year: June 2012.This paper aims to investigate the effects performance-based compensation and autonomy on satisfaction with pay in the context of team working. This paper a complex perspective that considers the influence of different monetary and non-monetary rewards on satisfaction with pay. Using a cross-sectional dataset of randomly selected European employees who are asked about specific working and living conditions, results confirm that both productivity-based rewards and autonomy are important for employee satisfaction. Managers should know when to introduce rewards based only on individual merits and when to give to use autonomy as a buffer to compensate for the potential lack of fairness in the payment system. Dr.T.Usha Priya and Mr.T Shakthi Eshwar (2014)." Rewards, motivation and job satisfaction of employees in commercial banks. An investigative analysis." Carried on a study to examine the impact of rewards and motivation on job satisfaction in public sector and private sector commercial banks in Chennai. Secondary data are collected form annual reports, journals search engines and books. Primary data are collected with the help of questionnaire person correlation and regression analyze were used to analyze the data. They concluded that the degree of rewards, motivation and job satisfaction of employees has a strong relationship in the public and private sector commercial banks in Chennai.

Research Objective

To Study on impact of reward system on employees job satisfaction.

To Know the Employees perception towards rewards provided by Dharti Water Industry.

Research Methodology

Study aims to find out the impact of reward and recognition system on employee job satisfaction.. The design of research that was selected for the project is "Descriptive or survey design". Primary data was collected through questionnaires. The data gathered through survey with open ended question, close ended questions and sample size is 100. The frequency and reliability test were used to analyse the data.

Hypothesis Development

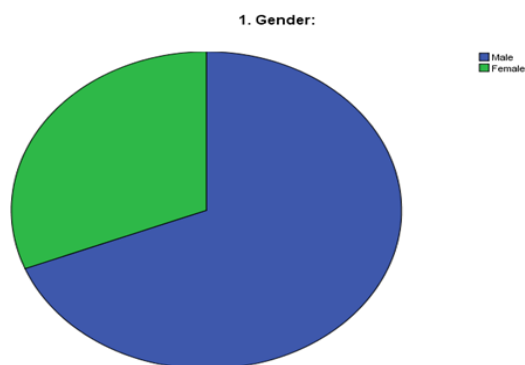
H1: There is a relationship between employee's rewards and job satisfaction.

H2: There is a relationship between employee's rewards and motivation.

H3: There is a relationship between employee's motivation and job satisfaction.

1. Gender:

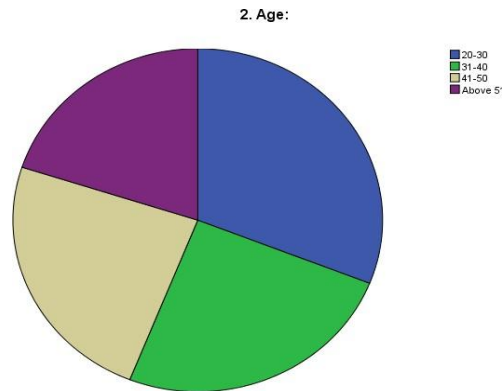
	Frequency	Percent	ValidPercent	CumulativePercent
Male	69	69.0	69.0	69.0
Female	31	31.0	31.0	100.0
Total	100	100.0	100.0	



From the above figure it is interpret that there are 100 respondents out of that 69 weremale and31were femalerespondents.

2.Age:

	Frequency	Percent	ValidPercent	CumulativePercent
20-30	31	31.0	31.0	31.0
31-40	25	25.0	25.0	56.0
41-50	24	24.0	24.0	80.0
Above51	20	20.0	20.0	100.0
Total	100	100.0	100.0	

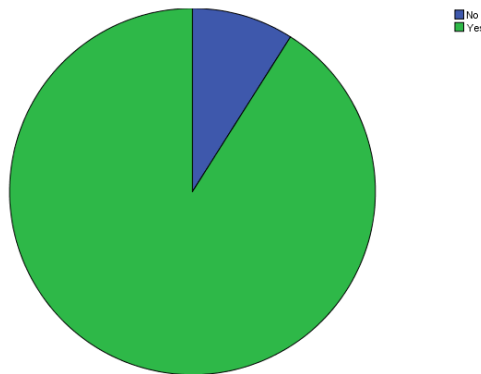


From the above figure it is interpreted that the total respondents are divided according to the age, as 31% respondent's falls under age of (20-30), 25% respondents age of (30-40), 24% respondents age of (40-50), 24% respondents age of (above 50)

• **3. Do you received any reward from you organization?**

	Frequency	Percent	ValidPercent	CumulativePercentage
No	9	9.0	9.0	9.0
Yes	91	91.0	91.0	100.0
Total	100	100.0	100.0	

3. Have you ever received any reward or recognition from you organization?



From the above figure it is interpreted that 91% of respondents agree that they have received reward and recognition from their organization whereas 9% respondents disagree.

4 In your organization employees are considered for reward mostly for ?

From the above figure it is interpreted that 5% of respondents said that they are considered for reward and recognition mostly for achieving target, 28% of respondents said that they are considered for reward and recognition for increased productivity, 17% of respondents said that they are considered for reward and recognition for customer satisfaction, whereas only 29% of respondents said that they are considered for reward and recognition for achieving target, increased productivity and customer satisfaction, 21% of respondents said that they are considered for reward and recognition for all of above.

One-Sample Test

	Test Value = 1					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
7.Receiving formal recognition for yourefforts in making a positive difference	6.429	99	.000	.750	.52	.98
Being recognized by management foryour efforts	14.372	99	.000	1.560	1.34	1.78
Feeling that your work is valued andappreciated	11.716	99	.000	1.280	1.06	1.50
Possibility to achieve promotion	15.110	99	.000	1.540	1.34	1.74
Challenging worktask	11.322	99	.000	1.350	1.11	1.59

One-Sample Test

	Test Value = 1					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
8. Giving formal recognition for employee efforts to "make a difference"	6.210	99	.000	.580	.39	.77
Management recognizing employees whose efforts make a difference	15.708	99	.000	1.370	1.20	1.54
Treating employeesfairly	14.805	99	.000	1.590	1.38	1.80

Recognising and appreciating outstanding attendance	10.667	99	.000	1.370	1.12	1.62
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RECOMMENDATION

The findings obtained through the current study suggest that over all there are more respondents who are satisfied with the reward and recognition program in the organization. Reward and recognition system has been found to have direct impact on the kind of behaviour reinforced in the company. Therefore, it is always necessary for company to think through the areas for which they want to reward/recognize their employees. The reward and recognition systems may be reviewed periodically for effective attachment of company goals. The managers should let the employees to participate in decision making so that employees feel that their opinion is important for the company development.

CONCLUSION

Current study is descriptive in nature and it has concluded that satisfaction of employees through impact of reward and recognition. It is also concludes that satisfaction of employees are considered for reward and recognition mostly for achieving target, increased productivity and customer's satisfaction. Further it conclude that formal and informal recognition for their achievements by superior is very important for respondents, recognize for team and individual accomplishment is also very important for them, as they are rewarded equally as well as when they perform beyond expectation. It also concludes that there is no relationship between ages and recognition. From the study it also concludes that majority of respondents were satisfied with the reward and recognition programs conduct in their company. From the overall study it is concluded that the employees are satisfied with the reward and recognition program of the organization.

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- Valley View University, PO Box AF 595, Adenta-Accra, Ghana *European Journal of Business and Management* www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.24, 2015 Jayarathna S. M. D. Y Lecturer, Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka