



A Study on Impact of Reward System of Employee Preference in IT Sector

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ABSTRACT

The research project entitled “A Study on impact of reward system of employee preference in IT sector”. This study delves into the multifaceted relationship between reward systems and employee preferences within the dynamic landscape of the Information Technology (IT) sector. As organizations strive to attract, motivate, and retain top talent, understanding the intricate interplay between rewards and employee preferences becomes imperative. The objective of this research is to investigate the extent to which various reward mechanisms impact employee preferences and subsequently contribute to enhanced job satisfaction, engagement, and organizational commitment.

Key words: IT sector, job satisfaction.

INTRODUCTION TO THE STUDY

The strategic management of human resources plays a pivotal role in achieving sustainable growth and competitive advantage. Among the various tools at an organization's disposal, the design and implementation of an effective reward system stand out as a powerful mechanism to influence employee behaviour, motivation, and performance. A well-crafted reward system can act as a catalyst, driving individuals to contribute their best efforts and align their goals with the organization's mission and objectives. The concept of a reward system extends beyond mere financial compensation. It encompasses a range of tangible and intangible elements, including monetary rewards, recognition, career advancement opportunities, job autonomy, and a supportive work environment. The way in which these components are structured and offered can significantly impact employee attitudes, job satisfaction, and overall organizational outcomes. Understanding the dynamics and implications of a reward system is not only a matter of theoretical interest but also a practical imperative for organizations across industries. The success of a reward system lies in its ability to foster positive employee attitudes and behaviours, which, in turn, contribute to enhanced productivity, lower turnover rates, and the attainment of strategic business goals.

Review of Literature

Nirma Sadamali Jayawardena and Darshana Jayawardena (2020) Studied on the extrinsic and intrinsic rewarding system on employee motivation. The study contributed to identify the employee motivational factors in the selected company and to reduce current labour turnover ratio by identifying the factors which motivate the current workforce. Felista Ngozi Abasili, Abdu Ja'afaru Bambale(2017), investigate the direct relationship between reward and employee performance using the variables including salary, bonus, incentive, promotion, recognition, pension and gratuity as independent variables and performance as dependent variable. Employee performance and the level of job satisfaction and commitment to their job is a direct function of the compensation packages and reward system of the organization. Nyandema et al. (2014) examined the effect of intrinsic reward on motivation among employees as well as the effect of extrinsic reward on motivation among employees and concluded that both intrinsic and extrinsic reward systems affect career development and motivation among Kenyan firms. Jesca, 2014; Murphy, 2015) come into the same submissions.

METHODOLOGY

Research methodology refers to the systematic and organized approach used by researchers to conduct a study, gather data, analyze information, and draw valid conclusions. It outlines the techniques, procedures, tools, and strategies that researchers employ to address their research questions or objectives. The chosen research methodology depends on the nature of the study, the type of data required, and the scope of the research project.

Primary data

Primary data refers to original data that researchers collect firsthand from original sources to address specific research questions or objectives. This type of data is directly obtained by the researcher through methods like surveys, interviews, observations, experiments, and focus groups. Primary data is unique to a particular research study and has not been previously collected or published by other researchers.

Secondary data

Secondary data refers to data that has been previously collected, compiled, and published by other researchers, organizations, or sources for purposes other than the current research project. It is information that already exists and is readily available for analysis and interpretation. Researchers use secondary data to address their research questions without having to collect data directly from original sources.

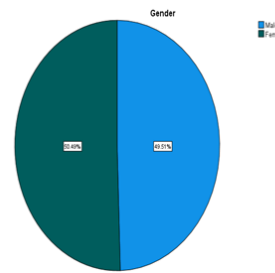
ANALYSIS

PERCENTAGE ANALYSIS:

TABLE 1

1. Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	51	49.5	49.5	49.5
	Female	52	50.5	50.5	100.0
	Total	103	100.0	100.0	



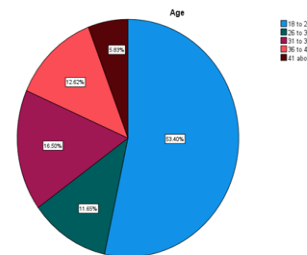
Inference:

From the above table it is interpreted that 50.49% are female and 49.51% are male. Majority are female respondents (50.49%).

2. Percentage analysis for age of the respondent

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 to 25	55	53.4	53.4	53.4
	26 to 30	12	11.7	11.7	65.0
	31 to 35	17	16.5	16.5	81.6
	36 to 40	13	12.6	12.6	94.2
	41 above	6	5.8	5.8	100.0
	Total	103	100.0	100.0	



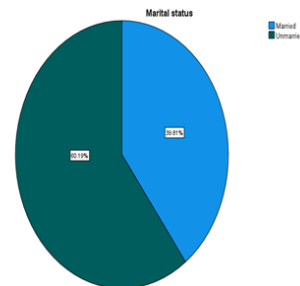
Inference:

Research often includes questions about age because age is a fundamental demographic variable that can significantly influence various aspects of human life, behavior, and experiences. Incorporating age-related questions in research allows for a more nuanced understanding of how different age groups experience and respond to various phenomena. As the table shows the majority of the respondent are at the age between 18-24 years

3. Percentage analysis for marital status of the respondent

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	41	39.8	39.8	39.8
	Unmarried	62	60.2	60.2	100.0
	Total	103	100.0	100.0	



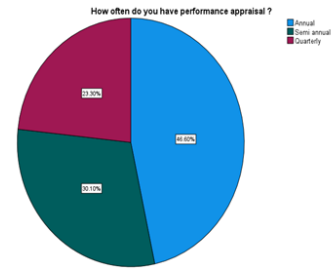
Inference:

From the above table it is interpreted that 39.81% is married and 60.19% of respondents are unmarried. Majority of the employees are unmarried (60.19%)

4. Percentage analysis for performance appraisal of respondents

How often do you have performance appraisal?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Annual	48	46.6	46.6	46.6
	Semi annual	31	30.1	30.1	76.7
	Quarterly	24	23.3	23.3	100.0
	Total	103	100.0	100.0	



Inference:

From the above table 23.30% receive performance appraisal quarterly , 30.10% semi annual and 46.60% annual. The majority are annual (46.60%).

REGRESSION

To find the relationship between superior and subordinate

NULL HYPOTHESIS (H0): There is a significance difference between superior and subordinate.

ALTERNATIVE HYPOTHESIS (H1): There is no significance difference between superior and subordinate. regression

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.150	.253		8.480	.000
	How you been given opportunities to work on challenging projects?	.070	.108	.064	.647	.519

a. Dependent Variable: Do you feel that you manager is supportive to you career development ?

INFERENCE

The significant value 0.000 is less than the table significant value (0.000<0.05).

H0 is accepted H1 is rejected.

Therefore, there is significance difference the relationship between superior and subordinate.

CORRELATION

To find the feedback from PA system on effective.

NULL HYPOTHESIS (H0): There is a significance difference between the feedback from PA system on effective.

ALTERNATIVE HYPOTHESIS (H1): There is no significance difference between the feedback from PA system on effective.

		How you recieve feedback on your performance from your manager?	How often do you recieve feedback on your performance?
How you receive feedback on your performance from your manager?	Pearson Correlation	1	.209*
	Sig. (2-tailed)		.034
	N	103	103
How often do you recieve feedback on your performance?	Pearson Correlation	.209*	1
	Sig. (2-tailed)	.034	
	N	103	103

*. Correlation is significant at the 0.05 level (2-tailed).

INFERENCE

The significant value 0.034 is less than the table significant value (0.034<0.05).

H0 is accepted and H1 is rejected. There is no significance difference between the feedback from PA system on effective.

To find the feedback from PA system on effective.

NULL HYPOTHESIS (H0): There is a significance difference between the performance appraisal and communication performance.

ALTERNATIVE HYPOTHESIS (H1): There is no significance difference between the performance appraisal and communication performance.

Correlations

		Have you ever disagreed with the feedback provided in an performance appraisal ?	How well do you feel your manager communication with you about your performance ?
Have you ever disagreed with the feedback provided in an performance appraisal ?	Pearson Correlation	1	.122
	Sig. (2-tailed)		.220
	N	103	103
How well do you feel your manager communication with you about your performance ?	Pearson Correlation	.122	1
	Sig. (2-tailed)	.220	
	N	103	103

INFERENCE

The significant value 0.034 is less than the table significant value (0.220<0.05).

H0 is accepted and H1 is rejected. There is a significance difference between the performance appraisal and communication performance.

CHI SQUARE

To find the satisfaction level of employees towards PA system

NULL HYPOTHESIS (H0): There is a significance difference between satisfaction and performance improvement.

ALTERNATIVE HYPOTHESIS (H1): There is no significance difference between satisfaction and performance improvement.

Test Statistics

	Overall how satisfied are you with the performance appraisal?	How well do you feel the performance improvement plan (PIP) help to improve your performance?
Chi-Square	25.117 ^a	44.223 ^a
Df	3	3
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.8.

INFERENCE

The significant value 0.000 is less than the table significant value (0.00>0.05).

H0 is accepted and H1 is rejected. There is a significance difference between satisfaction and performance improvement.

FINDINGS

- Majority are female respondents (50.49%)
- Majority of the respondent are at the age between 18-24 years.
- Majority of the employees are unmarried (60.19%)
- The majority are annual (46.60%).
- The majority are less than 1 year experienced (36.89%).
- Majority of the respondent receive more than 25001(27.18%).
- Majority of respondents are somewhat comfort (46.60%).
- Majority of respondent are somewhat far (37.86%).
- Majority of the respondents are (40.78%) occasionally.
- Majority of the respondents receive feedback monthly (47.57%).
- Majority of the respondents are somewhat clear (44.66%).
- Majority of goals set for employee’s performance appraisal is somewhat achievable (43.69%).

- Majority of employees feel that somewhat supportive (37.86%).
- Majority of employees given opportunity to work on challenge project occasionally (41.75%).

SUGGESTION

Since the majority of respondents are female, consider tailoring certain engagement strategies or communication styles to resonate better with this demographic. With the majority of respondents falling in the 18-24 age group, you could focus on implementing programs, benefits, or initiatives that cater to the needs and preferences of this younger workforce segment. Given that most employees are unmarried, consider providing work-life balance initiatives and support that align with the needs of single individuals. The fact that a significant portion of employees are relatively new (less than 1 year experienced) highlights the importance of a comprehensive onboarding process to help them integrate smoothly into the organization. As a majority receive more than 25001, you could investigate whether the compensation is competitive and if there are opportunities for growth or advancement. The majority of respondents feeling somewhat comfortable and somewhat communicated could indicate room for improvement in creating an open and comfortable environment for communication. With the majority receiving feedback monthly, consider evaluating the impact of this feedback frequency on performance improvement and if it's driving the desired results

CONCLUSION

The focus of this report explains the connection between reward systems, employment performance and development. This was extensively examined using secondary data, the development of this report has created an open ground for broad knowledge and many case studies were investigated. The development of this report resulted that, the management reward practice has a positive impact on employee performance and it is absolutely connected to employee performance. This report also established that, the application of reward systems in an organization has a direct relationship with motivation, i.e extrinsic, and intrinsic. Extrinsic motivation is best explained using financial rewards and intrinsic method is explained using non-financial rewards. The studies of previous publications such as; Pinar, Armstrong, Dininni, Mullins, and others had made tangible findings on reward systems and impacts of motivation on employees. The outcome of their findings shows a cordial relationship between motivation and employee performance. Therefore, the result of this report is similar to the findings of the previous studies