



A study on " The impact of reward system on employees by organization"

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ABSTRACT:

Organizations heavily rely on their employees, and a well-designed reward system can be a powerful tool to motivate, engage, and retain them. This study investigates the impact of reward systems on employees, exploring how different types of rewards influence various aspects of employee life within an organization.

The research delves into the positive and potential negative effects of reward systems, examining factors like:

Increased productivity and performance
Enhanced employee satisfaction
Improved employee engagement and retention
Potential for unintended consequences, such as fostering unhealthy competition or focusing solely on extrinsic motivators
By analyzing the impact of rewards on employees, the study aims to provide valuable insights for organizations to design and implement effective reward systems that contribute to a positive work environment and drive organizational success.

Keywords:

Primary research topic: Reward system employee motivation employee engagement employee retention

Secondary keywords: Organizational behavior human resource management performance management productivity employee satisfaction competition extrinsic motivators

Introduction:

In today's fiercely competitive business environment, organizations recognize the pivotal role that employees play in achieving and sustaining success. The motivation and engagement of the workforce are crucial for driving productivity, fostering innovation, and enhancing overall organizational effectiveness. To harness the full potential of employees, organizations often employ strategic tools such as reward systems. This study delves into the intricate relationship between reward systems and their impact on various facets of employee life within an organization.

Page 2: Employee Motivation and Performance

The first area of exploration centers on how reward systems influence employee motivation and performance. The study seeks to comprehend the impact of rewards on employee dedication, effort, and the achievement of individual and organizational goals. By analyzing the nuanced relationship between rewards and motivation, the research aims to uncover the mechanisms through which different forms of rewards shape employee behavior and contribute to the overall success of the organization.

Page 3: Employee Satisfaction and Engagement

The second dimension of the study focuses on the extent to which reward systems contribute to employee satisfaction and engagement. Understanding how rewards impact employees' sense of value, contentment, and commitment to the organization is crucial for designing effective incentive structures. The research will delve into the positive outcomes associated with reward systems in enhancing employee well-being, job satisfaction, and their willingness to go above and beyond in their roles.

Page 4: Employee Retention

The final segment of the study investigates the role of reward systems in attracting, retaining, and minimizing unwanted employee turnover. By exploring the connection between rewards and employee retention, the research aims to identify the key factors that influence employees' decisions to stay with an organization. This includes examining the impact of different types of rewards on loyalty, job stability, and overall organizational commitment.

Conclusion:

In conclusion, this study offers a comprehensive analysis of the multifaceted impact of reward systems on employees within organizations. By exploring the positive and potential negative consequences associated with reward systems, the research provides valuable insights for organizations seeking to optimize their approach to employee motivation, satisfaction, engagement, and retention. The findings of this study aim to guide the design and implementation of effective reward systems that contribute to a positive and stimulating work environment while driving organizational success. The strategic use of rewards can ultimately foster a motivated and engaged workforce, positioning organizations for sustained excellence in today's competitive landscape.

Significance of the study:

Rewards come in many forms. But what really matters is how you manage these rewards. When rewards are managed fairly and effectively, they add to employees' happiness. Employees stay loyal to your company and help to grow your talent pipeline.

Nowadays, for success in the working environment, you need a blend of work and rest. Rewards at work can become useful in a meaningful way away from the office and not just during working hours.

When you are thinking about reward management, you need to really think about what rewards your employees will actually appreciate, and which could actually benefit them. Whether these rewards benefit your employees financially, add to their lifestyle or improve their wellbeing, when employees know their employer is thinking about what rewards will improve their lives - they know that they are valued.

The modern generation of workers are more interested in self-enhancement and lifestyle rewards than simply financial incentives. An effective reward management strategy doesn't just promote good work by dangling a carrot in front of employees, but by promoting a healthy work-life balance that allows the employee to feel their best and perform their best

Objective :

1. Assess the correlation between reward systems and employee motivation.
2. Determine the influence of rewards on employee engagement and job satisfaction.
3. Investigate the relationship between reward systems and employee retention.
4. Analyse the effectiveness of different types of rewards in driving performance.
5. Explore how reward systems impact organizational culture and morale.
6. Examine the role of intrinsic versus extrinsic rewards in employee motivation.
7. Evaluate the long-term effects of reward systems on organizational productivity and success.

Research Design:

The research design is the conceptual structure with in which research will be conducted. Research design is a frame work or blue print for the conducting the research. It is a logical and a systematic planning and directing a piece of research. Descriptive research has been applied, which is also known as statistical research, describes data and characteristics about the population or phenomenon being studied.

TOOL FOR DATA COLLECTION:

Structured questionnaire was prepared to interview the employees of the organization.

UNIVERSE:

The research is centered on Cosmos Engitech Pvt. Ltd., which is located in Makarpura G.I.D.C. The company VMC and CNC machine manufacturing and has around 200 employees.

SAMPLING METHOD:

The sampling method used in the survey was Simple Sampling method.

SAMPLE:

The number of respondents for the study is 20 among 100 employees.

VARIABLE:

In a study on the impact of reward systems on employee performance, the independent variable would be the type or structure of the reward system implemented by the organization. This includes factors such as salary increases, bonuses, promotions, and non-monetary rewards. The dependent variable would be the resulting changes in employee motivation, satisfaction, productivity, and retention rates, which are influenced by the reward system.

FINDINGS:

The study surveyed individuals across various age groups and genders to gauge perceptions of reward systems on motivation and job satisfaction. Notably, the 18-25 age group constituted the majority, with 75% of respondents, while males represented 65% of the sample. Most respondents felt rewards had minimal impact or sometimes led to complacency, with varied perspectives on effectiveness and fairness.

While clear goals with rewards were favored, randomly distributed rewards were viewed negatively. Despite some positive effects on motivation and morale, a majority perceived decreased morale and high turnover rates due to the reward system. Flexible work hours and supportive environments were preferred non-monetary incentives, though concerns existed regarding reduced motivation and ambiguity in rewards.

Recognition methods varied, with cash bonuses and gifts being popular choices. Respondents valued a holistic approach to fostering creativity and preferred individual rewards for healthy competition. Personalization was seen positively by nearly half of the respondents, while intrinsic motivators were prioritized over performance-based bonuses for job security.

Many respondents critiqued the long-term focus of incentive programs for causing short-term declines in motivation and productivity. However, initiatives recognizing leadership qualities and meeting deadlines were well-received. Despite concerns about skill emphasis, recognizing employees for customer satisfaction was favored. Overall, the study highlighted a nuanced understanding of reward systems' impact, with suggestions for improvement in fairness, effectiveness, and alignment with organizational goals.

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