International Journal of Research Publication and Reviews

A Study on the Impact of Promotion & Reward Policies Over Employees Performance in CMG Steel Private Limited

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ABSTRACT:

This executive summary presents key findings and recommendations from a study conducted on the impact of promotion and reward policies on employee performance at CMG Steel Private Limited. The study aimed to determine the overall influence of these policies on employee productivity and satisfaction, with a focus on understanding employee perceptions, attitudes, and satisfaction levels regarding promotion and reward practices within the organization.

Through the utilization of both survey and interview methodologies, significant insights were gained. The findings highlighted several positive aspects, including a high level of motivation among employees, particularly towards skill development programs, and a notable satisfaction with opportunities for career advancement and monetary rewards. However, concerns were identified regarding fairness perceptions, transparency in decision-making processes, and the need for clearer pathways for career progression.

In response to these findings, a series of targeted recommendations have been proposed. These recommendations include developing tailored recruitment strategies aligned with employee preferences, investing in educational and continuous learning opportunities to further enhance skill development, and strengthening reward and recognition programs to effectively acknowledge and incentivize employee contributions. Additionally, there is a focus on promoting transparent communication channels and decision-making processes, along with fostering a culture of feedback and improvement to empower employees in their professional development.

INTRODUCTION:

In contemporary organizational settings, the dynamics of employee performance are intricately linked to the effectiveness of promotion and reward policies. Employers continually seek strategies to enhance productivity, motivation, and overall job satisfaction among their workforce. Central to this endeavour are promotion and reward policies, which serve as potent tools for shaping employee behaviour and fostering a conducive work environment. Promotion and reward policies encompass a range of mechanisms designed to recognize and incentivize employee contributions. These policies often include promotions, salary increments, bonuses, recognition programs, and other forms of tangible and intangible rewards. While these initiatives are aimed at motivating employees and aligning their efforts with organizational goals, the efficacy of such policies remains a subject of scholarly inquiry and practical interest.

Understanding the impact of promotion and reward policies on employee performance is essential for organizational leaders, human resource practitioners, and researchers alike. By elucidating the mechanisms through which these policies influence employee behaviour, organizations can refine their strategies to optimize performance outcomes and cultivate a thriving workplace culture.

INDUSTRIAL PROFILE:

The steel industry operates within a dynamic global marketplace, influenced by a multitude of factors spanning economic, technological, regulatory, and environmental domains. Economic growth and infrastructure development drive demand for steel, while globalization and trade patterns shape market dynamics and supply chains. Technological innovation plays a pivotal role in enhancing productivity and sustainability, enabling steel producers to adapt to evolving customer needs and regulatory requirements. Environmental sustainability has emerged as a critical imperative, prompting the industry to explore greener production methods and circular economy principles. Regulatory frameworks govern various aspects of steel production, from environmental standards to trade policies, requiring compliance and adaptation to shifting regulatory landscapes.

RECENT DEVELOPMENTS AND CHALLENGES:

Recent developments in the steel industry include a growing emphasis on digitalization and Industry 4.0 technologies, such as artificial intelligence, Internet of Things (IoT), and automation. These technologies are revolutionizing manufacturing processes, enhancing efficiency, and enabling predictive maintenance, thereby improving overall productivity and reducing costs. Additionally, there is a growing focus on advanced materials and lightweight steel alloys to meet the demand for more fuel-efficient vehicles and sustainable infrastructure solutions.

REVIEW OF LITERTURE:

Mary (2017) Finding of this study, financial and non-financial rewards motivate employees to better performance.

DK Smitha (2018) Industrial welfare in the form of the factories act in 1833 focused on human resource management.

Dickson (2018) Managerial implication: the finding of this research will help employees and employers in understanding the critical effects of employee rewards on employee performance.

Abubakar (2019) Reward management practices on rewards for good performance, promotions going to excellent service should be reviewed and strengthened.

Mohammed salah (2020) The study aims to examine the influence of reward types (extrinsic, intrinsic, social and reward mix) on employee performances SPSS version 16 has been used for data analysis.

M. Asim (2021) The study explains the impact of the motivation level among the employee performance with the mediating of the training needed in the Pakistani universities.

Siti Roshani (2022) In order to develop the quality of human resource in agriculture a presence of agricultural extension workers – who were professional, creative, innovative dan have global insight –in performing agricultural extension.

OBJECTIVES OF THE STUDY:

Primary objective:

- To determine the overall impact of promotion & reward policies on employee performance in CMG steel private limited.

Secondary objectives:

- To identify the employees understanding over promotion and reward given to them.

- To examine the effect of promotion and rewards given by the company to the employees.

- To find out the satisfaction of employees on reward and promotion given to them.

HYPOTHESIS OF THE STUDY

Alternative Hypothesis: (H1)

Recognition programs have significant effect on employee performance.

Null Hypothesis: (H0)

Recognition programs do not have significant effect on employee performance

SOURCES OF DATA

(a)Primary data

Primary data refers to information collected directly from original sources through methods such as surveys, interviews, observations, and experiments. In this study, primary data is obtained through the distribution of **questionnaires** among employees at CMG Steel Private Limited to gather their perceptions, attitudes, and satisfaction levels regarding promotion and reward policies.

(b)Secondary data

Secondary data sources for this study may include published articles, books, reports, and company documents related to promotion and reward policies, employee performance, and organizational behaviour. These sources provide additional context and insights to complement the primary data collected through questionnaires.

SAMPLING PLAN

SAMPLING TECHNIQUE: Purposive sampling

A Purposive sampling approach will be employed to select participants who meet specific criteria relevant to the research objectives. Specifically, the sampling plan will involve targeting employees at CMG Steel Private Limited who have been working in the organization for more than 2 years. This criterion is chosen because employees with more than 2 years of tenure are eligible to receive rewards in the company, which directly aligns with the focus of the study on the impact of promotion and reward policies on employee performance.

TOOLS AND TECHNIQUES

DATA COLLECTION METHODS

SURVEY METHOD: Surveys were administered to a large sample of participants to obtain quantitative data on various aspects related to the research objectives. Participants were presented with structured questionnaire, either in paper or digital format, containing standardized question with predefined responses options.

INTERVIEW METHOD: Interview were conducted with a smaller subset of

participants to delve deeper into specific themes or issues identified during the survey phase. Semi-structured or open-ended interview guides were used to facilitates meaningful conversations and to elicit rich quantitative data.

DATA COLLECTION INSTRUMENTS:

- In this study the **Questionnaire** served as primary data collection instruments. The questionnaire was designed to gather pertinent information aligned with the research objectives. Developed based on established methodologies and tailored to suit the study's contexts, the questionnaire comprised distinct sections and utilized to gauge participant's responses.

- In addition to the questionnaire, data were collected using a **Google form**. This digital platform facilitated the collection of responses from participants in an efficient and user-friendly manner. The Google form was designed to align with the research objectives and mirrored the structured of the questionnaire.

STATISTICAL TOOL FOR ANALYSIS

1)Chi-Square Test:

The chi-square test is a statistical method used to determine if there is a significant association between two categorical variables. It's particularly useful when you have data that can be categorized into distinct groups and you want to test whether there is a relationship between these categories.

2)Correlation:

The Pearson correlation coefficient is a statistical measure used to quantify the strength and direction of the linear relationship between two continuous variables.

LIMITATIONS OF THE STUDY

- Limited Generalizability: The findings of the study may be specific to CMG Steel Pvt Ltd and may not be generalizable to other companies in different industries or organizational contexts.

- Sample Size and Selection Bias: The study's sample size may be limited to employees within CMG Steel Pvt Ltd, potentially affecting the representativeness of the findings. Additionally, there may be biases in the selection of participants, such as self-selection bias or volunteer bias among employees who agree to participate.

- Cross-sectional Nature: If the study has a cross-sectional design, capturing data at a single point in time, it may limit the ability to establish causality or observe long-term effects of promotion and reward policies on employee performance within the company.

- Subjectivity in Data Collection: Data collection methods such as surveys and interviews may be prone to subjectivity and social desirability bias, as participants may provide responses they perceive as favourable or socially acceptable, particularly in a company setting where employees may be hesitant to provide negative feedback.

SWOT:

STRENGTHS

- Abundance of Iron ore & other minerals for steel.

- Skilled manpower and low unit labour costs.

WEAKNESS

- High cost of capital

- Low labour productivity.

- High cost of some basic inputs like power, coal, fuel etc.

- High social costs.

- Poor quality of basic infrastructure.

- Distribution network.

- IT leverage.

OPPURTUNITIES

- Low per capita consumption.

- Positive growth of Indian economy.

- Unexplored rural market & Govt thrust on infrastructure development.

- Low export market penetration.

THREATS

- Slow industry growth.

- Poor R&D and threat of technological obsolescence in a large part of the market.

- Substitution by Alum in plastics.

- Recession in other countries resulting in dumping of material.

ANALYSIS & INTERPRETATION OF THE DATA

TABLE NO: 1 TABLE REPRESENTING GENDERS OF THE EMPLOYEES.

| PARTICULAR	RESPNDENTS	PERCENTAGE
Male	45	45%
Female	55	55%
Total	**100**	**100%**

CHART NO: 1 CHART REPRESENTING GENDERS OF THE EMPLOYEES
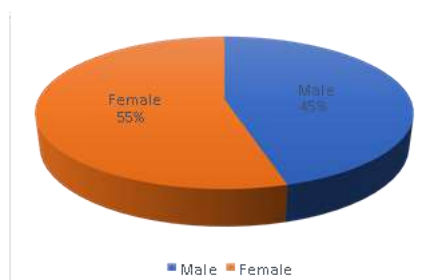
INTERPRETATION:

From the above table chart show its found that gender there are 45% of respondents are male and 55% of the respondents of the respondents are female.

TABLE NO: 2 TABLE REPRESENTING YEARS OF EXPERIENCE IN THE EMPLOYEES.

PARTICULAR	RESPONDENTS	PERCENTAGE
Less than 1 year	35	35%
1-5 years	40	40%
5-10 years	17	17%
More than 10 years	8	8%
Total	**100**	**100%**

CHART NO: 2 CHART REPRESENTING YEARS OF EXPERIENCE IN THE EMPLOYEES.
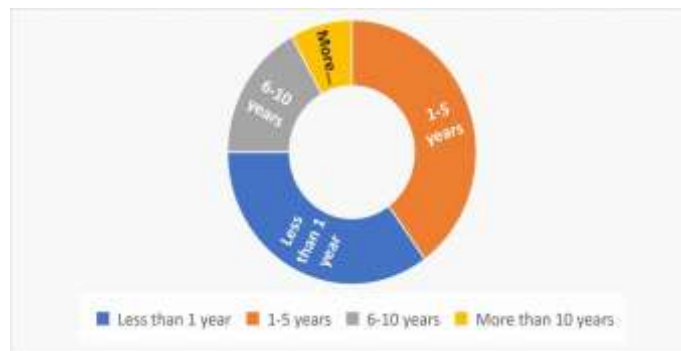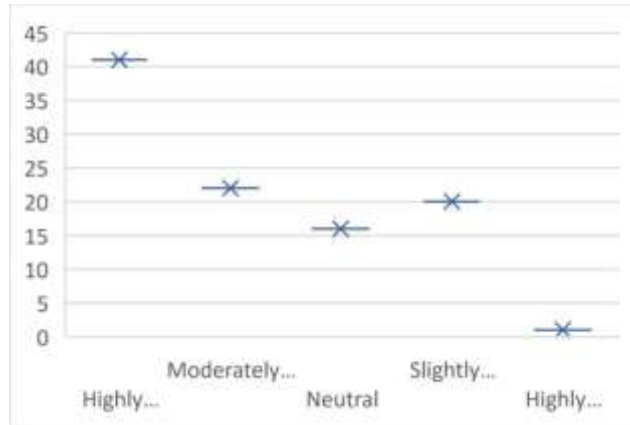

INTERPRETATION:

From the above table and chart show its found that years of experience there are 35% of the employees have less than 1 year, 40% of the employees have 1-5 years, 17% of the employees have 6-10 years, 8% of the employees have more than 10 years.

TABLE NO: 3 TABLE REPRESENTING PROMOTION AND REWARD POLICIES MOTIVATE EMPLOYEES TO PERFORM BETTER.

PARTICULAR	RESPONDENTS	PERCENTAGE
Highly motivated	41	41%
Moderately motivated	22	22%
Neutral	16	16%
Slightly demotivated	20	20%
Highly demotivated	1	1%
Total	**100**	**100%**

CHART NO: 3 CHART REPRESENTING PROMOTION AND REWARD POLICIES MOTIVATE EMPLOYEES TO PERFORM BETTER.
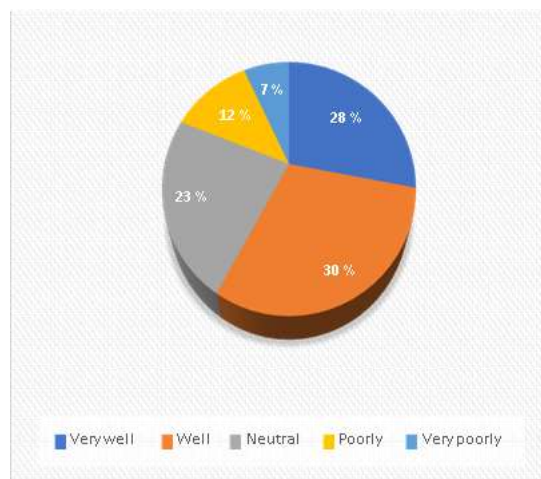
INTERPRETATION:

From the above table and chart show its found that promotion and reward policies motivate employees to perform better there are 41% of the employees Highly motivated, 22% of the employees Moderately motivated, 16% of the employees Neutral, 20% of the employees Slightly demotivated, 1% of the employees Highly demotivated.

TABLE NO: 4 TABLE REPRESENTING PROMOTION AND REWARD POLICIES ALIGN WITH ORGANIZATION STATED VALUES AND GOALS.

PARTICULAR	RESPONDENTS	PERCENTAGE
Very well	28	28%
Well	30	30%
Neutral	23	23%
Poorly	12	12%
Very poorly	7	7%
Total	**100**	**100%**

CHART NO: 4 CHART REPRESENTING PROMOTION AND REWARD POLICIES ALIGN WITH ORGANIZATION STATED VALUES AND GOALS.
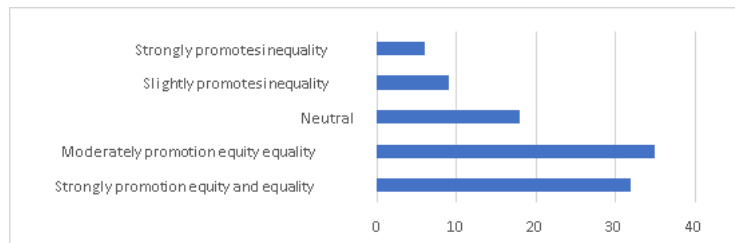

INTERPRETATION:

From the above table and chart show its found that align with organization stated values and goals there are 23% of the employees Very well, 30% of the employees Well, 23% of the employees Neutral, 12% of the employees Very poorly, 7% of the employees Very poorly.

TABLE NO: 5 TABLE REPRESENTING PROMOTION AND REWARD POLICIES EQUITY AND EQUALITY WITHIN THE ORGANIZATION.

| PARTICULAR	RESPONDENTS	PERCENTAGE
Strongly promotion equity and equality	32	32%
Moderately promotion equity equality	35	35%
Neutral	18	18%
Slightly promotion inequality	9	9%
Strongly promotion inequality	6	6%
Table	**100**	**100%**

CHART NO: 5 CHART REPRESENTING PROMOTION AND REWARD POLICIES EQUITY AND EQUALITY WITHIN THE ORGANIZATION.

INTERPRETATION:

From the above table and chart show its found that promotion and reward policies equity and equality within the organization there are 32% of the employees Strongly promotion equity and equality, 35% of the employee's Moderately promotion equity equality, 18% of the employees Neutral, 9% of the employees Slightly promotion inequality, 6% of the employees Strongly promotion inequality.

TABLE NO: 6 TABLE REPRESENTING OBSERVABLE IMPROVEMENTS IN EMPLOYEE PERFORMANCE.

PARTICULAR	RESPONDENTS	PERCENTAGE
Strongly agree	15	15%
Agree	27	27%
Neutral	29	29%
Disagree	13	13%
Strongly disagree	16	16%
Total	**100**	**100%**

CHART NO: 6 CHART REPRESENTING OBSERVABLE IMPROVEMENTS IN EMPLOYEE PERFORMANCE.
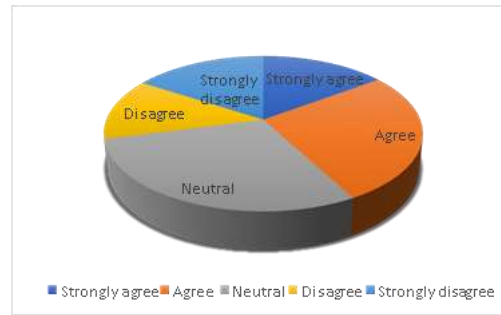
INTERPRETATION:

From the above table and chart show its found that observable improvements in employee performance there are 15% of the employees Strongly agree, 27% of the employees Agree, 29% of the employees Neutral, 13% of the employees Disagree, 16% of the employees Strongly disagree.

ANALYSIS PLAN:

1)CHI-SQUARE

A chi-square test is a statistical test used to compare observed result with expected results.

OBSERVED TABLE:

PARTICULARS	LESS THAN 1 YEAR	1-5 YEARS	6-10 YEARS	MORE THAN 10 YEARS	Total
Strongly agree	12	9	1	3	25
Agree	10	8	6	2	26
Neutral	10	12	7	5	34
Disagree	2	8	1	0	11
Strongly disagree	1	1	2	0	4
Total	**35**	**38**	**17**	**10**	**100**

Expected value:

O	E	O-E	(O-E) ^2	(O-E) ^2/E
12	8.75	3.25	10.5625	1.2071
10	9.1	0.9	0.81	0.0890
10	11.9	-1.9	3.61	0.3033
2	3.85	-1.85	3.4225	O.8889
1	1.4	-0.4	0.16	0.224

9	9.5	-0.5	0.25	0.0263
8	9.88	-1.88	3.5344	0.3577
12	12.92	-0.92	0.8464	0.0655
8	4.18	3.82	14.5924	3.4910
1	1.52	-0.52	0.2704	0.1778
1	4.25	-3.25	10.5625	2.4852
6	4.42	1.58	2.4964	0.5647
7	5.78	1.22	1.4884	0.2575
1	1.87	-0.87	0.7569	0.4047
2	0.68	1.32	1.7424	2.5623
3	2.5	0.5	0.25	0.1
2	2.6	-0.6	0.36	0.1384
5	3.4	1.6	2.56	0.7529
0	0	0	0	0
0	0	0	0	0
				C.V=14.0963

C.V = 14.0963

DEGREES OF FREEDOM:

Level of significance = 0.05

Degree of freedom = (r-1) x (c-1)

　　　　　　= (5-1) x (4-1)

　　　　　　= 4x3 =12

T.V 21.03

C.V<T.V = Accept the H0.

INFERNCE:

Therefore, the calculate value (14.0963) is less than the tale value (21.03).

So, we accept H0 – there is recognition programs do not have significant effect on employee performances.

2) CORRELATION:

　　　A correlation test is a statistical test used to results with expected results.

PARTICULARS	MALE EMPLOYEES	FEMALE EMPLOYEES	TOTAL

HIGHLY MOTIVATED	15	25	40
MODERATELY MOTIVATED	10	12	22
NEUTRAL	7	8	15
SLIGTLY DEMOTIVATED	12	10	22
HIGHLY DEMOTIVATED	0	1	1
TOTAL	**44**	**56**	**100**

X	Y	X^2	Y^2	XY
15	25	225	625	375
10	12	100	144	120
7	8	49	64	56
12	10	144	100	120
0	1	0	1	0
44	56	518	934	671

$R = n (\sum XY)-(\sum X) (\sum Y)/\sqrt{[n\sum X^2-(\sum X)^2] [n\sum Y^2-(\sum Y)^2]}$

$R = 5(671)-(44)(56) / \sqrt{[5\times518-(44)^2] [5\times934-(56)^2]}$

$= 5(671)-(44)(56) / \sqrt{[2590-1936] [4670-3136]}$

$= 3355-2464 / \sqrt{654\times1534}$

$= 891/\sqrt{1003236}$

$= 891/1001.6166$

R= 0.8895

Positive correlation

INTERPRETATION:

There is a relationship between motivation level & employee performance.

KEY FINDINGS

➢ 65% of the employees are under the age group of 18-30.

➢ 55% of the employees are female.

➢ 40% of the employees are bachelor's degree holders.

➢ 28% of the employees are role in the organization other works

➢ 40% of the employees like very much to work 1 to 5 years in the organization

> ➢ 41% of the employees have Highly motivated to perform better

> ➢ 30% of the employees Fair are Neutral perceive the fairness

> ➢ 30% of the employees are align with organization stated values and goals

> ➢ 35% of the employees have equity and equality within the organization

> ➢ 40% of the employees are very effective of find monetary of rewards in enhancing their performance

> ➢ 33% of the employees have strongly agree with the opportunities as career roles as effective.

> ➢ 38% of the employees are Very Effective with the skill development programs.

CONCLUSION:

In conclusion, the study on the impact of promotion and reward policies over employee performance at CMG Steel Private Limited reveals significant insights into the dynamics of employee satisfaction, motivation, and performance enhancement within the organization. Through a combination of survey and interview methods, it was found that while there are areas of strength such as high levels of motivation and effectiveness of skill development programs, there are also areas for improvement including concerns about fairness, transparency in decision-making processes, and opportunities for career advancement. Based on the findings, several recommendations are proposed to address these challenges and capitalize on the organization's strengths. These include developing targeted recruitment strategies, investing in educational and skill development programs, enhancing reward and recognition systems, fostering a culture of feedback and improvement, and ensuring transparency in decision making processes. By implementing these recommendations, CMG Steel Private Limited can further optimize its promotion and reward policies to effectively enhance employee performance, satisfaction, and overall organizational success.

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