

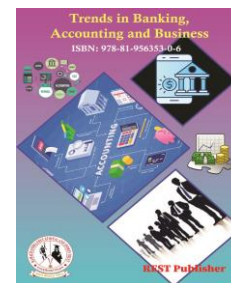


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A study on “Effectiveness of Reward System on the Motivational Level of Employees”

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Abstract: *This paper is examined the relationship between Effectiveness of reward system on the motivational level of employees with reference to Pro M Machining Solutions Pvt Lmt in Hosur. The theory of motivation is the internal push that activates and direct behaviour. Motivating the employees starts with the recognition that for people to do their best work. knowledge and team work are main key drives of business productivity growth and for the company growth. The presence of motivational methods and systems in companies defines its success. The perception of what motivates and should motivates employees towards achieving organizational and their own needs. Recognition of employee’s work and identifying an innovation idea followed by an innovation reward method can make a huge difference in the workspace and improve employee performance within the company. Does the management encourage every single employee to contribute their ideas and implement the best one! Many companies continue to offer employees the basic package that has been around for the years like base salary, traditional benefits like health, welfare and retirement or maybe a profit-sharing plan. There are absolutely alternatives to consider. The basic step every employer should concentrate on, should be defining the right factors of motivation that are connected with other indicators and not just performance, as well as making this factor a part of an innovative employee reward method that will be accepted by employees and supported by the top management of companies.*

keywords: *Reward, reward system, employee motivation, work performance, innovative reward method.*

1. INTRODUCTION

Employee Motivation is an integral part Human Resource Management and it plays a crucial role in the long-term growth of an organization. Motivation can be defined as the inherent enthusiasm and driving force to accomplish a task. It can be used in directing employees’ behavior and actions for a constructive vision or goal. Proper motivation turns an employee into a loyal asset and helps in maintaining the retention rate. The degree of motivation can differ from person to person some employees are self-motivated but other employees should be motivated through different measures. Economy, sociology, psychology, and different felids have contribution to the study of rewards systems in India and the impact of this reward system is completely dependent on the structure of the organization its vision mission strategies and the function of the organization Employee motivation is defined as the commitment, the energy levels, and the creativity that the employees bring to their job. Even though employees’ motivation doesn’t directly influence organization’s growth, it is like a necessary pre-condition because lack of motivation among the employees can have a detrimental effect on their performance. Employees are motivated by both financial and non-financial motivators.

Financial Motivators:

The motivators related to money are called financial motivators. Regular and good wages and salary, bonus, periodical increments, profit sharing, leave with pay, medical reimbursements are some of the common financial motivators. Lack of these motivators has a negative bearing upon the performance of the employees.

Non-Financial Motivators:

1. Certain motivators that are not related to money but have a positive impact on the employees are called non-financial motivators. Some of the non-financial motivators are as follows.
2. Job Security
3. Performance Appraisal, praise and prestige
4. Delegation of authority
5. Congenial work environment
6. Status and pride
7. Participation
8. Job enrichment
9. Job rotation
10. Facilities for paid leaves
11. Quality of work life

There are many ways to motivate an employee, but choosing the right way to motivate is the difficult task. Considering the complexity and volatility of human behavior, it is pertinent to study the behavior of the employees who need to be motivated. Any organization is built with employees; hence, employees are called as the building blocks of any organization. Success of any organization is in the hands of the employee and their collective efforts. Employees contribute their work and skills collectively to the organization for its growth, only when they are motivated. Employee rewards and recognition programs that acknowledge employee contributions to the company's goals and show appreciation for their efforts are necessary for a high-performing workplace, happier employees and reduced turnover.

Employee Rewards Make Happier Employees:

The fact is, most employers want their employees to be happy. After all, happy employees are usually productive employees, and happy employees contribute to higher morale. When morale is high, turnover is low, and the business has a greater chance of being successful and hitting revenue targets. Research even indicates that when employees are happy, they are at least 12 percent more productive. What does this have to do with reward? Well, rewards are an important part of keeping employees happy and productive. There is a direct correlation between rewards and employee happiness, with 86 percent of employees saying that they feel happier and prouder when they are recognized at work, and 85 percent saying that they felt more satisfied with their jobs. A large majority – 70 percent – of workers also noted when they were happy at work, they were happier at home as well. Satisfaction at home is important because it has a significant impact on employees' ability to do their jobs well and avoid issues with presenteeism, or not working to full capacity when they are at work.

Some Rewards are Powerful Motivators:

The problem with such reward and recognition programs is that they fail to get to the heart of what really motivates people. Money is certainly a powerful motivator for many people, but once the bonus check has been spent, few people continue to correlate that cash with what they did to earn it. Rewards are effective not because of what the actual recognition consists of, but because of how they make people feel. Getting praised for your work creates a feeling that what you are doing is valuable and has meaning and that you are respected by your managers and peers. Everyone wants to feel good about their work and what they are doing, and a well-designed rewards program helps accomplish that.

Objectives:

1. To ensure that the organization is able to recruit and retain sufficient number of employees with the right skills.
2. To suggest new techniques to motivate the employees.
3. To support the goals of the organization by aligning the goals of employees with these.
4. To ensure that the organisation is able to recruit and retain sufficient number of employees with the right skills.
5. To suggest modern techniques through which employees get motivated.
6. To suggest how to get desire behaviour from employee at work or job.
7. To motivate employees.
8. To align the risk preferences of managers and employees with those of the organisation.
9. To comply with legal regulations.
10. To be ethical.
11. To determine the effect of existing reward system on productivity
12. To know about the motivation techniques used by the organization.

scope:

1. Helps in Evaluate yourself.
2. In order to motivate, encourage and control your staff's behavior, it is essential to understand, encourage and control your own behavior as a manager.
3. To determine the level of motivation within the organization's working group and to learn about individual perceptions of the company's motivational benefits, which include a reward system.
4. In the directing process, motivation is one of the important elements. By motivating people, the manager guides people's actions in the desired direction so as to enable him to achieve the organizational objectives.
5. For performing any job, two important things are necessary, viz., will to work and ability to work. The importance of motivation lies in converting this ability to work into the will to work. For performing any job, there is a need for both, viz., the ability and willingness to work.

2. LITRATURE REVIEW

Walters t. Ngwa (2019) had conducted research on “effect of reward system on employee performance among selected manufacturing firms in the littoral region of cameroon” and the study looks at how profit-sharing influences employee commitment. To begin with, even though compensation system is not one-size-fits-all for every company, it'll be interesting to investigate the impact of performance appraisal on employee effectiveness in service businesses. Employee tasks are more routine, with less creativity and innovation. Group work is less likely, while an increased level of specialization and job distinction is more likely. It is critical to do study in this area with the goal of determining the most effective compensation system for service businesses. Vuori and okkonen (2012) stated that motivation helps to share knowledge through an intra-organizational social media platform which can help the organization to reach its goals and objectives. Roshani sharma (2017) has conducted research on “impact of reward management strategies on motivation of employees in private banks in selected districts of rajasthan” this study states that 98% of employees are agreeing that reward is the main motivation of employees to work hard towards achieving the goals of the organization. And 99% are of an opinion that an effective reward system influences the competitive advantage as well and it also states the age group from 18 to 25 is highly effective and is immensely motivated with the monetary reward system. Aguinis et (2013) stand that monetary rewards can be a very powerful determinant of employee motivation and achievement which, in turn, can advance to important return of firm level performance.

3. RESEARCH METHODOLOGY

To create the needs of the research I have used primary (self-constructed, structured questionnaire). Primary data is collected directly from the employees by means of holding discussion with them and through direct observation. Direct enquires to seniors officers were a reliable source of information. Secondary data was collected from bro magazines, articles, websites, otherjournal and books

4. DATA ANALYSIS

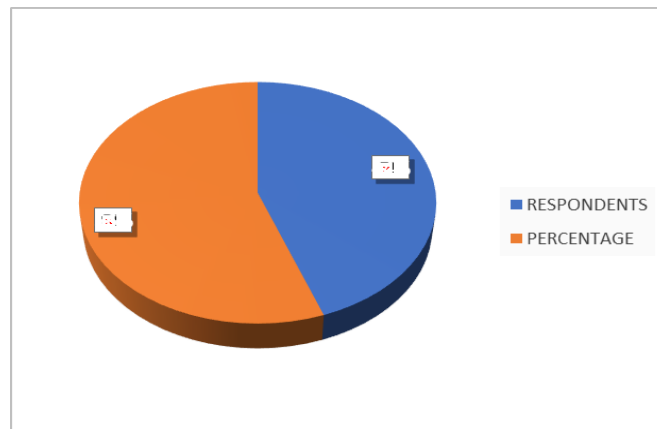


FIGURE 1. Gender Of Employee

The above pie chart as 47.5% of male and 52.5 % of the respondents are female Thus the majority of the respondents are female.

Interpretation:
Gender of employee:

TABLE 1. Gender of employee

Gender	Respondents	Percentage
A. Male	38	47.5
B. Female	42	52.5
Total	80	100

Martial Status of Employees

TABLE 2. Martial Status of Employees

Martial status	Respondents	Percentage
A. Single	59	73.75
B. Married	21	26.25
TOTAL	80	100

Martial Status of Employees

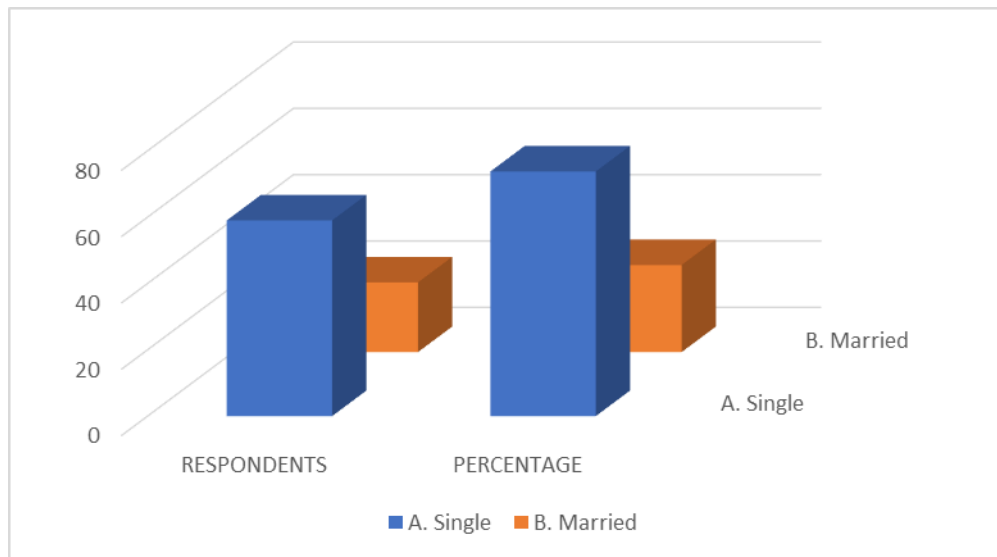


FIGURE 2. Martial Status of Employees

Interpretation

The above pie chart as 47.5% of male and 52.5 % of the respondents are female Thus the majority of the respondents are female.

ANOVA

ANOVA (Analysis of Variance) is a statistical technique used to analyze the differences between two or more groups or treatments. It is used to test whether the means of two or more groups are significantly different from each other.

The general formula for ANOVA is:

$$\text{Total Variance} = \text{Between-Groups Variance} + \text{Within-Groups Variance}$$

Where:

1. Total Variance: the total variation in the data across all groups or treatments.
2. Between-Groups Variance: the variation between the means of each group or treatment.
3. Within-Groups Variance: the variation within each group or treatment.

4. The F-ratio is used to determine whether the between-groups variance is significantly larger than the within-groups variance:

$$F = \text{Between-Groups Variance} / \text{Within-Groups Variance}$$

If the F-ratio is large enough, we reject the null hypothesis and conclude that there is a significant difference between the means of the groups.

TABLE 3. groups

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
2.what is your gender?	80	122	1.525	0.252532
3.what is your martial status?	80	101	1.2625	0.196044

TABLE 1. ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2.75625	1	2.75625	12.28889	0.000593	3.900989
Within Groups	35.4375	158	0.224288			
Total	38.19375	159				

Interpretation:

The above table 3 shows that there is no significant difference between the respondents towards purpose of investment and factors that influence the investment decisions. As demonstrated by one-way ANOVA, $F = 12.28889$, $p = 0.000593$.

Findings:

The purpose of the following study was to determine effectiveness of reward system on the motivational level of employee.

1. Continuous reward and recognition of employee's performance in the organization help the employee develop more skills and contribute more to the organization.
2. Some of the elements such as financial benefits, promotion, job security, appreciation and feedback, and good working conditions were seen as employee motivators.
3. Employee motivation is the level of commitment, energy and innovation that a company's staff hold during the working day.
4. Motivation reflects something unique about each one of us and allows us to gain valued outcomes like improved performance, enhanced wellbeing, personal growth, or a sense of purpose. Motivation is a pathway to change our way of thinking, feeling, and behaving.
5. With an effective reward system, the firm can reduce employee turnover.
6. 63.9% of the employee were of an opinion that they are satisfied with the organizational plan and 12% of employees were highly satisfied.
7. Rewards should be reserved for activities that are not interesting and should be given when not expected. Praise is preferable to monetary rewards, for example, as it supports psychological needs and is of more lasting value.
8. Having a motivated workforce has a range of advantages, such as lower levels of absenteeism, retention of workers and low levels of staff turnover, improved relations between management and workers, improved worker performance, improved quality and improved customer service.
9. When employees are rewarded, they feel like they trust their employer and feel supported — and that's powerful. Building trust between employees and employers is critical in well-being and engagement programs, and in the workplace as a whole.
10. Motivation increases the willingness of the workers to work, thus increasing effectiveness of the organization. The Effect of Motivation on Employee Productivity: Motivated employees are inclined to be more productive than non-motivated employees.
11. Offering good rewards to staff is the best method to keep them motivated. The researchers Armstrong and Taylor (2014), highlight that organizational equity has a strong impact on employees' performance levels as well as influences the whole company's performance.
12. It was known that the best elements of motivators were a hike in the salary and promotions and incentives and bonuses as most of the employee agreed to it. When employees were given a choice of an organization would develop new techniques for motivating its employees which one would they choose majority of the employees to choose monthly employee points and retirement benefits.

Suggestions:

1. Make your business a pleasant place to be. No one wants to stand around in a dingy, boring space for hours on end.
2. Be a respectful, honest, and supportive manager.
3. Offer employee rewards.
4. Share positive feedback.
5. Be transparent.
6. Offer flexible scheduling.
7. Offer food in the workplace.

Employees need to know that their managers appreciate their hard work. Giving well-deserved recognition not only increases self-esteem but also enthusiasm and team morale. A recognition platform is an effective tool to celebrate star performers who embody your company values.

5. CONCLUSION

Motivation can be properly or improperly achieved and can either improve productivity. Management must understand that they are dealing with human beings, not machines, and that motivation involves incentivizing people to do something because they want to do it. The main objective of the research was to investigate the effectiveness of rewards system on the motivational level of employees. The questionnaire survey testified to the fact that employees feel the reward system encourages and motivates them and increases their productivity. The findings from the data collected showed that most participants favoured financial reward.

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