



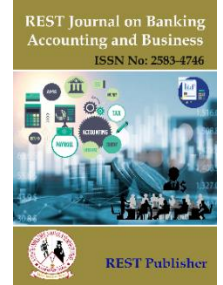
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Importance Of Rewards & Recognition on Employee Motivation: A Systematic Review of Literature

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Abstract: The general objective of the research was to study the impact of rewards and recognition on employee motivation, the specific objectives were to identify the most effective means of rewards and recognition, to study the behavioral differences between appreciated and non-appreciated employees, to understand the extent to which motivation enhances employee's performance, to identify if the motivation has an effect on individual and organizational growth and to study if rewards and recognition results in emotional conflicts between employees. The descriptive research design will be adopted for this study. (Gangapuram Aruna, 2018) Recognition can help employees see the impact of the work they do. It helps them connect the dots between their day-to-day job duties and the larger mission, vision, and goals of the organization and demonstrates to employees that they are essential to the organization's long-term success. (Kristen Hamlin 2019) have correlated positive relationship between employee motivation 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. (Robert Hefner, 2017) Various employees from the institutions are the respondents. It is evident from the study that a variety of factors influence employee motivation and satisfaction. It is also significant to discover that there is a direct and positive relationship between rewards and recognition and job satisfaction and motivation. Hence, if rewards and recognition offered to employees then there would be a corresponding change in work motivation and satisfaction. In accordance with Maslow's hierarchy of needs, the lower-level needs such as salary and benefits must first be met before the higher-level needs. (Matt tenny (2012) The research study has shown that administration and managers can employ different strategies to motivate employees, but that it is important that managers and administration keep in mind that different strategies would have a different motivational impact on different people. To get optimum results from a motivational strategy, the administration and manager have to realize and understand issues, which requires recognition of each individual's unique values, beliefs and practices.

Keywords: Rewards, Recognition, Employee, motivation

1. INTRODUCTION

Global business environment is fast changing and the organizations which are adaptable to the change are the one going to survive. Organizations need to frame strategies in order to endure the challenging competition, and the one which are able to survive will be able to sustain longer than others. One of the greatest challenges organizations face today is how to manage turnover of work force that may be caused by migration of a lot of industrial workers. This may be because of their lack of Motivation and commitment for the organization this point of view emphasizes the importance of the study of Motivation and its relationship to Job Satisfaction (Alan Collins is a former Vice President of Human Resources at PepsiCo, United States and Canada). The HRM policies and practices should be directed in such a manner that they are aligned to the organization strategies and also understand the employee expectations. (Tomas Chamorro-Premuzic 2014) These strategies are not just directed towards the retention and attraction but also overcome other adverse effects of demotivation and dissatisfaction

such as absenteeism, low performance, lower morale, low contribution to the team, less coordination, less orientation towards organizational objective these could affect the organization capacity to compete in the highly competitive business environment. As manpower constitute the core of any business and ultimately employees are the main focus of human resource management, with the constant changes occurring in the world today, especially with regards to technology and innovation, there is a need for companies to reassess the manner in which they communicate to their employees, which would increase their morale and will act as a driving force towards an integrated workforce. (Marcus Buckingham, Ashley Goodall 2018) explained organizations have also realized the importance of building internal competency and capacity so as to survive and compete in this dynamic business environment. Ensuring employee commitment towards organizational objective has been a critical issue faced by majority of the organizations. Organizations are doing their best in understanding various factors which could motivate the employees and make sure of the required commitment towards organizational objective

2. REWARDS AND RECOGNITION

Dave Ulrich, Jon Younger, Wayne Brockbank, Mike Ulrich (2017) had explained that employee rewards and recognition system is not just a positive action towards employees. If it is implemented effectively, it proves to be an efficient tool in encouraging the employees to create and bring business for the company. (Brian Becker, Mark Huselid 2015) Described about recognizing the efforts of employees and encouraging their morale results in increased productivity and decreased attrition rate. It is a documented fact that an encouraged and dedicated workforce can change the fate of a company. Establishing and executing a reward system needs careful analysis of the company policies and procedures. Deciding how to recognize employees' efforts and what to provide them needs thorough analysis of duties and risks involved in a particular job. (Karen Beaven, 2019) Reward system of a company should also be in alignment with its goals, objectives, mission and vision. On the basis of the job profile, both monetary and non-monetary rewards can motivate employees to contribute more to the organization. Monetary Rewards A hike in salary, incentives, movie tickets, vacation trips, monetary allowances on special occasions, redeemable coupons, cash bonuses, gift certificates, stock awards, free or discounted health check-ups for the complete family and school/tuition fees for employees' children come under this category. Non-monetary Rewards: Non-monetary rewards include awards, certificates, letters of appreciation, dinner with boss, redecoration of employee cabin, membership of recreation clubs, perks, use of company facilities, suggestion awards, tie-pins, brooches, diaries, promotion, a say in management, etc.

3. LITERATURE REVIEW

- (Aveshan Veenketsamy, Charlene Lew 2024), The purpose of this paper is to investigate whether organizational support for innovation and informational extrinsic rewards moderate the relationship between intrinsic motivation and innovative work behaviour. Multiple and hierarchical regression analyses based on data from 150 knowledge workers tested the hypotheses for a South African sample. When organizations want to encourage knowledge workers to generate, promote and realize innovative ideas, they should create an environment that encourages autonomy, competence and relatedness, with support for creativity and differences of ideas. The results confirmed a positive relationship between intrinsic motivation and innovative work behaviour, and found positive relationships between both organizational support for innovation and informational extrinsic rewards and innovative work behaviour.
- Mr. V. Stalin, Dr. M. Uma Maheswari 2024 The main objective of this study is to investigate the influence of Human Resources Management (HRM) practices (employee communications, employee development and rewards and recognitions) on employee engagement. The aim of this paper is to examine and gain better understanding of the drivers that influence employee engagement in a printing company. Employee communication, employee development, rewards, and recognitions were selected as independent variables. Sample for the study consists of 157 employees from 5 manufacturing companies in south India. Data were collected with the help of a questionnaire and analysed using the Statistic Package for Social Science (SPSS) version 23. In conclusion, it is observed that HRM practices have an influence on the employee work engagement. This shows that employers need to develop proper and well-structured HRM policies in attaining high work engagement level among the employees. Hence, organization should ensure proper and relevant training methods so as to bring in utmost level of employee engagement.

- (Momna Amjad, Dr. Rafique Ahmed Khan 2023) The “current article is aimed at investigating the impact of HRM practices on employee retention with moderating role of organizational culture in banking sector in Pakistan. In this study, recruitment and selection, training and development, performance appraisal, and compensation were considered as the independent variables, organizational culture being the moderator and employee retention being the dependent variable. The responses were recorded from 250 respondents through an adopted questionnaire based on 5-Likert scale, were adopting convenience sampling technique. The data is analysed through statistical tests including correlation, regression, and moderation analysis using SPSS Software. Findings of the research indicate that regression analysis has proved that there exists a significant positive impact of recruitment and selection, training and development, performance appraisal, and compensation on employee retention. The study is considered quite useful for the banking sector in ascertaining the impact of various HRM practices on employee retention.
- (Qui Wan, An-Qi Sun, Yi- Cheng, et al., 2020) This study investigated the mediating role of job satisfaction and the moderating role of career growth opportunity in the relationship between public service motivation (PSM) and public employees' turnover intention. The authors recruited 520 public employees from Yunnan Province, China to test moderation and mediation hypotheses. The authors conducted confirmatory factor analysis to determine the discriminant and convergent validity of the measures of PSM, turnover intention, job satisfaction and career growth opportunity. Finally, the authors carried out bootstrapping to ascertain direct, indirect and conditional indirect effects. PSM had a negative effect on public employees' turnover intention, but this relationship was partially mediated by job satisfaction.
- (Chen and Silverthorne, 2018) explained the mediation is assumed to occur between demotivational managerial practices and performance. Hence, the present study also addresses job satisfaction's mediating role in the relationship between demotivational managerial practices and job performance. The present study unfolds the attributes of demotivational managerial practices in the construction industry and how they are linked to job satisfaction and performance. Since the construction sector relies heavily on human resources, employees have been deemed the foundation of construction organisations that help managers and executives accomplish the firm's goals.
- (Dr. Ramkrishna Mohanta, Prasanta Gayen, Indranil Pal, Ramesh Chandra Mahato, Dr. Subir Sen 2022) The present work deals with the application of such to measure the difference in different dimensions of Organizational Climate like Employees' Perception of Autonomy, reward and recognition towards organizational Support taking together as a branch for different groups of secondary level teachers. Difference between groups of secondary level teachers for all the dependent variables taken together at a time is a matter of consideration here. i.e. different dimensions of Organizational Climate like Employees' Perception of Autonomy, Trust on Manager, Team Work, Reward and Recognition, Employees' Perception towards Fairness and Employees' Perception towards Organizational Support considered as a branch. The result revealed that there is no significant difference in dynamical nature of six dependent variables for different groups of independent variables.
- Tania (2017) argues that motivation is the circumstance that motivates personnel to accomplish organizational objectives. Motivation is everything a manager is aware of that influences the direction and rate at which an employee exhibits complete dedication to the company's success, staff feels they are justly rewarded for their ability, expertise, intellect, and involvement, they are considered to be satisfied with their job, resulting, they perform better at their job. Factors such as providing a bonus on achieving more than the target sales and recognizing their work and praising them are rewards that motivate an employee. This satisfaction of work helps to retain the staff and maintain the employee turnover.
- (Aina-Obe Shamsuddin Bolatito, Yasin Abdikani Mohamoud 2022) Investigating the link between reward management and employee performance, specifically focusing on work satisfaction in Somalia, is a captivating subject. This field of research involves several facets, including the influence of diverse incentive systems on employee morale, job satisfaction, and overall performance within the organizational framework of Somalia.
- The management of rewards and the performance of employees are crucial elements in every business since they have a substantial impact on the firm's overall success. Employee performance is significantly impacted by job satisfaction, which may be affected by several factors, including incentive management. This paper seeks to thoroughly examine work satisfaction in Somalia, with a specific emphasis on the influence of reward management on employee performance.

- (Chen and Silverthorne, 2018, Han, 2018, Indarti et al., 2017, Ziegler et al., 2012), explained the mediation is assumed to occur between demotivational managerial practices and performance. Hence, the present study also addresses job satisfaction's mediating role in the relationship between demotivational managerial practices and job performance. The present study unfolds the attributes of demotivational managerial practices in the construction industry and how they are linked to job satisfaction and performance. Since the construction sector relies heavily on human resources, employees have been deemed the foundation of construction organisations that help managers and executives accomplish the firm's goals.
- In another article written by Bhattacharya and Mukherjee (2019), discussed a more creative approach to reward the staff. The article stated that catering breakfast and lunch or even organizing office trips and parties when goals are achieved, or the business earns profit shows the employees they are valued and keeps them engaged. This helps to create a positive work environment as well as attract new talent
- Smithers and Walker, (2010) In his research, he observed employees' motivation levels play a crucial role in how effective they will be at the workplace, as highly motivated individuals tend to be more committed at work and have increased productivity than employees with a lower degree of motivation
- Bennell and Acheampong (2007) observe that relationships between many African governments and teachers are strained and turning sour. The teachers as a group have been occasionally targeted by governments. A good example is Zimbabwe. Teachers' union leaders have also been imprisoned and tortured; examples are Burundi, Zimbabwe and Ethiopia.
- O'Neill (cited in Wiesner & Millett, 2003) he further highlights this by classing fixed pay as an "input" reward which aims to appropriately recognise the individual human capital value of the person to the firm. Alternatively short-term incentives, such as recognition awards are "output" rewards that aim to reward people for their role in delivering outcomes to the company.
- McKibbin-Brown (2003) highlights the need for today's recognition programmed to consider the fact that employees no longer stay with one employer for extended periods. Therefore traditional-long service awards may not be as effective as they once were.
- Recognition programmes are typically a form of individual or work-group incentive that is outside the normal remuneration system (including wages, salary and bonuses). Wages and salary are usually the fixed compensation an individual receives for undertaking a job. Bonus systems also differ in that bonuses are a discretionary reward provided after the achievement of a goal (Stone 2002).

4. REWARDS AND RECOGNITIONS IMPACT ON EMPLOYEE MOTIVATION

The focus of this heading is to provide insights to the theories that have shaped the understanding of motivation, by focusing on the content theories of motivation. The chapter proceeds with an in-depth presentation of a total rewards management programme and the support that a performance management process can provide to such a programme. Given the focus of this research study, it is important to have a sound understanding of the meaning of rewards and recognition, as they are often used interchangeably, but the literature indicates that there are unique, tangible differences between these concepts. Organisations are under constant pressure to enhance and improve their performance and are realizing that an interdependent relationship exists between organizational performance and employee performance.

Motivation is an important stimulation which directs human behavior. No individual has same attitude or behavior, hence in midst of this diversity organization are supposed to frame practices which will be able to satisfy the group and not just an individual. Organization should be able to identify and evaluate internal motivation which an employee derives from job satisfaction and further enhance it with external motivation as required for which organization could take note of motivation theories.

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. 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.

Happy Employees are More Productive

Motivated and happy employees also contribute to the bottom line – and the difference is significant. Companies with engaged employees have higher revenues than those that don't, to the tune of two-and-a-half to three times greater. Profitability also increases with employee engagement, with those companies boasting engaged employees seeing almost one-third higher profitability. Clearly, there is a return on investment that's inherent in keeping employees satisfied with their work.

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