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SPECIAL ISSUE ON

## Effect Of Reward & Recognition On Employee Motivation

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# **Effect Of Reward & Recognition On Employee Motivation**

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**FOREWORD**

**K Beji George IRTS**  
Chairman and Managing Director  
HLL Lifecare Limited

**Reward and Recognition and impact on Employee Motivation**

“Good teams become great ones when the members trust each other enough to surrender the Me for the We.” - Phil Jackson

What Phil says is worth deciphering for any organisation. All organisations if questioned about their teams would say that we have a good team but are the teams “great” so that they are willing to be addressed as one entity the “we”. I have often wondered as to what really motivates an employee is it money, peers, award, acceptance, company’s reputation etc., understanding what really motivates an employee is one of the key challenges faced by a manager. The need ultimately is to find out what could influence an employee enough so that his own growth and welfare gets aligned with that of the organisation’s.

It has often been said “it is people who make businesses succeed-or fail”. The question is, do we as manager’s truly believe that this is true? Well I for one believe this saying from my experience. People are truly the key ingredient of an organisation’s success. The success of an organisation has increasingly started depending on how people are treated. Rightly so I would argue as we realise that there is a dependent relationship between an organisation’s success and employees feeling of belongingness and love for the organisation. Research and managerial experience has proven that Reward and Recognition are key methods which lead to employee motivation and belongingness.

Recognition in lay man’s understanding is a sense or a feeling conveyed to an employee that he is valued in the organisation. This recognition however has to be conveyed or communicated to an employee in the work-place, that is among his peers and seniors. It is thus a public acknowledgement of the employee’s contribution. The recognition can be monetary or non-monetary in nature.

Reward is a little different in as much as it is usually a tangible incentive given to an employee in recognition of his accomplishment or success. It is usually in the form of bonuses, increments or gift certificates.

Psychologists have often mentioned that every human being wants to be understood and appreciated. Everyone wants to know whether he really matters to someone and an employee wants to know whether he matters for an organisation. Reward, appreciation and recognition are the ways in which this feeling can be readily conveyed to an employee.

In my experience with the Railways, I remember that every year we conduct the railway week celebrations (usually in April). This event commemorates the formation of the Railways in India and also is the time when awards which include a citation and a small token monetary sum is given to employees who have performed well during the past financial year. This is also the time when we take special effort to also recognise those employees who have contributed as teams to achieve something significant for the organisation. The employees look forward to these events and I truly feel that these awards are truly a recognition of the employees' contribution and is definitely a motivating factor.

In my current assignment as the Chairman and Managing Director of HLL Lifecare Limited I noticed that the general morale of the employees was down when I joined in 2019 as the company was not doing well and also since the disinvestment process for the company had begun. I could only hold regular meetings with the employees and try to motivate them to "pull together as a team" so that the company does well. We did very well in 2019-20. Towards the end of 2020 Covid-19 struck and we were entrusted with the hugh task of procuring and distributing Covid-19 emergency items to the major hospitals and states in the country as we were nominated as the procurement agency for the Ministry of Health. We managed the difficult task under lock down conditions in the country. The exemplary efforts put in by the employees to pull off one of the largest logistics efforts undertaken by the Organisation was recognised and discussed in various employee forums. I feel that the recognition really motivated the employees to continue to perform at their very best even after Covid emergency works got reduced. Often the pat on the back and acknowledgement of efforts in a public forum is enough to galvanise the teams and individuals to give their best.

I also feel that recognition among peers is important, the employees need to be encouraged and empowered to appreciate and recognise good workers amongst them. An organisation can resort to efforts such as rewards, gift cards, appreciation messages, employee of the month recognition, years of service award etc. I am happy to mention that all these efforts are currently being followed in HLL Lifecare Limited. In addition a recognition initiative called "Vijay Diwas Award" is observed in HLL every month to celebrate the success of a department/ team/individuals for their contribution to the company by way of developing an innovative product, idea, or process that would directly benefit the company and the society at large. The winners of the award receive a memento and certificate of recognition from the Chairman & Managing Director.

Research also says that Rewards and Recognition leads to improvement in productivity, motivates staff to deliver greater customer experience, employees feel more engaged, attrition levels drop, overall mental health of employees improve which in turn help them to be better persons at home and in society, talented persons would want to join the company as the word spreads around that the organisation is a great place to work. Well these are enough reasons in my opinion for any organisation to keenly examine their reward and recognition policy and tweak the existing policies to really motivate their employees further.

I am sure that as you go through the various research articles that have been enclosed here the idea of reward and recognition as a means for motivating employees would be further reinforced. The contributors to this edition have really put in a lot of effort to showcase their research findings and thoughts which will greatly benefit each one of us. I also take this opportunity to congratulate NIPM for their continued and focussed efforts to add value to the management community at large and especially to HR professionals. I wish all the readers happy reading.

I end by quoting Simon Sinek who says” when people are financially invested they want a return, when people are emotionally invested they want to contribute” and after all we want all our employees to contribute to the organisation so let us get them emotionally invested.

Best wishes

K Beji George IRTS

Chairman and Managing Director

HLL Lifecare Limited

#### **About Mr K Beji George:**

K Beji George IRTS, is presently the C&MD of HLL Lifecare Limited a Mini Ratna PSU under the Ministry of Health and Family Welfare, GOI. He was appointed as C&MD in 2019 and has been instrumental in the turnaround of the company which was incurring losses during the previous years. He is an astute and charismatic manager who easily gains acceptance from all stake holders to drive change management and implement strategic growth plans. Under his guidance the company has recorded profits for 3 years in a row and has also implemented the 7th pay commission recommendations in 2021 which were due since 2017.

Prior to joining HLL Lifecare Limited, he has worked as Chief Traffic Planning Manager (CTPM), South Central Railways, Director (Planning) Railway Board, Senior General Manager Container Corporation of India (CONCOR) and General Manager and CVO Centre for Railway Information Systems(CRIS) New Delhi. He has made significant contributions in all these organisations and has also received the prestigious Railway Minister’s award in addition to various awards in his career. He is also a recipient of the prestigious Chevening Scholarship for his Masters in Transport from Imperial College, London. He is also an Alumni of Faculty of Management Studies, New Delhi.

## WORDS OF WISDOM

*Feedback is the breakfast of champions.*

*- Ken Blanchard*

*Nothing is more effective than sincere, accurate praise,  
and nothing is more lame than a cookie-cutter compliment.*

*-Bill Walsh*

*A brave man acknowledges the strength of others.*

*- Veronica Roth*

*Treat your employees like an investment, not a cost.*

*- Dan Sullivan*



**FOREWORD**

**Mr. Vishwesh Kulkarni**  
National President, NIPM  
Chairman, Yashaswi group

Dear Member,

Compliments to all readers of this Compendium!!

I am happy to share 7<sup>th</sup> Research Compendium published by NIPM. It is a great milestone for any professional organization to have consistency, mainly on Research Activity. Thanks to Dr. S. V. Bhave, Fellow & NC member of NIPM, & Director HR & IR, Bharat Forge Ltd. for accepting and delivering this herculean task. As National President of NIPM, I wish to put on record, highest appreciation of all Research writers & reviewers for their excellent work

**“Effect Of Reward And Recognition On Employee Motivation”** is considered as subject of preference at all levels.

Timely rewards and recognition is important to improve organizational values, employee happiness, increase customer satisfaction which motivates employees to go the extra mile. Employee's rewards and recognition impacts positively on performance of organization.

According to **William James**, a well-known psychologist, “the deepest principle in human nature is the craving to be appreciated”. (Refer “Quotation Celebration”, written by Samuel Rodenhizer in 2016) The fact is, that we all want to believe that our life matter to others & employees are no exceptions to it. Like all mortals, they despise the environment where appreciation is scarce, and they need to work hard to remember the last time they had received a warm and encouraging pat on their backs.

**Numbers, as usual, never lie:**

- Nearly 80% say lack of appreciation is a significant reason for leaving.
- 27% of employees quit their jobs due to a lack of recognition.
- 52.5% want to receive more public recognition from their managers.
- 41% want more recognition from their immediate co-workers.

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**FOREWORD**

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Social support, then, appears as the only silver bullet. Research outcomes bring to light how heart-to-heart talks with colleagues, words of praise, and peer recognition can create lasting bonds among people. Over time, these prosocial nudges will become cornerstones of a healthier, supportive, and collaborative work culture.

Looking at all these elemental and future-impacting effects of recognition, it won't be far-fetched to say that employee recognition will create better workplace performance—more than financial rewards. It ticks most of the checkboxes that are vital performance indicators of any organization.

I am sure this 7th issue of Research Compendium on the topic “**Effect Of Reward And Recognition On Employee Motivation**” will also be beneficial for HR Professionals at large.

My sincere thanks to all NC members, for encouraging this Research Activity wholeheartedly.

Looking forward to have your valuable support to all such activities initiated by NIPM.

Thanks & regards

Vishwesh Kulkarni  
National President (NIPM)

**EDITORIAL DESK**

**Dr. Santosh Vishnu Bhave**

Fellow Member NIPM & Director-HR and IR,  
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After successful completion of six issues of Research Compendium, National Institute of Personnel Management (NIPM) - Personnel Today, is releasing its seventh issue of Research Compendium on Theme – “**EFFECT OF REWARD AND RECOGNITION ON EMPLOYEE MOTIVATION**”.

Rewarding & Recognizing (R&R) employee always leads to greater employee engagement. Awarding timely reward and appropriate recognition eventually helps in ensuring high level of motivation, which increases retention and helps to create more positive environment at respective workplaces. Incorporating reward and recognition program supports in ensuring sustainability which leads to competitive edge in business. Apart from this timely R&R brings in positive synergy and increase level of productivity.

While considering reward each business need to consider affordability, prevailing practices with competitors, employee friendly compensation structure, appropriate portion of fixed & variable component etc.

Few organizations believe in analyzing self-created R&R system and few organization tend to engage professional consultants to advice on the subject considering market benchmarking such as i.e. Mean, Median, Average Pay, Relationship with qualification and experience, demand for niche talent etc. Over the years HR Professionals are finding it challenging to balance affordability vs. expectations while analyzing important subject like R&R. Considering the importance of this subject NIPM has decided to invite application based research articles on the theme “**EFFECT OF REWARD & RECOGNITION ON EMPLOYEE MOTIVATION**”.

We have received many research articles based on the theme of this compendium. NIPM has started journey of publication of Research Compendium few years back and as an Editor, I am happy to present this seventh issue to all readers. In last issue we had published guideline from Dr.Shivaji Mundhe on “How to write an effective research article”. I am happy to note that research writers from HR Profession have utilized the tips from this article, which is evident from the quality of this issue. This research compendium consists of 33 Articles from practicing managers, academicians, highlighting importance of reward and recognition and its effect on employee motivation.

For this issue we have received a forwarding note from Mr.K.Beji George IRTS, Chairman and Managing Director, HLL Lifecare Limited, Thiruvananthapuram, India. I wish to express my sincere thanks to him for giving us the Forwarding Note.

I wish to appreciate leadership of Mr.Vishwesh Kulkarni, National President of NIPM, who extended his support in sponsoring publication of this issue too. Mr.Kulkarni always guided and supported all of us to reach to this level.

Editorial board is also grateful to all members of National Council of NIPM for their unstinted support in ensuring continuation of publication of Research Compendium.

Dr.Shivaji Mundhe, Dr.Vandana Mohanty, Ms.Lorraine Coelho, Mr.Parth Jadhav, Mr.Yogesh Rangnekar, Mr. Pawan Sharma, Mr. Sham Vaychal, Ms.Amala Karandikar, Dr. Sachin Misal & Mr. Gaurav patil have continued their support in ensuring this publication. I am grateful to you all.

Thank you all for your support

Happy Reading!!!

Dr.S.V.Bhave  
Editor – Research Compendium  
NIPM – Personnel Today.

<b>CONTENT</b>
----------------

Sr. No.	Title	Page No.
<b>1</b>	<b>Effect of R&amp;R on Employee Motivation</b> Mr Shatul Gupta	<b>1</b>
<b>2</b>	<b>A Report on Case Study of Productivity Linked Incentive Scheme.</b> Dr Milind Kulkarni	<b>4</b>
<b>3</b>	<b>360 degree acceptability - an effective tool for enhancing employee motivation</b> Dr. N. R. Unnikrishna Kartha	<b>13</b>
<b>4</b>	<b>Implications of Effective Reward and Recognition leading to Distinctive Employee Motivation</b> Mr. Sushilkumar Warkar, Mr. Parth Jadhav	<b>16</b>
<b>5</b>	<b>Reward &amp; Recognition is the key to motivate the talent in the world of digital era</b> Mr. Siddhesh S. Jadhav, Mr. Shreyas Kirpekar	<b>21</b>
<b>6</b>	<b>What Motivates Employees ?</b> Dr. B. Jagadish, Prof. Y.S. Siddegowda	<b>25</b>
<b>7</b>	<b>Reward and Recognition of Teachers; Tool for True-blue Commitment</b> Dr. M.A.Lahori	<b>31</b>
<b>8</b>	<b>The Mediating role of Salary Satisfaction between Reward and Recognition and Employee Engagement: An Empirical Study.</b> Mr Kaustubh Mundaye, Dr Vandana Mohanty, Dr Shivaji Mundhe	<b>36</b>
<b>9</b>	<b>Role of Reward &amp; Recognition in Talent Retention and Motivation</b> Dr. Abhijeet Shah, Mr. Nirvikar Hingane	<b>45</b>

<b>CONTENT</b>
----------------

Sr. No.	Title	Page No.
<b>10</b>	<b>Significance of Reward &amp; Recognition in Increasing Morale and Motivation of the Employees</b> Mr. Jeetendra Kamtikar, Mr. Jitendra Zope	<b>50</b>
<b>11</b>	<b>Does Reward Strategy Motivate the Employees?</b> Prof. Dr. Venugopal Janaswamy	<b>55</b>
<b>12</b>	<b>Effect of Reward &amp; Recognition on Employee Motivation with specific reference to GAIL (India) Limited</b> Dr. RS Velmurugan, Ms. Taroo	<b>67</b>
<b>13</b>	<b>Factors Influencing Employee Motivation and its Linkage to Business Sustainability</b> Dr. Subramanya Manjunath	<b>75</b>
<b>14</b>	<b>Challenges faced by employees and employer in driving Rewards and Recognition Programmes</b> Mr. Nikhil Jadhav, Mr. Gaurav Patil	<b>87</b>
<b>15</b>	<b>A Study Of Effect Of Reward &amp; Recognition On Employee Retention Insugar Industries Of Western Maharashtra</b> Dr. Shashikant G .Kurbetti , Dr. Snehal Maheshkar	<b>94</b>
<b>16</b>	<b>Revisiting Organizational Reward and Recognition Influenced by Pandemic: A Gender-based Assessment</b> Dr. Rabinarayan Patnaik, Dr. Sukanta Kumar Baral	<b>101</b>
<b>17</b>	<b>Importance Of Rewards And Recognition- Study On Job Satisfaction, Retention, Opportunities, Self-esteem &amp; Branding (JROSB)</b> Ms. Saloni Choudhary, Ms. Shivani Bhatnagar	<b>108</b>
<b>18</b>	<b>Effect of Reward &amp; Recognition On Employee Motivation</b> Mr. Ashish Waghe, Ms. Sajeeya Mulani, Ms. Pratiksha Dambe	<b>117</b>

<b>CONTENT</b>
----------------

Sr. No.	Title	Page No.
<b>19</b>	<b>Role of Reward and Recognition on Employee Motivation</b> Mr. Jayakara Shetty, Ms. Komal Patil	<b>127</b>
<b>20</b>	<b>Reimagining Reward System For Generation Z</b> Ms. Priyanka Panday	<b>134</b>
<b>21</b>	<b>Effect Of Appraisal - Reward &amp; Recognition – A Study At A Coffee Curing Company</b> Dr. Vasanthi Reena Williams , Ms. Panchami K C	<b>137</b>
<b>22</b>	<b>Performance Management, Rewards, Recognition &amp; Commitment</b> Dr. B S Patil, Ms. M R Suji Raga Priya	<b>145</b>
<b>23</b>	<b>A Study On Validating Ariely's Laws On Organizational Motivation</b> Dr. M Ramakrishnan	<b>154</b>
<b>24</b>	<b>Role of Reward in Job Satisfaction and Motivating Employees' Performance</b> Dr. Subhadeep Chakraborty, Prof. (Dr.) Pranjal Bezborah	<b>160</b>
<b>25</b>	<b>Effect Of Reward &amp; Recognition On Employee Motivation</b> Mr. Ranajit Sarkar	<b>164</b>
<b>26</b>	<b>The Effect Of Rewards And Recognition On Employee Motivation</b> Dr.Swathi.S	<b>174</b>
<b>27</b>	<b>Redesigning the Rewards and Recognition Program: A Scientific Approach</b> Prof. Aboli Mande, Ms.Shruti Pillay	<b>178</b>

<b>CONTENT</b>
----------------

Sr. No.	Title	Page No.
<b>28</b>	<b>Overview of Reward and Recognition Policy in Selected Companies</b> Ms. Shaila Digambar Dhende	<b>189</b>
<b>29</b>	<b>Effect Of Reward And Recognition On Employee Motivation</b> Dr. S. V. Bhave, Ms. Lorraine Coelho	<b>196</b>
<b>30</b>	<b>A Study Of Awareness On Key Social Security Provisions - For Sales Representatives At Multi-brand Stores.</b> Mr. Shantam Sharma, Dr. T.K. Mandal	<b>206</b>
<b>31</b>	<b>Impact of Friendly Compensation Benefits &amp; Schemes for Employee Retention of IT Employees</b> Dr. Venu Priya Pothuri, Dr. L Madan Mohan	<b>218</b>
<b>32</b>	<b>Employee Retention &amp; Motivation: The Maslow's Hierarchy of Needs Perspective</b> Dr. R Belinda	<b>224</b>
<b>33</b>	<b>Effect of Reward &amp; Recognition on Employee Motivation</b> Ms Mrigashikha Mitra Banerjee, Dr. Subir Bikas Mitra	<b>230</b>

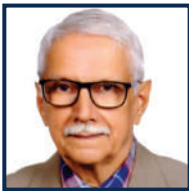


**INTRODUCTION OF RESEARCH ARTICLE AUTHORS****Mr. Shatul Gupta**

Mr. Shatul Gupta is the founder of Growing Solutions and DDK Wealth Partners LLP, He is Specialised in Wealth Management for “NOT THE HNI’s”, in addition to ideating bespoke solutions for HNI’s and Corporates, since 1999.

**Dr. Milind Kulkarni**

Dr Milind Kulkarni is a Senior HR Professional, who is well qualified (MPM, LLB & PHD) with 45 years of experience in HR domain, in various industrial organisations like Reliance, Wipro, Essar etc. Researcher is a Certified Executive/CXO Coach. He is a well-known Trainer. He is Life Member of NIPM and ISTD.

**Dr. N.R. Unnikrishna Kartha**

Dr. Kartha has worked for Dr. Sarabhai and Dr. Kalam in ISRO. He has worked In VSSC as G.M. UST Global as Principal. He is a Trained Trainer and has conducted 700 programs. He is MTech, MBA, PhD

**Mr. Sushilkumar Warkar**

Presently working as Deputy Manager- HR at Mahindra and Mahindra. Sushil is passionate engineer with master’s degree in Human Resource Management. His areas of expertise include Talent Management, Organization Development, Learning & Development and Technical Training. He is passionate about Talent Development and employee engagement activities. He has played a very vital role in publishing last four research compendium. He is actively involved in various activities of National Institute of Personnel Management (NIPM).

**Mr. Parth Jadhav**

Passionate Engineer with Master’s Degree in Human Resource Management. He is currently working as Talent Advisor at Kalyani Strategic Management Services Ltd. Parth has his dedication towards talent acquisition, talent management and Organization Development. He has played a very vital role in publishing last five research compendium. He is actively involved in various activities of National Institute of Personnel Management (NIPM).

## INTRODUCTION OF RESEARCH ARTICLE AUTHORS



**Mr. Siddhesh Jadhav**

Siddhesh has completed Masters in Human Resource Management – Pune University (SPPU), having Bachelors Degree in Computer Engineering from Pune University (SPPU). Worked with KEIPL ( Infrastructure Company ) as HR and Admin Executive and presently working at Bharat Forge Ltd., Pune. As Deputy Manager HR, IR and Admin.



**Mr. Shreyas Kirpekar**

Shreyas has completed Masters in Labour Studies from LNML Maharashtra Institute of Labour Studies, Mumbai. Worked with Afcons Infrastructure Ltd, Mumbai, and presently working at Bharat Forge Ltd., Pune as Assistant Manager HR, IR and Admin.



**Prof. Y. S. Siddegowda**

He is currently serving as Vice Chancellor Tumkur University. He has published 147 research articles and 6 book so far. He is also editor/member of 11 reputed Nat/Int. journals. He is conferred the Rank of “Colonel” and the Rank of “Colonel Commandant of National Cadet Corps”, NCC, Government of India. He is also Awarded Golden AIM Awards as “The Most Dedicated Vice Chancellor”.



**Dr. B. Jagadish**

Dr. B. Jagadish has 21 years of experience (15 years in Toyota and 6 years in Journalism and consulting). He has trained more than 21,000 employees and is certified trainer by Toyota Motor Corp Japan, also he is in charge of Leadership Development at Toyota. To add further he has also authored 5 books in social work. Dr. Jagadish has completed B. A. (Journalism), MSW, MAMCJ, PGDHRM, PDGM CJ, PGD Leadership (Emeritus Scholar).



**Dr M.A.Lahori**

Dr M.A.Lahori is currently working as Director at Anekant Institute of Management Studies (AIMS), Baramati – Pune. He has completed his B.Com., MBA., PhD.,D.Litt (USA). He has experience of 38 years and has published 75+ publications. He is also the member of National Associations & Chambers. Adding to this he is also Govt. of India Certified Skill Trainer, Certified Mentor of AICTE New Delhi, Certified Int’l Marketing Professional Blore, Accredited Management Expert Mumbai, & Completed Microsoft, Teach forward: Best Strategies for Hybrid, Remote & blend learning.

**INTRODUCTION OF RESEARCH ARTICLE AUTHORS****Mr. Koustuv Mundaye**

Koustuv Mundaye is a second year MBA Student with HR Specialization. He has more than one year of experience as a health care Administration Associate.

**Dr. Vandana Mohanty**

Dr. Mohanty has over 13 years of combined experience in academics and research. Adept at research procedures, developmental and training activities, development of learning materials, editorial work, and processes. Her professional horizon holds teaching and developing courses in Human Resource Management, Organisation Behaviour and Managerial Economics. She has published number of papers in referred national journals and has attended various international conferences and presented papers.

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**Guest  
Articles**

## WORDS OF WISDOM

*Everyone wants to be appreciated. So if you appreciate someone, don't keep it a secret.*

*- Mary Kay Ash*

*You don't tell people how to do things. Tell them what to do and they'll surprise you with their results.*

*- General George Patton*

*An employee's motivation is a direct result of the sum of interactions with his or her manager.*

*- Dr. Bob Nelson*

*The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant.*

*- Max DePree*



## Effect of R&R on Employee Motivation

Mr Shatul Gupta

RRR, these three letters recently did wonders in the world of cinema grossing close to a one thousand crore collection, kind of a home run in a baseball game, a winning six in cricket and much more.

While the full form of RRR would be best known to the script writer, producer, and the director, What the first two “RR”s mean and do for us, let me explain in my simple words and experience of 12 years, serving clients ranging from large, listed corporates to promoter run organisations.

We humans have a common secret (or not so secret) desire within ourselves, of being recognised and appropriately rewarded. And upon receiving any such recognition, we want to announce to everyone to whom it will matter or not! This is how our ‘puppet masters’ have trained us, influencing our thought process.

Starting from toddler school days, being rewarded for reciting “twinkle little star....., or Ba Black sheep...” in front of the class and then being recognized with claps or stars, straight to our parents boasting about our achievements in their social circles the seeds of “R&R” (Reward & Recognition) were sown, only to germinate and aspire for more in time to come. Overall, Rewards and Recognitions were instilled in us as the yardsticks of our success.

A dive into one’s own past, will reflect on how “R&R” has shaped our decisions very often, leading to our success or failure in the present.

Even today, R&R is the highest rated catalyst, generating the best “R” (Retention) ratio in the corporate JOB World.

### Effect of R&R

For all common purposes, R&R, at all ages, for all positions, leave behind a long-lasting effect. In additi to immediate effects – it gives an immense feeling of achievement, job satisfaction, occupational ‘high’ confidence boost, positive environment, resulting in motivating for further growth and aspiring to achieve more. In relevance to our subject here, R&R – Reward and Recognition results in high RETENTION.

### The cause

Human mind is complicated. Everyone is unique, making it, difficult to pinpoint a single reason for such reaction, result and effect, on receiving a reward or recognition. I would presume, that the human brain is triggered with an electrical charge that results in such effects. I would not want to divulge into the study on how the brain generates pleasure and other psychological components of reward and recognition. This is best done by the neuroscientists, but all I can say is, reward and recognition are important in our lives, and is probably the best tonic for all good productive outcomes.

The Subject - "Effect of R&R on Employee Motivation"

For my view here, I will override Motivation with Retention.

An employee though motivated after being rewarded or recognised, may not continue with the organisation. So, how does being motivated, help me as an organisation? I did everything in capacity as an organisation to reward the deserving, with an underlying motive of he/she continuing to do what he/she is doing, doing it better and keep doing it till retirement, but all in vain. It leaves the organization with a sense of disappointment that is easily comparable to a sure shot experiment with failed result,

There is no doubt that R&R are a big motivation tool for an employee, but, often its ONLY about the monetary gains by the deserving. Group mediclaim, Group accident, Group term life covers are now considered 'must include', taken for granted, and are a common, among every organisation, ONLY differentiating on basis of value of benefit and inclusion/exclusion of family members.

Enlisting few of the most used R&R tools

Involving money spent

- ESOP's
- Superannuation
- Bonus (performance, annual, ex gratia, festival)
- Subsidised Loans (housing, cars, child education)
- Offshore holiday with family
- Enrichment & upgrade courses
- Car & Driver
- Accommodation
- Travel expenses
- Club membership Or just
- Written praise
- Verbal Praise
- First day recognition
- Work anniversary greetings
- Birthday greetings

While the latter options would have had a short lived or negligible impact, the former money spent strategies may have a longer impact, but still is not a full proof solution. In all the above, very often its noticed, it is just a matter of time before the employee submits a resignation, in a short span after receiving the R&R benefit. Was it "MONEY SPENT" or "MONEY WASTED" in trying to retain the employee by rewarding and recognizing him/her?

A question I have always been asked – "how were we to know, he / she will quit after claiming the benefit." As best practises, the company did everything right without expecting the outcome as it happened. BUT in all, the money spent resulted in a disappointing end.

## Need of the Hour for organisations

A Solution that provides return of money spent, if & when the employee exits, premature from a defined time, not comprising on reward, recognition & motivation. Thus, preventing the employee to quit immediately on receiving the benefit.

### **The Solution - “The Golden Handcuff”**

Disclaimer: it is not 100% full proof. Golden Handcuff, a customisable solution that we at DDK Wealth have implemented in scores of organisations since years. With over few ‘000 employees enrolled and managed under the strategy, it is easy for us to claim that the strategy works, since we are the sellers. It is our view right! But the organisations we work with for this strategy, collaborate the same view, our claim gets validity.

Nothing comes for free. But, it is just money, well spent.

**“Spend, but Spend Wisely”**



## **A Report on Case Study of Productivity Linked Incentive Scheme.**

**Dr Milind Kulkarni**

**Abstract** – This Research Paper uses Quantitative Research Method of a Case Study of actual event.

In Business World, Organisations facing fierce competition can only survive by improving its Performance better than the Competitors. Organisation finds performance improvement areas and systematically improve its Performance through strategic intervention like implementation of PLI. According to the National Commission on Labour, “wage incentive is the cheapest, quickest and surest means of increasing productivity.”

In this Research Paper, Researcher has shared a real time Case Study, with its background, Actual PLI Scheme, its Structure of implementation and Result of such intervention. Researcher has also shared his own Learnings and Observations about the process of implementing PLI Scheme, which may be useful for other Organisations and fellow HR Professionals, during the process of designing and implementing PLI.

**Keywords:** Productivity Incentive Scheme, Eligibility, Measurement of Performance parameters and its Levels, Linking it with CTC, Differential pay out linked with Performance Rating, Structure of implementation, Results, Learnings, Meritocracy.

### **Introduction:**

Researcher is Senior HR Professional and a Freelance HR Consultant, who guides/advice and helps client organisations in various HR related issues. The Case Study described below is based on one of such Consulting Assignment entrusted to the Researcher.

### **Background and Situation:**

One of the Client Organisation – a Second Generation Entrepreneur – heading a 45-year-old Manufacturing Organisation (Auto Ancillary) having 8 Units, with Annual turnover of approx. 500 cr. pa, employing approx. 1000 employees and compliment of approx. 1500 Contract Labours. The Client Organisation was seeking solution for perennial problem of Lower Productivity and Quality which was critical for their sustenance in competitive business world. During the Diagnostic study – issues which were affecting Lower Productivity and Quality were observed and reported. Some of the issues were as follows:

1. No Frill approach of Top Management. Constant watch on Cost Control to remain competitive in high competition world.
2. Underdeveloped Supervisory and Middle Management Level Employees – working under constant stress – sandwiched between ever demanding Top Management and lethargic Workmen.
3. Poorly paid workers – laborious work process, harsh work environment (Heat, Dust, Fumes), Lack of Training and Work Instructions. Most of the laborious work processes were contracted out to internal/external vendors, which was a relief to Workmen.
4. Most of the Quality Reject material was reprocess-able but involved added cost of rework (Labour and Power etc.)

**Solution:**

Keeping this scenario in background, the Client who was not very keen on long term and higher cost solutions, requested for quick (low hanging fruit) solution. Researcher based on his subject knowledge and experiences, suggested developing customised Productivity Incentive Scheme (PLI) and its effective implementation.

The rationale of PLI Scheme was as under:

1. The compensation has direct impact on modification of employee's behaviour, favourably.
2. Principle of 'differential reward for differential performance'.
3. The Principle of 'Rewards must be proportionate to efforts/ contributions.
4. The Principle of keeping close distance between 'Efforts and Rewards', must be followed to keep the team motivated to achieve PLI parameters.
5. Equity and fairness. Complaints and grievances must be properly addressed.
6. The PLI Scheme Structure must remain constant for certain period and should not be changed often. Performance Parameters may be tightened year on year, to make it stretched target and challenging Goal.
7. The PLI Scheme should be simple and easy to understand. Avoid 'ifs and buts' to avoid confusion and misunderstanding.
8. Part of savings out of improved productivity and quality – can be shared with concerned Teams/ Employees, based on their contribution.
9. There are three constituents of an effective Performance Improvement System, viz. Performance Information System, Performance Evaluation System and Performance Incentive System. Fortunately, in that organisation, MIS system and PMS system were well established. The remaining piece of Performance Incentive System is fulfilled through PLI.
10. The PLI Scheme will implemented in phased manner – initially for Management and Supervisory Employee to orient their mind set towards Performance Parameters to become eligible for PLI. Subsequently it will be systematically extended to Company Workmen and to Contract Labours. In the later years, based on actual performance, possibility will be explored to add some Performance Criterion and Individual eligibility criterions (Phase II).
11. Strict vigilance becomes necessary to ensure that workers do not disregard safety regulation.

12. Anticipating the situation - whenever production flow is disrupted due to the fault of management (lack of Orders, shortage of raw material, delay by outdoor vendor to supply some essential material etc.) employees may expect on compensation – Management made it clear and insisted/instilled discipline that – Management intends to share gains but not liable to pay compensation.

PLI Scheme: After several rounds of brain storming discussion with respective Stake Holders, after 6 months following customised PLI Scheme was evolved:

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**Performance Linked Incentive (PLI) Scheme**

1. Why PLI SCHEME?

Preamble

1.1) Organization has offered to pay certain monetary incentive to every eligible employee to encourage them to achieve prescribed performance norms of this Scheme. They will be eligible for PLI only if minimum level (Gate) of performance is achieved.

1.2) PLI amount will be payable, based on performance of individual employees and Teams, during the period under consideration. It is based on the principle of differential rewards for differential performance.

2. Who is eligible for PLI Scheme?

2.1) Every Staff category employee working at Plants, in Production, Quality and Maintenance Function will be eligible for the PLI Scheme.

2.2) The Staff employees covers Top, Middle Management Employees and First Line Supervisors.

2.3) Those who have joined the services of the organization during currency of the Performance Year, will be eligible for PLI Scheme from the next cycle of the Quarter (Jan-March, April-June, July-Sept, Oct-Dec), after completion of minimum 6 months of service.

2.4) Those who are voluntarily separated from the services of the company, on account of resignation/retirement/death will not be eligible for payment of PLI Scheme for that quarter.

2.5) Those who are involuntarily separated from the services of the company, on account of Dismissal/Termination/Retrenchment/Discharged etc., will not be eligible for PLI Scheme amount for the quarter, from when the action has been started.

2.6) Actual attendance at the place of work (i.e., Plant) is prerequisite to contribute through individual performance, to collectively achieve Plant Level Parameter of Performance of PLI Scheme. Hence Employee will be eligible for amount of PLI Scheme proportionate to his/her actual attendance (On Duty work and Compensatory Off will be considered as actual attendance).

3. How is the Plant performance measured for PLI Scheme?

3.1) Components of Performance Parameters:

Basic components of the Performance Parameters of PLI Scheme will be as follows:

- a. In process Rejection
- b. Good Sale in % of actual dispatched products in tonnage against Schedule of Dispatch received from Marketing Department.
- c. Parameters of Quality Rejection specified by 3 major Customers.

Sub Rules:

I. Before beginning of every Performance Year, the Performance Parameters for each Plant will be completed, which will be better than actual achievement of the Plant during past years.

ii. Under parameter 'a', for the 'products under development', concessional rate of parameter will be notified for the first period of 6 months (till end of that quarter). At the end of the first period of 6 months, the parameter will be reviewed and either it will be changed to the level of other stabilized products or the period of concessional rate of parameter will be continued for specified period, which will be maximum for the period of 6 months.

3.2) Performance Levels of Plants/Teams:

There are 3 Performance Levels of Parameters 'i' & 'ii' mentioned at '3.1' for the Plants/Teams.

Level 1 is stretched level of performance which is desirable

Level 2 is expected level of performance.

Level 3 is acceptable level of performance with concessions.

The amount of eligibility of PLI will vary for each Level of performance as follows:

Performance Level	PLI Eligibility %
1	125%
2	100%
3	75%

Gate Level:

- Level 3 of parameter 'i' & 'ii' will be Minimum (Gate) Level for each Plant. Prescribed limit of Parameter 'iii' will be Minimum (Gate) Level for each Plant.

- An employee of a plant will be eligible to receive amount of PLI only if the Plant achieves the Minimum (Gate) Level of performance.

### 3.3) Linking of PLI Scheme amount with % of CTC of Level of Staff Employees:

Each Staff Employee will be eligible to receive amount of PLI, equivalent to predefined % of his/her respective CTC.

The entitlement of PLI Scheme amount will be as follows:

Category of employees	PLI amount = % of CTC
Top Management	25%
Middle Management	15%
First Line Supervisor	10%

### 3.4) Linking PLI Scheme with PMS:

Primary & Supporting Goals: PLI Scheme Parameters will be Primary SMART Goals of each employee at all levels and functions, and other Goals will be mentioned as Supporting Goals to Primary Goals, with clear linkage and alignment.

Linking Performance Rating with PLI amount eligibility: To qualify for payment of PLI Scheme, every staff employee must positively contribute towards achieving Performance Parameters of PLI Scheme of the Plant, through Satisfactory Level of Performance (against SMART Goals for respective position) clear from Performance Rating in PA process. Hence Individual Level of Performance Rating is linked with eligibility of PLI Scheme as follows:

Employee with A+ performance rating	125% of eligible PLI Scheme amount
Employee with A performance rating	110% of eligible PL Scheme amount
Employee with B performance rating	100% of eligible PLI Scheme amount
Employee with C performance rating	50% of eligible PLI Scheme amount

Actual eligibility of individual employee for PLI amount will depend upon

- i. Level of Performance of Plant against Performance Parameters and
- ii. Performance rating of employees as per Performance Appraisal review.
- iii. Employees with D and Lower performance rating will not be eligible for PLI pay-out.



#### 4. How the actual amount of PLI will be calculated?

4.1) Budget: For the Budgetary purpose, at the beginning of the Quarter, each Plant Head will calculate largest amount of entitlement of entire team of eligible employees, based on their entitlement as 3.4 above. This will be considered Budgeted amount of PLI for the respective Plant.

4.2) PLI Scheme Pool: On monthly basis, based on the actual performance of the Plants, (against parameters of PLI Scheme), each Plant Head will calculate amount of PLI Scheme and keep in the PLI Scheme Pool.

4.3) Interim Quarterly Pay-out of PLI: On the quarterly basis, each eligible employee will be paid 75% of the amount of quarterly entitlement as an interim payment of PLI, by 25th of following month. Being still 25% of the amount will be carried forward in PLI Scheme Pool.

4.4) Final pay-out: At the end of Performance Year, after formal Performance Appraisal of each eligible employee, based on his/her Rating of Performance, his/her eligibility of PLI amount will be calculated for the performance year and the same will be paid to individual employees after due recovery of interim payment of quarterly PLI amount.

#### 5. Structure for Implementation of the PLI Scheme:

For successful implementation of the PLI Scheme, a structure of Plant Level PLI Committee and Apex Level PLI Committee was created, with well defined roles, responsibilities, and authorities. Those Committees managed education, population, implementation, trouble shooting and grievance handling in respect of PLI Scheme.

#### 6. Phase II of the PLI Scheme:

After successful implementation of PLI Scheme in first year, the Apex Committee will consider addressing following issues,

6.1) Quality & Safety Consciousness at the Plant Level (point of action) to implement 'First time, Right' strategy/system of Production, is essential for consistent performance on the Parameters of PLI scheme. Hence possibility will be explored of instituting System of Training, Assessment and Certification on Quality Consciousness for First Line Supervisors.

Each First Line Supervisor will have to undergo training, assessment satisfactorily and obtain Certificate, which will be valid for 2 years. After expiry of the Certification, those employees will have to undergo process of re-certification.

First Line Supervisor who are having valid Certification on Quality Consciousness, will be eligible for added PLI amount @ 5% of CTC for the period of Certification.

6.2) For effective implementation of PLI Scheme, organization will address issue of disparity and anomalies in current salary structure, through instituting study of Internal Parity, External Parity and Job Evaluation (linking CTC to the relative worth of each job).

6.3) Possibility will be explored to introduce 4th Performance Parameter relating to Reduction of wastage of workforce/power/raw material etc. which is wasted due to rework.

6.4) After stabilisation of PLI Scheme for Supervisory category, possibility of extending same or similar PLI scheme for workers will be explored during next cycle of Long-Term Settlement of Union/Workmen.

6.5) After introduction of PLI scheme for Workmen, possibility will be explored to extend same or similar PLI scheme for Contract Labours who are directly involved in Production/Quality/ Maintenance Activities in the Plant.

7. CTC adjustment to introduce PLI without affecting current take home pay of employees:

7.1) For existing eligible employees:

Out of future increments of each eligible staff employees, 50% of amount will be adjusted against eligibility of PLI amount, (till target entitlement of PLI Scheme is achieved) and remaining 50% of the amount of future increment will be granted in CTC (as per prevailing practice).

7.2) For new employees:

While negotiating CTC of new employees, PLI amount will be fixed as per 3.3 above.

Results:

This scheme was introduced in the Client Organisation in 2017 and working successfully for past 5 years.

1. It has reduced Process Rejection Level from 30% to 6% with a target to reduce it to 3%.
2. The Good Product Despatch has been improved from 74% to 96%.
3. Overall, the basic goals are achieved to the satisfaction of Client Organisation.
4. It has improved Employee Engagement Score of the Organisation and improved attrition records of the Organisation.
5. The Additional cost of PLI is justified by improved performance of Plants by way improvement in Productivity and Quality. Organisation has not only improved its rating with existing major Customers but got 2 new Clients based on Quality Performance.
6. Over 5 years, Organisation has successfully resolved all teething troubles and now PLI has been well set up in the work culture of organisation.
7. As Planned, organisation has implemented similar PLI Scheme for Workmen (through LTS) and for Contract Labours also.
8. However, Organisation has yet to implement scheme of Safety Consciousness and introduction of new parameter of reduction in process cost etc.

### Learnings and Observations:

1. The principles of Productivity Linked Incentives are common for all organisations. However, each Organisation must customise and evolve the PLI Scheme to suit to its internal eco system and practices followed.
2. While implementation of PLI Scheme, extensive communication with every stake holder is essential. A small misunderstanding or misgiving may spoil the entire scheme of Implementation. It is important to inform Juniors – which action of theirs, impacts PLI Scheme and how, and how they can be benefitted by the same. This Communication/ Awareness Campaign needs to be repeated periodically, to clarify doubts, if any, and reorient the team to achieve PLI Parameters.
3. The Ownership and Responsibility of implementation of the Scheme needs to be given to the Leadership Team of concerned Workplaces, with necessary empowerment.
4. PLI is a strategic intervention, which has long term implications, which needs commitment and conviction from the Top Management. Secondly lot of patience is needed while implementation of PLI Scheme. It took 2 years to stabilise the scheme and start producing desired results.
5. Transparency and Credibility of Management plays crucial role while implementing strategic intervention like PLI.
6. Organisation started naming Best Performing Plants on Monthly/Quarterly Basis and the entire team was felicitated in Monthly Open House Meet with small Gifts individually. This was successful step to popularise the PLI Scheme.
7. Each Plant Manager started conducting joint meetings of their teams to decide action plans to improve their PLI Ratings, which enhanced Team Sprite for mutual gains. Improved Team Sprite improved willing cooperation amongst team members and flexibility of deployment rather than rigidity and job refusals.
8. It is advisable to keep the PLI Scheme simple to understand by every stake holder is far better rather than making it complicated with lots of ‘ifs and buts’
9. For better performance of PLI Scheme, Organisation Must address issues of discrepancies and grievances about CTC/Compensation.
10. The step taken by the Organisation to like Performance Parameters of PLI as a Primary Performance Goal for every individual employee, was successful to bring focus of entire team on achievement of PLI.
11. Every Plan started displaying Targets and status of achievement – on daily and shift wise – basis, appreciating teams which were meeting the targets on daily basis with Highlighting their names etc. This use to motivate teams and encouraged healthy competition amongst the teams.
12. Every Plant Head use to conduct Brain Storming Session with his team to analyse reasons of not achieving Peak Performance on the PLI Parameters and draw an action plan for corrective actions.
13. Those Plants, which were not able to achieve PLI Parameters, were analysed by Apex PLI Committee and added help or support was offered by other Plan Heads to improve performance of those Plants.

**Conclusion:**

Productivity Linked Incentive Scheme is beneficial to both – Employer and Employees. It promotes meritocracy with a Principal of more Rewards for more Contribution. Such schemes certainly motivate productive employees who contributes. Such schemes are not popular amongst average and below average performers, which any way is not significant for Management. This scheme is not democratic or socialistic – equal justice for everyone, but it is meritocratic scheme which promotes/supports and rewards Above Average Performers. In the competitive business world such PLI schemes are used as strategic advantage by the progressive Managements.



*Research  
Articles*

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## 360 degree acceptability - An effective tool for enhancing employee motivation

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### Abstract:

Many innovative schemes have been in successful practice for increase of productivity, effective employee engagement, quality improvement, grievance handling etc. A new methodology is suggested here by implementing 360 degree acceptance for any organization, with the intention of increased job satisfaction, conflict free, friendly and peaceful ambiance which look forward for continual growth, better mutual respect and team work of a higher order. The work culture of the company will help to take a decision to induct this process or not. This will also result in reduced hierarchy, better team work, increased visibility and eventually aiming at becoming a Center of excellence. Any managerial process suggested should be totally new to the employees, so that they have something to learn from it and contribute too. It should also be easily understood by one and all and easily implementable.

### Keywords

Proactive behavior, elimination of total insubordination, made for each other culture, redundant gap analysis, constant review, suggestion schemes, brain storming, super ordinate goals and cause and effect analysis

### Introduction

Reward and recognition need not always be based on pecuniary benefits. At the end of the day what an employee will look for is job satisfaction, cheer at home, and stress free working. Work and person should be embraced together to create an everlasting bond, thereby creating back to

back relation.

The theme of this paper aims at is acceptability all round which will increase synergy. The elements of insubordination and superiority will be considerably less. A motivated employee will think of new ideas to enhance productivity and such an employee will be self driven and will not need a driver always.

Thoughts about philosophy of 360 degree acceptability came to my mind, while I was working in an IT company UST Global more than 10 years back, from the process of 360 degree performance appraisal. On invitation, I did a training program for a group of teachers, non-teaching staff, students, parents and public, of a higher secondary school in Trivandrum for up gradation of team work, a few years back. The program was assessed by a few eminent faculties from colleges was and recommended for implementation.

The research paper is based on my experience in this effort. The process of teaching is very strenuous, less rewarding and as the span of control is very high, the level of penetration is low. Non-teaching staff like lab assistants, librarians are seldom consulted or their voices heard. This observation attracted my attention as their contribution and involvement were found significant. Keying on to some of my observations, I took up this simple study.

Human capital being an important factor in any type of industries acceptability of every one across

the organization alone can bring in harmony, proactivity, cheer, forward thinking, competitiveness, innovation and over all prosperity.

### Objectives of study

1. To identify the existing features of acceptability in any organization depending on the business strategies/ vision and mission, competitiveness and spot the likely health indicators which exist.. These could be some times proactivity or freedom to make suggestions or readiness to take initiative or responsibility, or extend voluntary help etc.
2. Highlight possible remedies to improve the health indicators, when ever found necessary over a period of time
3. Achieve Super ordinate goals which over rides differences among people
4. Methods to outwit even the best performers, team members including peers
5. Bring in Synergy across the company and make it stay
6. Improve ownership feeling

### Hypothesis and research methodology

1. Mutual respect can result in synergy
2. Open discussions are many a time productive and results in innovation
3. Sharing of experience leads to better solutions to problems
4. Group tasks invites transparency and better achievement of goals

### Research methodology adopted

1. Judicious selection of a wide population from companies of similar sizes but different work culture, strategy and shared values
2. Ensuring that the sample size represents the population
3. Structured interview with representative questionnaire
4. Collation of results of experiments

carried out

5. Study of customer voice, customer complaints and application of cause and effect principle

### Result section

1. Introduction of 360 degree acceptability needs a lot of discussions at top management level, initially through suggestion schemes, brainstorming sessions to understand the pulse of the majority for acceptance of the idea
2. Very close monitoring and measurement mechanisms by a dedicated team will help to assess the effectiveness
3. The process should not be thrust at any time which can cause dissent and discontent
4. An ambience is to be created so as to result in an urge from the leaders at various levels to energize a large section of people
5. The result of the experiments should be given adequate publicity across the company
6. Those who take initiative are not only to be motivated but rewarded too
7. However scintillating the leadership is or whatever promising the initial results are, we should be prepared for occurrence of noncooperation opposition and dissent
8. Haste in implementation can cause disharmony
9. The source of even a small dissent should be probed to wipe out such elements in the beginning itself. The saying of Swami Vivekananda 'whenever we do anything there will be ridicule, opposition and then acceptance is very pertinent in this context.

I have personnel experience to quote this. When Dr. V.R.Gowarikar became Director VSSC, ISRO, with more than 5500 employees in 1982, he introduced over 10 procedures to reinforce eco friendly, team working, 24/7 vigilance,

personal commitment etc. Those were ridiculed at that time, but these stay as standing monuments such as grove of wood, 24/7 duty officer systems, sports council remain as his great contributions to VSSC. He later on took over as Vice Chancellor of Pune University.

### Discussion

1. While conducting surveys to implement 360 degree acceptability some of the factors suggested are given below. On conducting literature surveys, many of the fortune 500 companies are found to have similar views on these factors
2. Lead by example of mutual respect.
3. Develop and implement clear rules for employee conduct.
4. It is not enough if employees are respected, they should appear to have been listened to understand their ideas
5. Adequate opportunities for peers to excel in their area of competence
6. How to make employees more proactive: Empower them to innovate, involve in customer feedback and customer satisfaction
7. Implement open channels for transparent communications
8. 360 degree feedbacks as suggested by HBR strengthens 360 degree acceptability by the data obtained in a vast scale from employees.
9. Yet another strong factor practiced by leading companies is creating mutual respect in workplace environment with improved commitment which eventually improves efficiency and effectiveness
10. Effort to have better acceptability across the organization will also necessitate to take steps to develop proactivity among employees

### Conclusions

Any innovative step will invite some opposition from some corner or the other. As the first step the idea may have to be got floated and discussed in a welfare

organization or a professional body within the company as its think-tank, or a trade union to feel the overall response. Do not hurry up. Give adequate time. If there is severe opposition, hold for as much time as needed. Only personal persuasion by those who are already having some sort of acceptability can win others. When oppositions die out, a pilot study may be taken by an external agency to go to the details. For reaping success, cooperation and involvement are essential. Successful experiments alone can take any new system forward.

### Acknowledgement

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## Implications of Effective Reward and Recognition leading to Distinctive Employee Motivation

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### **Abstract:**

We have witnessed the year of attrition, which in term tells us that gone are the days when few factors would impact employees to be connected with Organization. Now, the employee needs something over and above the regular activities to be an integral part of the organization. This has led to various intervention in the current scenario. The reward and recognition is one of such critical tool which has a huge impact on employee satisfaction. Motivation could be extrinsic or intrinsic depending upon the behavioral pattern of the employees, but reward and recognition can impact both and thus has a very level of impact on the employee satisfaction.

Many of the organization across the globe have a very reward and recognition mechanism, this in term helps the organization to achieve the most challengeable targets. It also ensures high delivering teams which could in term impact many factors like creating new avenues for growth, efficiency of the team, high on agility, exceptional performance and bold decision making. The overall growth of employees in ensured by a very strong reward and recognition. It pulls out the extra mile delivery towards attaining the organization goals.

The new upcoming challenges in terms of attrition and moonlighting can be reduced by the effective means of reward and recognition. To do so you need to first understand what sort of reward and recognition would encourage the employees within your organization and thus ensure a proper reward and recognition plan of action for them. In case of big conglomerates, it can be basis

geographic diversity, people inclination, demographics, and gender. The mere compensation and benefit would not lead to an employee to be associated with the organization for long tenure and neither would impact on his extra mile delivery. The strong driving factor in today's condition would be only reward and recognition to make engagement employees and break the barrier of organizational disconnect among the employees.

### **Introduction:**

The authors of this paper have studied the various aspect to understand how the reward and recognition would impact the behavioral pattern of the employees. Since long time total reward is the tool which has been very effective for us to make the most impossible challenges possible. Now mere total reward won't be that effective. The new avenues of growth and with the millennial and Gen Z moving at critical roles the challenges are much higher and will keep on growing with the VUCA environment.

Reward and Recognition must be done to achieve certain implicit organizational goal or rather few goals which can impact on the sustainability of the organization. After studying the various factor, the authors have considered few points very important to focus on reward and recognition framework in an organization.

### **• Vitrine Achievement of Goals-**

It means that you must showcase the goals and achievement from your employees.

It is very important to understand that this makes a very huge impact. Not only big achievements but also smallest of the achievement must be brought with prime importance and this ensure that the excellent delivery has been provided by the employees. This small achievement improves the motivation of the employees toward out of the box thinking and promotes them to even perform better than the best.

● **Recognize Efforts:**

Since many decades the achievement of goal has been only the focus for reward and recognition, which in turn reduces the effort in fear of failure. To overcome this thought of failure the organization must recognize the efforts of the employees. The efforts only lead to challenging “Status Quo” and can lead to creation of a milestone. Thus, promoting employee to do impossible challenges feasible organization must also focus on the recognition of efforts made by the employees.

● **Emphasize Values:**

Every organizational is built on the foundation brick of values, ethics and moral. It is well defined the success can be achieved by many means, but sustainable progress can only be achieved only by ethical means. To strengthen the DNA of the organization. The special focus should also be provided in rewarding and recognizing for any particular emphasis on value creation of the organization. It not only improves integrity of the organization but also turns out to be a strong tool towards creating high organizational standards.

● **Social Impact:**

Mankind has been growing since the eras only due to socialization and this is our key for progress. The employees should be always considered for their contribution

towards society and this need to be done to encourage the empathy and make the employees understand that we need to take care of the society and in turn society will help us to take care of our business which is a very cyclic process. Employee should be rewarded and recognized for their contribution towards the society and making the society a better place to live.

● **Promoting Innovation/ Out of the box thinking:**

Innovation and out of the box thinking are very crucial in today’s competitive business environment. It gives a heavy impact on the standard which an organization can deliver its best in class. It can create miracles for the organization and support its sustainable growth. To achieve this type of thought process, organizations must promote and encourage reward and recognition to employees making their attempts towards differential thinking and challenging the conventions.

● **Literature Review:**

The authors of this paper have visited various research work and identified certain books which could provide a brief insight on the ways toward excellent reward and recognition mechanism to make it effective and improve upon the engagement standards of the employees in today’s competitive business environment.

One of the very such books which the authors have referred to is “Make their Day: Employee Recognition that Works” by Cindy Ventrice. The authors have captured the various aspects which defined the small aspect which helps in making the day effective for an employee. It could be the smallest thing towards appreciation of small tasks accomplished by an employee. The recognition must start on a high frequency, recognizing employees once a year won’t work; the smallest achievement needs to be recognized, this would help to

make day of the employee and provoke him to improve the bandwidth of his thought process and achieve the most difficult task.

The authors have taken considerable observation from “Different Strokes – Employees Reward & Recognition Plans” by Dr. E.J. Sarma. The book has mostly focused on the different aspect which can be created to reward and recognize an employee. The continuous process can make a habit for employee to continuously think and define new ways to achieve the best in every possible manner. The authors have identified that the different ways of reward and recognition proves to be very useful and works as catalyst to improve the sense of belongingness with the employees.

The various concepts have made the differential thought process and has helped the authors to create and understand the impact on reward and recognition on the employee engagement making it strong tool towards organizational effectiveness. The authors have also referred “Awards & Rewards” by Zoe Sparks which has provided an implicit view on how the Awards and Rewards can improve upon the connectivity of an employee with the organization. The authors have clearly stated that the reward and recognition serves similar to that of fertilizer for employees and help them to achieve the best from the available resource. It helps them in breaking the bias and enhances their capability to achieve the best.

The authors have also gone through the various online platforms available to read and understand the various terminologies in reward and recognition. The various sources have helped in making the idea of reward and recognition and its impact on the behavior pattern of the employees. The basis encapsulation of employee

engagement to employee satisfaction and from employee satisfaction to employee belongingness.

#### ●Research Methodology:

The authors have used various primary and secondary data to make this article. Focused on various aspect which can help to make and draw best conclusions which can help the reader of this article to make better utilization of reward and recognition to improve the overall motivation of the employees. This in turn will also be helping to achieve organizational goals and achieve the organizational effectiveness.

The data gathered from the secondary sources in complied in précised manner to benefit maximum and provide quick idea on creating reward and recognition as tool of employee motivation. The questionnaire was created and floated amongst the various professionals to understand the thought process on the various stake holders on the importance of reward and recognition. It was then linked with the employee motivation to draw result out of the same.

#### ●Data Analysis:

The data analysis is basis questionnaire provided to various professionals. The outcomes have been then analyzed and the content matter has been developed upon the received feedback from various stakeholders.

A. The questionnaire had focused upon the industries need for reward and recognition. The 100% respondents have replied stating that reward and recognition as requirement for industry to motivate the employees.

B. The next question was on the which sort of reward would be more effective and the responses received was, 60% respondent opted for recognition for Achievement, Efforts and Behavior. 20% for Efforts and Behaviors. 10% for efforts and 10% for Behavior.

C. Further question was into aspect of reward and recognition tool to be different for Gen Z and millennial. 90% of the respondents opted to says that there should be different mechanism for reward and recognition of the millennials and Gen Z while 10% opted to go ahead with Maybe response.

D. 100% of the respondent opted to rewards and recognition as a tool for competitive advantage and leveraging innovative approach in the employees.

E. 80% of the respondent opted stating that there should be different tools for reward and recognition based geographic location and demographics to multinationals.

F. 90% of the respondent opted to rethink on current reward and recognition mechanism in their current organization and provided inputs with polling to need of revamp in Reward & Recognition policies of the organization.

#### ●Proposed Framework:

The authors understanding the various aspect and after the study of impact of reward and recognition on various organization have drafted a proposed framework which could help in better understanding of the impact of reward and recognition on the patterns of employee behaviors. This model not only helps to understand the implication but also helps to categories the employees under various bucket and would lead to effort of the organization to move employees from list

impact bucket to highest impact bucket.

The model is called as Quadrant Scale for Reward and Recognition. The X -axis consist of employee motivation and Y- axis consist of Reward and Recognition. The model used four major layers of the employees Dimmer, Stabilizer, Flammer and Rapport. Each layer has its own dimension basis the employee factor of recognition and his levels of motivation.

#### 2. Dimmer:

Dimmer are set of employee low on motivation and low on rewards and recognition standards. These employees are under the umbrella where they can leave the organization at any time and have no more belonging toward the organization. Focus on these employees and creating excellent reward plan for these employees can move them to the other quadrant and thus, needs to be taken special care.

#### 3. Stabilizer:

These are employees who are highly motivated and need less of reward and recognition. They are inline to organization vision, mission and ethics and keep delivering the best. But focus on these employees would lead to movement of these employees in the highest bucket of Rapports since few Rewards and Recognition could boost their moral even stronger and these employees can deliver extra miles.

#### 4. Flammer:

The Flammer are employees who are not line with organizational goals and motivation but and most having spark towards reward and recognition. They need lot of reward and recognition to deliver the best possible outcomes. The Flammer need to be diverted toward the employee motivation to turn them into rapport. The sense of belongingness would

The sense of belongingness would be area of focus for the set of employees organization.

#### ● **Report:**

These are high level of motivated employees with continuous reward and recognition. These employees are part of every bucket let it call as high potential employees or may be part of succession planning. These employees have very strong potential and connect with the organization.

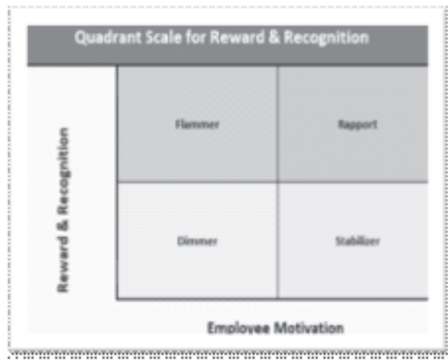


Fig 1.0 – Model: Quadrant Scale for Reward and Recognition

The model created helps to bucket employees in various quadrants and focus on overall improvement of work standard for these employees. Thus, the overall focus remains on moving the employees to Rapport where they can add maximum value towards growth of the organization.

#### ● **Conclusion:**

Today's competitive market has a lot of avenues for talent attraction, considering this as a fact. The organization need to focus on creating highly motivated employees and highly level of motivation can be brought on through strong and statistical tools of reward and recognition. The recognized talent always thinks different ways for growth of the

This thought process brings synchronicity and helps the organization to expand in various dimensions. The organization can grow and help its employees to grow. This in turn would help society to break the bias and would be led to an evolution. Thus, reward and recognition not only create best of the employees but also provides best class of citizen to the society.

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## Reward & Recognition is the key to motivate the talent in the world of digital era

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### Abstract—

The main aim of the study is to examine whether reward and recognition (R & R) is the key to motivate and retain the talent in today's world of digital era. The major objective is to assess the relationship between retention of talent and motivation and rewards.

Global competition is increasing along with the new skills and world is newly emerging into the digitization. The cross functional employee group is increasing and accordingly organization needs to focus on the changing demands of this new category of employees.

In the past, people had more gratitude for highly paid jobs but, in this era people are eager to have good pay along with other benefits in new work environment which can be in the terms of R & R.

Based on research, we took the survey from different types of industry to understand the different industrial practices, policies and views on R & R which leads to employee retention and motivation.

**Keywords** — Reward, Recognition (R and R) Talent, Motivation, Performance, Work culture, Retention, employee engagement, Work life balance, Leadership, change management, satisfaction

### ● Introduction

The fundamental argument on adopting new technology or change management is the crucial process for all the business in competitive era of today's digital world. In such situation employees are expecting not only good perks for their but also to have different work culture which will

boost the moral and job satisfaction. While considering the new thought process of individual and to align such changes with organizations process R and R policy are the key factors. To increase the performance of individual and to achieve the goals of the organization R & R is the bridge that will fill up the gap of employee retention and job satisfaction. R and R polices should consisting of top-down approach for peculating the importance at all levels of the organization which will helps to all to get involve in design and by increasing the communication of R and R you will enhance the productivity ,performance, reduces the rate of attrition.

Only creation of policy will not satisfy our goal it has separate scenarios which will be played by HR or HRBP to execute these policies in such way that our aim is to keep the highest level of transparency and equality amongst all employees. This will lead to increase the trust and build the positive work environment and will help to increase the moral and motivate the employees to do there job right at first time.

All employees will align in such way that both business goal and individuals motivation should get increased. The process shall have the clear and should be properly structured so that team building can be easily adopted.

Our focus should be on new cultural changes like hybrid work culture, digitization and multitasking workforce. For this every organization has to place right R and R policy which will help to motivate, retain talent and create learning business and build the team trust.



Now a day’s business growth is based on employee’s productivity and work motivation. It is very important for a organization to design such factors in R and R policy that will help to motivate its employees and will get the good results. The combination of monetary and no monetary rewards can lift up the employee’s work.

Creating constructive / productive work culture HR has to consider the following points while designing the R and R policy.

- 1) Your vision should be clear : what it includes
- 2) Build the strong team.
- 3) Define clear objectives of R and R.
- 4) Define clear criteria of R and R.
- 5) Design appropriate system.
- 6) Ensure it implementation.
- 7) Feedback system should be designed in such way that it will be transparent.

● **Literature Survey**

Based on literature survey, we found that R and R system / policy is an effective tool to manage the new area of work. In some case R and R policy has the interdependent effects on the entity level team/ business level team. This tool has helped many organizations to attract right talent, keep them constantly high productive and motivated.

In literature survey we also came to know that the R and R policy has high impact of job satisfaction and once the job satisfaction is there it will create the positive work environment and creates the motivated workforce.

In a changing business situation, focus should be on key factors like quality, cost and delivery. Organization are focused to complete the targets as per the commitments and to achieve targets employees should be motivated to do their task. Hence employee R and R plays important role for motivation, improving performance, enhancing the efficiency and build positive work culture in the

organization.

The literature survey also focused on digital changes and cross functional business which requires the knowledge base budget and are required high skillset and will required continues learning.

Organizations are keener to adopt R and R to motivate their human assets by adopting new HR policies related to work life balance.

At the same time, it is important to define the concepts of this study to clarity, therefore, after the introduction, the next section will be defining the necessary concepts -

● **Survey**

For the purpose of this research questionnaire was the measuring tool. A survey was conducted amongst the HR professional across manufacturing industries to understand the awareness of R and R in HR fraternity. We have received the 41 responses from HR professionals.

● **Type of Industry :**

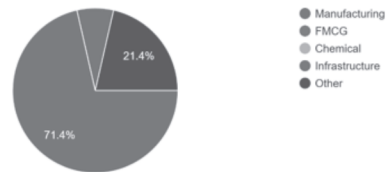


Fig.(1)  
71% respondent are from the manufacturing industry.

2) In your opinion , Reward and Recognition are main factors to enhance the morale of individual

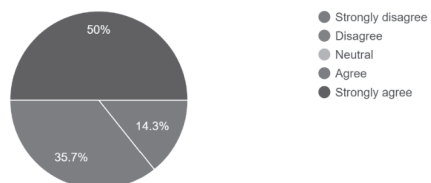


Fig. (2)  
50% respondent are stating that reward and recognition are the main factors to enhance the morale of the individuals.

3) Company can build their best work environment, if they are having best R&R practices.

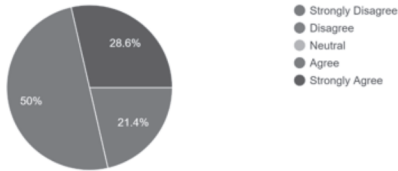


Fig. (3)  
50% respondent are agreeing that by having best R & R practices, company can build their best working environment.

4) R & R develop the values of employees along with the organizations

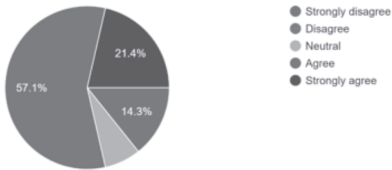


Fig. (4)  
57% respondent are agree that the R and R helps to develop the values within employees.

5) Giving monetary benefits are the best options in Reward and Recognition policy

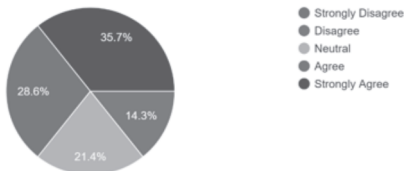


Fig. (5)  
Mixed feedback received from all respondents for above question of giving

monetary benefits are the best options in Rewards and Recognition policy.

6) Employees are dissatisfied with their operating procedures and work content when employees are not organized

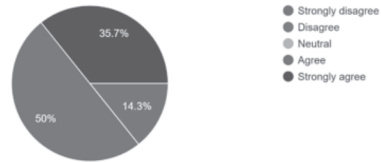


Fig. (6)

50% respondent are agreeing that employees are n

7) R & R policy important role to retain the talent

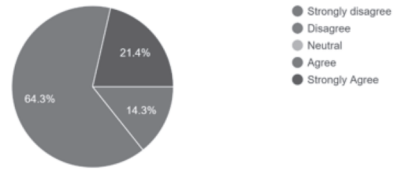


Fig. (7)

64.3% respondent and 21.4% respondent has agreed that R and R policy is helping the various organizations to retain their talent.

8) Monetary and non-monetary reward programs are the booster for employees motivation

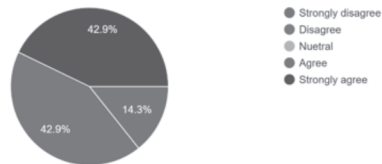


Fig. (8)



## ● Conclusion And Recommendations

### Conclusion –

Based on above research conclusion is Reward and recognition will help to extract the employees contributions and also to have a motivated team to achieve the desire outcome of organization. And to motivate the team or individual Reward and recognition plays important role.

Organization should have the well-structured, transparent R and R policy to attract and retain the motivated and talented human resources.

Non-monetary benefits also have benchmarking effects on employee motivation hence this will also be considered while designing the R and R policy/Scheme.

From the above study and survey, it is concluded that, in the changing world / economy, R & R policy helps to strengthen organizational growth, values, market branding and increase the involvement, efficiency and effectiveness of employees.

### Recommendations –

Well-designed R and R should be accomplished the desire of willingness amongst the employees and helps them for rousing the employee.

To boost the employee's performance managements can provide appreciation policy on instant basis.

like awards and rewards to the best performer and

it helps to encourage the employee and increase the employees' motivation.

Organization should provide R and R in such a way that it will ultimately lead to job satisfaction and employees' performance.

Now in new world of digital era the path has changed to study distinct performance/ individual's performance to group / team performance.

To make organization successful in their desired outcomes, R and R policy should be implemented.

Digital reward should be introduced and communicate across the group.

In changing business situation, watchful attentions need to be made for those organizations who are expecting to get more out of their team players.

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## What Motivates Employees ?

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### Abstract

As Mother Theresa said, "There is more hunger for love and appreciation in the world than for bread". Employees do not work only for their salary but yearn for respect, reward and recognition. A research study was carried out in a manufacturing industry wherein 80 employees expressed what motivates them from reward and recognition perspective. This research paper examines the source of reward and recognition, types of praise, symbolic rewards and personalized recognition which provides an impetus to the motivation of employees. Practical tips for Human Resource (HR) professionals and managers/supervisors are also provided based on the research findings.

**Key Words:** Human Resources, Reward, Recognition, Praise, Motivation

### ● Introduction

Abraham Maslow in his Need Hierarchy model emphasizes about physiological needs, safety needs, belongingness/ love needs, self-esteem needs and self-actualization. Self-esteem needs refer to the prestige and feeling of accomplishment. Whether employee is at an entry point in the organization, mid-career, at the pinnacle or even superannuating from the job, reward and recognition to the work demonstrated by him/her assumes significance.

As Mother Theresa said, "There is more hunger for love and appreciation in the world than for bread". Reward and recognition can come from the Corporate Human Resources, immediate manager, leaders in the organization and from the stakeholders. Praise can be personal,

written, public and even in an electronic manner. Recognition can be in the form of congratulatory cards, providing certificate and recognition in public. Timing of reward and recognition can be on a daily basis, on completing an event, meeting or when employees achieve key temporal landmarks. While rewarding and recognizing the employees, it is quintessential to give prominence for detailing and giving it a personal touch. For example, Manager signing an appreciation note and personally signing it in ink, providing a small physical gift etc.

### ● Literature Review

It is known to everyone that Corona Virus Disease (COVID-19) put in lot of stress on workers in all fields. That too, frontline workers of both public and private health care institutions, social workers and human resource professionals had to bear the brunt. A series of studies were conducted by Shibeal et.al. (2021) which highlighted that while private sectors utilized monetary incentives to boost employee morale, simple symbolic awards (e.g. certificates, public recognition) can provide an impetus to motivation and performance.

Further, they sent personalized appreciation letter to half of the social workers to their home address and did not send the same to another half of them. After one month of this intervention, studies revealed that the social workers who received personalized appreciation letter reported feeling significantly more valued, further recognized for their work and supported by their organization when compared to the ones who did not receive

the letter. Further studies have highlighted that when employees are rewarded and recognized, they are more engaged, productive, increases motivation and less likely to leave the organization.

David Novak (2016) was involved in developing recognition culture for more than 126 countries to one of the leading brands. His research findings include:

- Employees aren't just motivated through a paycheck. They want to work hard when their efforts are noticed and recognized.
- Demonstrate respect by sharing as much information as possible with the employees
- Rewarding and recognizing even small wins keeps employees motivated in the long run
- Make recognition as fun as possible
- About 76 per cent of the people saved handwritten thank you notes. Make it personal.
- Recognition must be timely. Identify good things occurring in the workplace and seize the opportunity to motivate the employees

#### ● Research Objectives

The present study has the following objectives:

- Examine the source of reward and recognition which is most liked by the employees
- Identify the types of praise and symbolic rewards which motivates employees to be more productive and perform better
- Analyze whether personalized recognition provides impetus to employee motivation
- To suggest measures from Social

Work perspective based on the findings of the study to enhance employee motivation

#### ● Research Hypotheses

Based on the review of pertinent literature, discussion with psychologists, human resource management professionals, trainers and other professionals who are into human resources development, the researchers have formulated the following hypotheses for the study:

1. Employees feel better when rewarded and recognized by their managers/supervisors
2. Employees are motivated when senior management recognizes them
3. Employees are motivated when they are appreciated by the customers/stakeholders
4. Praising employees in different forms motivates them to perform better
5. Personalized recognition provides a sense of satisfaction among employees.

#### ● Research Methodology

**Research Design:** The study is Descriptive in nature as it is intended to understand who, what, when, where and how of employees' reward and recognition. The study is also intended to understand the issues in-depth and arrive at a logical conclusion. From this perspective, the design is Diagnostic too.

**Place of Study:** The study was conducted in a manufacturing organization situated in Bengaluru. Data was collected for two weeks from 16<sup>th</sup> September to 30<sup>th</sup> September 2022.

**Subjects for the Study:** To understand what motivates the employees from reward and recognition perspective, employees who are in the management cadre were selected. They represented all the four functions of the manufacturing industry.

**Inclusive Criteria:** The study includes only the employees of one manufacturing organization who are in the management cadre in Bengaluru. Respondents from all grades within the management cadre, caste groups and religions are included. Respondents from manufacturing, sales, commercial and technical functions are considered.

**Exclusive Criteria:** Unionized workmen were excluded from the study. Workmen apart from Bengaluru were excluded.

**Sample Design:** Purposive or Judgement Sampling method is adopted in this study. This comes under non-probability sampling or non-random sampling method. Purposive or Judgement Sampling means deliberate selection of sample units that conform to some pre-determined criteria. There are 1150 employees in management cadre who are on the rolls of the company. Data was gathered from 80 respondents (7% of the universe).

**Scale Development:** To study or carry out the research, an item pool of questions was broadly developed to measure the perception of employees on what motivates them from reward and recognition perspective. The scaling response used in the study is five-points Likert scale.

**Tool Used in the Study:** What the study required was a tool which could comprehensively investigate the perception of employees on what motivates them from a reward and

recognition perspective. To study the same, a questionnaire consisting of four preliminary questions, four questions related to source of recognition, four questions on types of praise and seven questions on personalized recognition was prepared.

**Pre-Testing:** In order to check the efficacy of the tool, which was to be used in the study, was pre-tested. Pre-test was conducted on five employees, to determine the validity and to estimate reliability of the tools developed for the present study. All the five employees were also interviewed to get accurate information. Based on the feedback from the pre-test, changes were incorporated in the questionnaire.

**Method and Sources of Data Collection:**

To begin with, the researcher made a list of Divisions from where data can be collected from the prospective respondents. The researcher made a list of known people who are in the management cadre based on his 20-years' experience. After preparing the list of prospective respondents and leads in data collection, list with their mobile contact numbers were prepared.

After the questionnaire was finalized by the experts, next, the researcher converted the questionnaire into online form utilizing Google Forms. In order to get completed questionnaire, mandatory fields were mentioned in the Google Forms. A trial link was prepared and shared with the pilot study respondents. Feedback was taken in terms of the questionnaire content as well as readability on the mobile. The questionnaire was easily readable on Android and Apple iPhones. Then, the researcher forwarded the questionnaire link to the leads via mobile. After sending the link, the researcher confirmed the availability of the respondent. The respondents used to send a confirmation

message that they have completed the questionnaire. When the respondents asked for further details, clarifications were provided.

While collecting the required information through questionnaire method, privacy and required confidentiality and all the ethical issues of research was maintained by the researcher. Further, when interviews had to be conducted, the subject was always given encouragement to feel free and express their views, ideas and opinions freely and frankly.

**Primary Sources:** Data for the study was collected over a period of two-weeks in September 2022. The required data being of the nature that needed careful introspection by the subject, the respondents constituted the chief source of primary data. Thus, the main source of data was collected from 80 employees. Administration of questionnaire took maximum two-minutes.

**Secondary Sources:** The secondary sources of data were collected from National Institute of Personnel Management's Journal "Personnel Today", Harvard Business Review, Journals, Newspapers and other published and unpublished documents related to the research topic.

**Techniques of Data Collection:** Questionnaire, personal interview and observation were adopted for this study. No reference of individual or company is done for the purpose of the study.

**Analysis of Data:** Once the collection of data was completed, the filled-in questionnaires were edited for their completeness. The data was then coded and subjected to computerized analysis. Analysis of data generating out of this study was made on quantitative and qualitative basis to suit the study

objectives. Analysis of the collected information was executed after dissecting data into sections as per the study requirements. Microsoft Excel has been used to generate graphs and tables.

**Limitations of the Study:** Only management cadre employees are considered for the study. Employees of only manufacturing industry are considered for the study.

## ● Results And Discussion

### Preliminary Information about Respondents

**Gender:** Majority (89%) of the respondents were male, followed by nine per cent females and two per cent of the respondents did not prefer to share their gender.

**Age:** Youngest respondent was 26 years and oldest respondent was 52 years old. Average age of the respondents was 40 years.

**Work Experience:** Lowest work experience of the respondent was four years. Highest work experience of one of the respondents was 28 years. Average work experience of the respondents was 18 years. This indicates that the respondent group is quite experienced and have got exposure towards reward and recognition from a long-term perspective.

**Educational Qualification:** About 36 (45%) of the respondents had completed their degree, 24 (30%) post-graduation, 13 (16%) pre-university course, four (5%) Industrial Training Institute and three (4%) diploma.

**Table No. 1: Source of Reward and Recognition**

SN.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	I am motivated when HR/Corporate recognizes me (e.g. Employee of the month)	2 (3)	5 (6)	13 (16)	35 (44)	25 (31)	80 (100)
2	I am motivated when my Manager/Supervisor recognizes my efforts	1 (1)	2 (3)	4 (5)	30 (38)	43 (54)	80 (100)
3	I am motivated when my senior leaders of the organization recognize me	1 (1)	1 (1)	3 (4)	31 (39)	44 (55)	80 (100)
4	I feel motivated when my customers/key stakeholders recognize my contribution	1 (1)	1 (1)	6 (8)	29 (36)	43 (54)	80 (100)

*Figures in parentheses indicate percentage*

It is evident from the above table that employees prefer to be rewarded and recognized by the senior leaders of the organization (55%), recognized by their Manager/Supervisor (54%) and their customers/stakeholders (54%). About 31 per cent of the respondents expressed that they are motivated when the Corporate HR team recognizes them. This indicates that reward and recognition is no longer a centralized function of HR fraternity. It is important for HR team to facilitate ideas through which the employees are recognized by their immediate supervisors, organize events wherein senior leaders and customers appreciate them!

**Table No. 2: Types of Praise**

SN.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	Personal Praise (e.g. Supervisor walks to you and appreciates)	3 (4)	5 (6)	8 (10)	39 (49)	25 (31)	80 (100)
2	Written Praise (e.g. Letter of appreciation)	2 (3)	6 (8)	6 (8)	37 (46)	29 (36)	80 (100)
3	Public Praise (e.g. Appreciation in front of others)	1 (1)	3 (4)	4 (5)	37 (46)	35 (44)	80 (100)
4	Electronic Praise (e.g. Appreciation email)	1 (1)	7 (9)	20 (25)	37 (46)	15 (19)	80 (100)

*Figures in parentheses indicate percentage*

It is evident from the above table that employees feel elated when they are praised in public (44%), followed by written praise (36%), personal praise (31%) and electronic praise (19%). Interestingly, about 25 per cent of the respondents remained neutral to the statement whether they would like electronic praise. While considering average work experience as 18-years, it reveals that traditional praise is preferred by the senior employees rather than electronic praise!

**Table No.3: Personalized Recognition**

SN.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	Congratulatory Cards	2 (3)	7 (9)	17 (21)	41 (51)	13 (16)	80 (100)
2	Certificate handover during a team meeting	2 (3)	5 (6)	5 (6)	38 (48)	30 (38)	80 (100)
3	Daily recognition (e.g. Feedback after a meeting/event)	1 (1)	4 (5)	20 (25)	42 (53)	13 (16)	80 (100)
4	Achieving key milestones (e.g. projects, events)	2 (3)	1 (1)	4 (5)	40 (50)	33 (41)	80 (100)
5	Personally, signed in ink by direct manager	4 (5)	3 (4)	21 (26)	34 (43)	18 (23)	80 (100)
6	Physical/small financial gifts	4 (5)	11 (14)	13 (16)	28 (35)	24 (30)	80 (100)
7	Appreciation in Social Media (e.g. What'sApp, Facebook, Instagram, Twitter)	3 (4)	12 (15)	19 (24)	30 (38)	16 (20)	80 (100)

*Figures in parentheses indicate percentage*

Respondents opined that they experienced personalized recognition when they are appreciated while they achieve key milestones (41%), certificate handover during a team meeting (38%), providing physical or small financial gifts (30), personally signed in ink by direct manager (23%), appreciation in social media (20%), congratulatory cards (16%) and daily recognition (16%).

Hence, based on the above findings mentioned in table numbers 1, 2 and 3, all the five hypotheses formulated are tenable.

**• Conclusion And Way Forward**

As Dale Carnegie mentioned, “People work for money but go the extra mile for recognition, praise and rewards”. This study throws light on practical tips which every HR professional or a manager/supervisor can apply which includes:

- Managers/supervisors need to appreciate their subordinates and recognize their efforts on an ongoing basis
- Create opportunities and fora wherein senior leaders of the organization recognize employees' achievements
- Identify opportunities wherein employees are appreciated by the customers or stakeholders (e.g. customer testimonial videos)

- Praise your employees in public (e.g. team meetings, town halls)
- Find every good reason to praise your employees personally, through written form or even through an appreciation e-mail.
- Organize events when the organization achieves key milestones (e.g. timely and successful project accomplishment, achieving annual targets, long-service awards etc.)
- Even though issuing certificates is an age-old tradition, employees still preserve and crave for them! Issue certificate of participation or appreciation, as appropriate.

Recognition Can Provide a Big Morale Boost, Harvard Business Review, March 29.

Personalized recognition can go a long way in ensuring employee satisfaction, engagement, productivity and contribute towards the organization's goal. As Infosys' founder NR Narayanamurthy says, "Respect, recognition, and reward flow out of performance". It is important to ensure every individual is motivated so that they contribute towards the organization's goals on a sustainable basis.

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## Reward and Recognition of Teachers; Tool for True-blue Commitment

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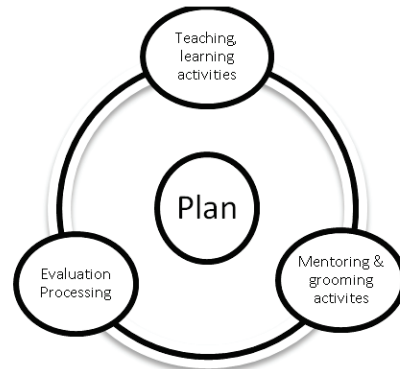
**Abstract:** - Seldom we talk about teachers' recognition and teachers' performance appraisal (reward), but it is observed and notices that, teachers are mostly buckled with admission, other administrative work, research, white papers and sometime hooked on self-centric work. It is very rare baring few; we can say that in real sense teachers are contributing for the benefits of students and Institute as a whole. The immediate and clear answer is NO. Hence, in this paper an attempt is made by formulating a simple but need based Teachers Performance and Competency Appraisal. It analyses various factors which amount to reward and recognition of a teacher. And this leads to the certainly true-blue commitment of a teacher and will have win-win situation.

**Key words:** confined appraisal, more administrative work, need based performance appraisal, institutional development.

**Introduction:** Teachers are playing very important role in developing and shaping the students at large. Teachers are not only teaching the subjects but inculcating the values, ethics and manners in the students. The working quality of teachers has to be rewarded and recognize suitably. The role of teacher is multi faced.

Diagram No.1.

### Teacher's Educational Spiral



**Role of a Teacher:** In the 3 E formula of teaching process viz Excellence, Effectiveness and Efficient in the higher education. The role of 'Teacher' is towards totally functional based rather than teacher-learner interaction. *It is rightly said that, 'Mediocre teacher tells; Good teacher explain; Superior teacher illustrates; Exceptional teacher inspires.'* Thus, functional knowledge and inspiration is the main tool for excellence in the education. The major function in 3 E formula processes, a teacher is supposed to perform the following functions.

a) **Managerial Function:** This is most important function of a teacher which consists of planning, organizing, coordinating and controlling. The overall development of student and Institute as well, is very significant.

**Teacher as a Communicator:** As we know henceforth teaching is not only a transmission of information is not only a transmission of information but also it



a) will be two-way process of sharing thoughts and feelings with the students. Teacher may use both verbal and non-verbal mode of communication based on the situation to explain. *This is rightly said, 'Teachers TEACH by what they DO more than by what they SAY'.*

●**Teacher as a Self-learner:** In to-days dynamic environment of fast technology, research, economic and political changes, the explosion of information is very much amazing, and teacher has to up-date him / herself. Hence *it is rightly said by Bruner that, 'Knowing is a process-not a product'.* Teacher needs to Learn-It-All the hybrid teachings methods.

●**Role as a Researcher:** Teacher need to go for the research work with the help of technological tools to increase the excellence in their subject as to acquaint with the latest happening and application of his/her knowledge.

●**Teacher as a Resource Generator:** In the educational Institutes teacher should be a resource generator, by contributing towards collaborations, research work, patents, strong alumni relationship and connects. The resource generation for the development of Institute goodwill.

●**Teacher as a Role Model:** It is often said that student learn from what they see rather than from what they are taught and *H. Miurn said 'What you say is not important, how you say it'.* Thus, it is essential that teacher should try to decrease the percept-

practice gap and thus help students acquire skills and attitude by providing a role model.

In precise Education is a process of self-discovery, self-sculpture, to explore latent intellectual, artistic skill & humanist capacities. Teacher's role is all about upfront discussion, inspire learner, with the distinctive teaching methods to achieve the program outcome.

The objective and problem of the study is very simple,

**Objective:** Teachers need to be rewarded and recognize for their work.

**Problem:** Teacher's don't have proper performance and competency appraisal for their work.

**Limitation:** The framework of Teachers Performance and Competency Appraisal is basically designed for the upcoming and growing management Institute. Hence it can't be generalized and may not be applied to all Institutes, unless it customizes as per need. The discussed format is basically for Management Institute.

### **Discussion on Format of Teachers Performance Appraisal & Competency:**

As on date the appraisal of teachers is in place with title of Academic Performance Indicator (API). The assessment parameters have classified into three categories namely,

●Category I: Teaching, Learning and Evaluation Related Activities

●Category II: Co-Curricular, Extension and Profession Development Related Activities

●Category-III: Research and Academic Contributions

A review and in-depth analysis has put forth the new format for the teachers Performance Appraisal & Competency, as teacher / faculty ranking. This will help to recognize and reward teachers suitably by the education Institutions. The complete Performance Appraisal & Competency, as teacher / faculty ranking is shown in the annexure. However, the outline is basically classified into five categories.

**Category A:** Faculty General Profile: It is all about the information of the faculty like education, experience, date of birth, publication etc., in precise a faculty at a glance.

**Category B:** Teachers Competency on Teaching Learning & Evaluation Activities (135 Points). It has weightage of 135 points, divided into; Classes taken (Max. 40 Points/year), Project supervision (20 Points/year), Innovative Teaching & learning methodologies (Max. points 40 /year), Examination related works (Max. 25 Points/year) and Subject results (Max. 10 points/year)

**Category C:** Sportive-ness of Teacher on co-curricular, extension and professional development, (65 Points), which is divided into, Students activities (Max. 10 pints/per), Mentoring /Remedial/ Bridge Courses /other (Max.15 Points/year), Organizing conferences, FDP, workshops (Max. 10 Points/year), Administrative work of the Institute /Department (10 points / year), participation in administrative and academic bodies (Max.05 Points/year), Professional development activities and (Max.15 points / year)

**Category D:** Teachers IPR on Patents, Research & Academic Contributions (115 Points/year). The point are divided into Patent / Publications (60 Points/year), Research Projects (20 Points/year), By

Research Guidance (10 Points/year), Training courses Attended/ Conference Papers Presented & Invited Lectures (25 Points/year)

**Category E:** Institute Vibes like, Institute Building / Goodwill (Max 20 Points-Top up). These points are top-up weightage in total, in other words additional. This is divided into, Placement Activity (Max.11 Points/year), Admission activity Coordinator (Max.5Points/year), Outreach Activities / Self-Drive / Proficiency contribution / Coordinator: (Max. 4 Points/Max).

**Working:** All the category shall have other minute sub-division with allotted points, that can be more visibility in the annexure. Please follow.

The points and weightage of Faculty Performance & Competency Appraisal (FPCA) taken on evaluation sheet for their ranking on 315 scores/points. And there shall be 20 points top-up for all faculties to add-on by scoring.

The table No. I denotes the total score and the **Faculty Ranking Grades (Based on 315 score)** on that top-up scored points need to add. Further it tagged with **Green colour:** Should be recognize and suitably rewarded **Orange colour:** Should be notified need improvement **Red color:** Should be cautioned to go out, unless get into orange.

In the table No. II, Level of Faculty is determined based on the designation like assistant, associate and professor indicates how much minimum points to be scored in total.

**Conclusion:** This is the most feasible format for the recognition and reward for the teachers and it need to be in place. On the green zone that is recognition and reward (R & R zone) teachers need to be rewarded with variable pay.

**References:**

- a) The complete format category A to D and the table No. I and II as annexure I.
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**Annexure:**

**Faculty Performance & Competency Appraisal (FPCA)  
Faculty Ranking Evaluation Sheet  
Academic Year .....**

**Category A:**

**Faculty General Profile:**

1.	Name of the Faculty	:	
2.	Academic Qualification (at date of joining)	:	Regular:
3.	Academic Qualification gained during service till date	:	Distance:
4.	Date of Birth (DD/MM/YY)	:	
5.	Date of Joining & Total Number of Years /Months at AIMS	:	
6.	Designation	:	
7.	Work Experience a. Academic b. Professional / Corporate c. Total	:	
8.	Permanent Address	:	
9.	E-mail / Telephone / Mobile Number	:	
10.	Research Papers publication / patents /books, etc., a) National b) International	:	
11.	Conference participation / FDP/ presentation / chair a) National b) International	:	

**Category B:**

**Teachers Competency Teaching Learning & Evaluation Activities (135 Points)**

S #	ESSENTIAL Documents in support	Points allotted	Self-appraisal Score	Verified Coordinator Score
1.	<b>Classes taken (Max. 40 Points/year)</b> – Lectures, Seminars, tutorials, practical & contact hours undertaken. (1P for 5 classes)	40		
2.	<b>Project Supervision (20 Points/year)</b> No. of students Guided at UG, PG, & Govt. projects (1P for one student)	20		
3.	<b>Innovative Teaching learning methodologies (40 Points/year)</b> 1. No. of Subjects / course Handled with study material (5P for one Subject, Max. 15P) 2. No. of Certificate Programs given (5P per Certificate Max.10 P) 3. No. of Experimental learning sessions conducted outside Institute (2P/event, Max. 2P) 4. No. of Subjects Curriculum updated (4P per subject, Max. 8P) 5. Annual average Student Feedback (Max. 5)	40		
4.	<b>Examination Related Works (25 Points/year)</b> 1. CEO/Invigilation/Supervision related (1P/Invigilation, Max. 10 P) 2. Evaluation/Assessment (2P per subject, Max. 10 P) 3. University Question Paper Setting work (2P per QP, Max. 5 P)	25		
5.	<b>Subject Results (10 Points/year)</b> Average result in subjects per year in percentage = x. Points = [(x - 50)/5]	10		
<b>Total Score</b>		<b>135</b>		

**Category C:**

**Sportive-ness of Teacher Co curricular, Extension & Professional Development (65 Points)**

	Co-curricular & Extension Activities	Points allotted	Self-appraisal Score	Verified Coordinator Score
1.	<b>Student related Co-curricular &amp; Extracurricular Activities (10 Points/year)</b> Name of Activity (2P/activity, Max. 10P) 1. Guest Lectures Arranged : 2. Industry visits Arranged : 3. NSS/ACTE/UGC/University/DTE etc., Program : 4. Alumni Association Program : 5. Students Presentation / Debate :	10		
2.	<b>Mentoring /Remedial/ Bridge Courses/other (15 Points/year)</b> 1. IP program, (Max. 5P) : ..... ..... ..... ..... .....	15		
3.	<b>Organize Conferences, FDP, Workshops in Dept/Institute (10 Points/year)</b> 1. Conferences : 2. FDP : 3. Workshops : 4. Management Fest etc. (Mention) : (Chairperson -3P, Convener- 2P, Member -1P per event)	10		
4.	<b>Administrative work of the Institute / Department (10 points / year)</b> Responsibility : 1. Dean – 10 P 2. HOD – 8 P 3. Course Coordinator – 7 P 4. Class Coordinator – 5 P 5. Activity Head / Committee – 4 P	10		
5.	<b>Participation in Administrative &amp; Academic Bodies (05 Points/year)</b> 1. BOS Member : 2P 2. BOE Member : 2P 3. Any other Committee : 1P	5		
6.	<b>Professional Development Activities (15 points / year)</b> 1. No. of Certificates completed in NPTEL /SWAYAM/other Online 3 Month Course (5P/Certificate, Max 5P) 2. Conferences/Seminars/Workshops attended with Attendance Certificate (1P/Event, Max 5P) 3. PhD adjudicator / evaluator (5P,Max. 5P)	15		
<b>Total Score</b>		<b>65</b>		

**Category D:  
Teachers IPR  
Patents, Research & Academic  
Contributions (115 Points)**

	Documents in support	Points allotted	Self-appraisal Score	Verified Coordinator Score
1	<b>Patent / Publications (60 Points/year)</b> 1. Papers in ISSN Google Scholar/Scopus/ WoS Indexed Journals (8P/paper for first author, 2P/paper for other authors Max. 40P) ; 2. Papers in Conference Proceedings (4P /paper for first author, 1P/paper for other authors, Max. 20P); 3. Chapters in Edited Book with ISBN / Case studies in Journals with ISSN (4P/ for first author 2P/ for other authors, Max – 10P) ; 4. Books with ISBN (Min 6 Chapters & 250 page book. 8P/ for first author, 2 for next. Max. 10P) ; 5. One patent single 30 point Max 60 down the line 10 point Max 60. Patent submission by single only 10 Point	60		
2	<b>Research Projects (20 Points/year)</b> 1. Govt. / University Funded Working Project (10 P/Project, Max. 10P); 2. Consultancy Project for MAU partners or others (5P/Project, Max 10P); 3. Linkages (5P/ Linkage, Max 10P); 4. Any other project (5P/Project, Max 10P);	20		
3	<b>By Research Guidance (10 Points/year)</b> 1. Guided M.Phil./M. Tech. (by Research)/MS. (by Research), 2P/Candidate on award ; 2. Guided Ph.D. (10P/award); 3. Guided UG/PG Student Project resulted in Journal Copy right/ Patent Submission (2P/Publication);	10		
4	<b>Training courses Attended/ Conference Papers Presented &amp; Invited Lectures (25 Points/year)</b> 1. Training courses / FDP attended (min. 3 days, 5P/ Certificate, Max. 10P) ; 2. Conference Papers Presented (5P/3P/2P for Int.N at./Nat./Regional; Max. 10P) ; 3. Invited Lectures/ chairing the session/ Inaugurator (other invited responsibilities like Ph.D. external examiner etc. (5P/Event, Max. 10P);	25		
<b>Total Score</b>		<b>115</b>		

**Category E:  
Institute Vibes  
Institute Building / Goodwill (Max  
20 P-Top up)**

	File Documentation	Points allotted	Self-appraisal Score	Verified Coordinator Score
1	<b>Placement Activity (11 Points/year)</b> 1. Placement Training organized (1P/event/Max4P) 2. Job Fair / On -campus / Off -campus Drive – (1P/Event+10 students offer letter 1P/ Max 7P)	11		
2	<b>Admission Activities Coordinator (05 P/Max)</b> 1. Intoto planning right from scratch to finish (Coordinator 3P & Team members 2P)	05		
3	<b>Outreach Activities/Self-Drive/Proficiency contribution /Coordinator; (04P/Max)</b> 1. Institute distinctive activity (1P/event/Max 1P) 2. NAAC/NBA/ NCC/NSS ETC.(2P/Max2P) 3. Self-driven/Proficiency of their subject -IT return/ Computer program/ subject knowledge /Employee citizenship behaviour/Course handling-CMA etc. (1P/Max1P)	04		
<b>Total Score</b>		<b>20</b>		
<b>Faculty Grade Rank</b>				

Signature of Candidate  
Academic Coordinator  
Director Secretary

**Note:**

a) The faculty ranking shall be

workout on basis of 315 marks/score.

- b) Each faculty has to score minimum score shown in the table No. II for qualifying.
- c) The score indicated in category E shall be 'Top-up Score' is not included in 315 but will be added on the secured percentage.

**Table 1:  
Faculty Ranking Grades  
(Based on 315 Score)**

	FPCA Score	Rank	Grade	Percentage Score
1	- - -	A ++	Excellent	95 % (R & R)
2	276 - 300	A + Grade	Extremely Good	88 % (R & R)
3	251 – 275	A Grade	Very Good	80 % (R & R)
4	226 – 250	B ++ Grade	Good	72 %
5	201 – 225	B + Grade	Adequate	64 %
6	161 – 200	B Grade	Average	51 %
7	140 – 160	C Grade	Below Average (No Increment)	44 %
8	120 - 140	D Grade	Poor (Warning)	38 %
9	Bellow 120	F Grade	Very Poor (Relieving)	Below 38 %

- **Category E:** Institute Vibes Institute Building / Goodwill scored pints shall be taken maximum 20 points, as top-up points in addition to above for calculation.
- **Green color:** Should be recognize and suitably rewarded
- **Orange color:** Should be notified need improvement
- **Red color:** Should be cautioned to go out, unless get into orange.

**Table II:  
Level & Faculty wise Minimum  
scores required**

Category	Asst. Professor	Associate Professor	Professor
Category - A (135)	80	80	80
Category - B (65)	20	20	20
Total (A+B)	115	115	115
Category - C (115)	10	20	40
Total Score 315 (A+B+C)	140 (45%)	160 (51%)	170 (54%)

**Note:** Based on the level of (designation of faculty) they must get into the above brackets that is minimum.

## The Mediating role of Salary Satisfaction between Reward and Recognition and Employee Engagement: An Empirical Study.

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### Abstract

This study investigates the role of successful reward and recognition practises and salary satisfaction in private banking firms, as well as their link with employee engagement. The information for this study came from 536 bank employees. The result suggests that reward and recognition practises alone did not affect how engaged employees were. But the human resource policy helps an employee develop a sense of salary satisfaction, which will affect the level of engagement in the long run. With a focus on the moderating function of salary satisfaction, the current study aims to experimentally analyse and add new knowledge to the existing literature regarding the relationship between employee recognition, salary satisfaction, and employee engagement. This study also looks at the most recent research on reward and recognition policies and how salary satisfaction affects employee engagement. This study looks into HR function practises, reward recognition, and employee participation in service organisations. It showed that participants from four organisations had very positive feelings about reward and recognition practises and were also very involved in their work and organisation. The main conclusion of this study is that Salary Satisfaction acts as a bridge between rewards and recognition practises and employee engagement. Salary satisfaction also has a positive influence on employee engagement and positively moderates the relationship between employee recognition and employee engagement.

**Key words:-** Reward, Recognition, Employee Engagement, Salary, Satisfaction.

### • Introduction

Reward and Recognition system has emerged as one of the most influential determinants of employee engagement with their work. Reward and recognition strategies are crucial to HR strategy. Reward refers to the tangible and psychological payoffs given to an employee in recognition of their good contribution and task performance. Organizations cannot simply imitate the rewards and recognition practises of other organisations; rather, they must develop a rewards and recognition plan to promote their unique culture. Historically, creating a rewards and recognition plan has been more of an art than a science. People desire rewards but do not realise what they require. There is no assurance that the various awards and recognition offered will have the same effect on every employee, and this must be taken into account. Therefore, a rewards system cannot be successful unless the organisation has a comprehensive grasp of the needs, expectations, and values, as well as the education, talents, and potential, of its varied workforce. Consequently, the incentives and recognition plan will be implemented differently based on the employee segment and profile: functions, positions, talents, location, and demographics (age, gender, income level, and family status). Rather than relying on rigorous quantitative analysis to determine what will be more motivating to employees, many organisations base their rewards and recognition packages on

instinct and opinion. When conceived and implemented correctly, a rewards and recognition strategy can be a significant driver of business success. An effective rewards and recognition plan enables organisations to provide the appropriate forms of rewards and recognition to the appropriate individuals, at the appropriate time, for the appropriate cause.

Globally, organisations strive to retain their best employees. It has been demonstrated that the recruiting, selection, and training of a replacement employee incur expensive costs, equivalent to at least one year's salary. Moreover, a company's employees is one of its most valuable assets. Recognized as vital to a company's success, skilled and competent personnel — and their retention — are regarded to be essential. Reward and recognition are valuable resources that can drive employees to achieve organisational objectives and play a crucial role in employee retention. To ensure not only employee retention but also optimum performance, a firm must provide a variety of various methods of compensation. Due to the fact that employees account for approximately 80% of a company's expenses, it is crucial that they are engaged. Employee involvement increases customer happiness, customer loyalty, company reputation, and total stakeholder value. Engagement has been proven to connect with beneficial organisational outcomes such as fewer absenteeism, lower intention to leave, lower costs, and faster growth. Effective incentives and recognition programmes increase employee engagement and productivity (Fairlie 2011). Reward and recognition have been developed for a long time as a precursor to employee engagement. In a world where four out of ten employees are not engaged, rewards and recognition have great potential to increase employee engagement and business performance

(Brown and Reilly 2013). Only 34% of the U.S. workforce is engaged, with 53% not engaged and 13% actively disengaged, according to Gallup (2018).

The enthusiasm with which engaged personnel undertake their duties has a direct impact on their productivity and performance. Employee engagement is a term that your management must take really seriously because it is one of the ultimate benefits of employee recognition. In order to achieve a competitive advantage in the marketplace, organisations have begun to regard their personnel as internal assets. Because of this, in the current market environment, employee engagement has emerged as a crucial corporate driver and has been recognised to depend on structural performance. Employee engagement not only has the power to affect how long employees stay with a company, how much work they do, and how loyal they are to it, but it also has a big impact on customer satisfaction, the reputation of the company, and the overall value to stakeholders. Therefore, it is legitimate to assert that, in order to attain a competitive advantage, firms request that HR develop plans for both employee engagement and commitment. The range of positive involvement, passion, and both physical and mental commitment that an employee feels towards his work and company is referred to as employee engagement. It is a two-way process that strengthens the bond between the organisation and its personnel. An engaged employee will put forth "discretionary or voluntary effort" and is anticipated to be more productive and invested in his job, which tends to boost organisational productivity and decrease employee turnover. In recent years, the corporate sector has been one of the primary contributors to economic growth. It is believed that the growing number of MNCs in India has contributed to the



higher level of employment. The business world is fundamentally distinct. The employees' working conditions, hours, and other factors appear to vary. The staff perform either daytime or nighttime shifts as opposed to standard business hours. Although the corporate world appears to be a place of broad exposure and great compensation, it is also a place where work takes precedence over everything else.

### ● Literature Review

Employee recruitment, motivation, and retention will all benefit greatly from well-managed incentives and recognition programmes. Employee satisfaction, customer satisfaction, and bottom-line financial factors like sales growth, market expansion, and even profitability can all be improved by motivated, happy staff members. Given that every employee has different needs and preferences, an effective incentives and recognition strategy should take these elements into account. These factors include risk tolerance, career stage, skill level, and reward preferences. New data mining and analytics tools are being introduced by businesses to better understand employee preferences and personalise rewards and recognition programmes. Managers should keep in mind that each employee has a unique perspective on the value of a rewards and recognition programme. They should therefore carefully match rewards and recognition to the employee's unique personal needs. A rewards and recognition program's success depends on management's capacity to tailor it to the needs, circumstances, and preferences of its participants.

Madhani.M.Pankaj.,(2020) This study focuses on incentives and praise that are linked to an employee's productivity. Rewards and recognition programmes can make or break an organisation since people are a potential source of long-term

competitive advantage. Effective strategies for rewards and recognition raise the calibre of internal services. Employee satisfaction and engagement are mainly influenced by a workplace's intrinsic characteristics. Employees who are highly satisfied and engaged tend to be more productive and provide better service than their disengaged competitors. In order to improve organisational performance, HR managers should create superior internal service quality rules and procedures that emphasise employee engagement, satisfaction, and service orientation. Depending on the type of service, different internal service quality methods have different implications on employee satisfaction. As a result, HR managers should customise internal service quality to ensure that the procedures match specific occupations and satisfy employee expectations across a range of service contexts.

Aktar and Pangil (2018) discovered empirically that effective rewards and acknowledgement positively affect employee motivation. Rewarding and recognising employees enhances employee engagement, which increases retention and contributes to a more positive workplace environment overall. Incorporating a rewards and recognition programme increases employee engagement, resulting in numerous advantages for the organisation, such as higher productivity and retention.

A'yunnisa and Saptoto (2015) looked at how recognition affects satisfaction with pay. They used a quantitative design in their study to evaluate important hypotheses. The investigation was conducted in an Indonesian auto manufacturer. Participants were those who had been employed full-time for at least three months. 183 participants were chosen using the purposive sample

technique. AMOS was utilised to analyse the data and evaluate hypotheses using structural equation modelling and the Pearson's correlation test. According to the study, pay satisfaction was favourably correlated with employee engagement but unfavourably correlated with the intention to quit. According to this finding, employees' intent to quit grows as their income satisfaction declines. Additionally, as employees' recognition grows, so does their contentment with their compensation.

Mussie et al. (2013) did a more thorough analysis and took important variables into account. The researchers used data from the US, Vietnam, and Malaysia along with a cross-sectional (correlational) methodology. The following individuals were chosen using the simple random selection method: Americans (n = 457), Malaysians (n = 347), and Vietnamese (n = 391). Data was collected via questionnaires, and conclusions were presented using Pearson's correlation and regression analysis. According to the study conducted by A'yuninnisa and Saptoto, pay satisfaction is positively correlated with recognition (2015). The relationship was considerably stronger, proving that employee contentment was substantially correlated with remuneration in the firms.

Salleh and Memon (2015) investigated the link between employee engagement and wage satisfaction. Unlike the other studies that were reviewed, this study used a review methodology where the literature was thoroughly examined in order to rely on its theoretical and conceptual contributions. The opinions expressed were backed up by pertinent empirical data that had already been verified in other investigations. A conceptual model developed by the researchers views compensation satisfaction as a result of employee recognition.

Their omission to include alternative explanatory factors in their model is a significant flaw given the growing concern among academics (Asiamah et al., 2019) regarding the misleading influence of potential confounders on relationships investigated in cross-sectional studies. The aforementioned research is intriguing, but there aren't many studies that specifically examine the connection between income satisfaction and recognition.

Ewool, E. M., Azinga, S. A., & Kamil, N. M. (2021) with a focus on the moderating function of salary satisfaction in the Ghanaian banking system, the current study aims to empirically analyse and provide new knowledge to the existing literature regarding the association between employee recognition, wage satisfaction, and employee engagement. This study used a quantitative research methodology, and a sample of 455 respondents, including consolidated bank Ghana personnel from Kumasi and Accra central, were selected using a straightforward random selection process. The gathered data were analysed using structural equation modelling (SEM) using SPSS and AMOS versions 24.0. Three (3) of the study's four primary hypotheses were confirmed, but one (1) was not. In particular, the study found that employee recognition has a positive impact on salary satisfaction and a negative impact on employee engagement after controlling for four important demographic factors, including educational attainment, tenure, employee level, and income. Salary satisfaction also positively moderates the relationship between employee recognition and engagement. According to the study's findings, an increase in wage satisfaction makes the effect of employee recognition on employee engagement stronger.



## ● The Relationship Between Reward And Recognition Practice, Salary Satisfaction, And Employee Engagement

On the basis of social exchange theory, it is hypothesised that employee pay satisfaction will foster a sense of justice and being valued, which, in turn, will result in positive behavioural and attitude outcomes, such as a high level of engagement. Therefore, highly engaged employees are less likely to participate in voluntary movements. As previously indicated, employee engagement is becoming a crucial topic of conversation, particularly when the firm is facing challenges related to the present economic downturn. It has inspired numerous scholars to investigate how employee engagement is fostered within an organisation. An engaged employee typically demonstrates a high level of commitment to their job and business. They are enthusiastic about their work, more driven, and willing to contribute more to the organization's success. Employee engagement is the effort an employee makes to act in accordance with the organization's interests (Kennedy & Daim, 2010). McShane and Glinow (2017) define engagement as a sort of emotional and intellectual motivation in which individuals are highly focused on their work, leading to the attainment of ultimate goals.

The researchers projected the link between RRP, SS, and EE to develop this model. Since the notion and research around these three factors are still restricted, the authors attempted to illustrate the pattern of correlations between them. Each variable has a significant effect on the other, as determined by the researchers. Initially, they presented findings from prior studies that investigated the impact of RRP on SS

and, consequently, its impact on EE. The authors compiled the material from already-presented research papers in databases. The first hypothesis was therefore concluded to be:

H1:- Reward and Recognition will have a significant positive impact in Salary Satisfaction

H2:- Reward and Recognition will have a significant and positive effect on Employee Engagement.

H3:- Salary Satisfaction will have a significant and Positive Effect on Employee Engagement

Our fourth hypothesis is based on the overall discussion of the effect of an independent variable on dependent variables.

H4:- Salary Satisfaction will mediate the relationship between Reward and Recognition and Employee Engagement.

## ● Research Methodology

### ● Participants

Employees from four private sector banks made up the study's participants. Each bank had branches throughout Pune, but only those in Chinchwad- Hinjewadi-Chakan were approached for data collection due to the city's large population and staff concentration. While 52.6% of the participants were men, 61.7% were below the age of 30. 63.5 percent of the population held college degrees. The majority of respondents, 80.5%, reported working a maximum of 56 hours each week.

About 31.3% of respondents had worked for the organisation between 1 and 3 years, and 25.2% between 3 and 5 years. . In conclusion, 67.1% of participants were officers (supervisory role).

The questionnaire was distributed to 650 potential participants, 540 were returned, and 536 usable replies were gathered for the final data analysis. This study's data were collected through an online self-report questionnaire. Researchers maintained adequate levels of participant confidentiality and anonymity. All research-related correspondence was sent through the primary contact (HR employees) in each organisation.

### ● Measurements

Each of the employed measures was a self-report measure in which participant perceptions were used to answer a series of questions. All measures were assessed on a 6-point continuum ranging from 1 ("strongly agree") to 5 ("strongly disagree"), with 1 representing "strongly agree" and 5 representing "strongly disagree." Using a questionnaire with sixteen components, Reward and Recognition practise was assessed. The Cronbach's alpha estimate of dependability was 0.88. The creators of Wage Satisfaction utilised nine factors to define salary satisfaction. Cronbach's alpha was 0.9002. Based on Schaufeli et al., fourteen measures were constructed to measure employee engagement (2002). Several sample responses included 'Enthusiastic about my career,' 'Proud of the work that I perform,' and 'My work is meaningful and purposeful.' Cronbach Alpha was 0.896% for these items. The same is presented in the table below-

**Table-1 Cronbach's Alpha**

Items	No. of items	Cronbach's Alpha
<b>Reward and Recognition</b>	16	0.889
<b>Salary Satisfaction</b>	9	0.902
<b>Employee Engagement</b>	14	0.896

### ● Results and Discussions

The collected data indicate that RRP has an average rating of 4.32, placing it inside the moderate category. Participants believed that the reward and recognition practise was effectively implemented inside the organisation but less so. As for the SS, our average score is 4.62, which falls within the effective range. It indicates that participants were content with the current pay and salary. Our average score for employee engagement was 4.5, which is considered strong. This is a positive indicator for businesses, but there is opportunity for development. Table 2 displays the values for all variables' means, standard deviations, and correlations. There is a connection of 0.62 between RR practise and SS. This is consistent since the correlation is greater than 0.500, we may conclude that this is a strong association. RR practise and SS had a correlation of 0.62 and 0.74 with employee engagement, respectively. This shows a strong correlation between these variables.

The Hayes (2018) Macro Process application was utilised to analyse the impact of the independent variable (RR practise and SS) on the dependent variable (employee engagement). This method was utilised by the researchers because it has profited from the bootstrap method. According to Sekaran and Bougie (2016), bootstrap is a statistical strategy based on resampling existing data to generate a sample distribution for a statistic. The benefit of bootstrap is that there is no need to assume a normal distribution, which is difficult to achieve in the real world. In this study, SS will be considered a mediating variable if both the Upper Level and Lower Level Confidence Intervals (ULCI and LLCI) contain 0.

Before discussing the mediation study, the effect between variables was evaluated. RR practise becomes a predictor of SS.

(coefficient, 0.681; p-value 0.001). In our study, however, we discovered that the RR practise did not influence employee engagement (coefficient = 0.024; p-value > 0.05). This indicates that our results differ from those of previously cited articles. SS predicts employee engagement (coefficient, 0.329 p-value 0.01), which is consistent with the findings of earlier studies. Overall, the hypotheses H1 and H3 were supported, whereas H2 was rejected.

The direct and overall effects of Reward and Recognition practises on Employee Engagement are outlined in Table 4. There is no direct effect because p is greater than 0.001. Our research revealed that the type of Reward and Research or policy implemented in a firm has no direct effect on the level of employee engagement. With the addition of Salary Satisfaction as a mediator, the total effect becomes significant (p-value 0.001). Salary Satisfaction demonstrated to be an efficient intermediary between Reward and Recognition practise and Employee engagement. The H4 hypothesis has been validated. Figure 1 depicts the flow of the relationship between variables.

**Table-2 Mean, Standard Deviation and Correlation**

	1	2	3	4	5	6	7	8	Mean	SD
Gender	1								1.36	0.44
Age	0.621	1							2.08	0.96
Education	0.434	0.738	1						2.54	0.87
Tenure	0.381	0.322	-0.44	1					1.2	0.4
Position	0.454	0.671	0.538	0.488	1				2.81	0.92
Reward and Recognition	0.224	-0.019	0.025	0.678	0.581	1			4.32	0.81
Salary Satisfaction	0.299	0.568	0.165	0.342	0.748	0.624	1		4.62	0.64
Employee Engagement	0.32	0.37	0.799	0.642	0.652	0.741	0.382	1	4.38	0.28

**Table3- Regression Coefficient and Model Summary**

Summary	Salary Satisfaction			Engagement		
	Co-efficient	S.E	P- Value	Co-efficient	S.E	P- Value
Reward and Recognition Practise	0.681	0.026	0.000**	0.024	0.048	0.388
Salary Satisfaction				0.329	0.003	0.000**
Constant	1.076	0.141	0.000	3.184	0.196	0.000**
R Square			0.453			0.114
F=595.748				F=46.343		
P=0.000**				P=0.000**		

**Table-4 Effects of Reward and Recognition Practice on Employee Engagement**

	Effect	S.E	Boot LLCI	Boot ULCI	P-Value
Direct Effect	0.029	0.048	-0.062	0.122	0.638
Total Effect	0.28	0.056	0.149	0.284	0.000
Mediation of Job Satisfaction	0.257	0.043	0.163	0.248	

**Figure-1: Mediation Model of Salary Satisfaction**



**•Discussion**

The present study sheds new light on the examination of the relationship between variables under inquiry. While we agree that RR practise has a considerable effect on SS and on the relationship between SS and employee engagement, our data indicate that RR practise has no direct effect on employee engagement. We recognise it takes time to create stronger engagement. Not only time, but also specific programmes that frequently have indirect or delayed effects. Nonetheless, organisations must have and implement comprehensive RR programmes that include the opportunity to enhance employees' skills and knowledge, provide a fair and clear career path, flexible and competitive remuneration packages from which employees can choose, and a supportive and friendly work environment that is characterised by the management's full attention and care.

Human capital is the most precious asset, particularly in service-oriented enterprises. To deliver services, hotels, hospitals, telecommunications, and banking rely on people. A highly engaged employee will provide superior service, which can positively affect customer

satisfaction. Particularly those firms that operate 24/7 to resolve consumer issues. Fortunately, the employees in these businesses are already deemed to be highly engaged, as they cannot forecast the nature of the requests or problems that must be addressed. With management's assistance, they can overcome workplace issues. According to the results, however, there is still potential for development. Employees believe that their roles can be improved. Management might conduct an internal poll to determine individual RR programme requirements. It must be determined whether these measures will affect employees' opinions about Social Security. This can be accomplished by implementing a successful RR approach that enhances employee engagement through the provision of superior SS. The organisation must modify its RR practise in order to accommodate flexibility and individual demands. Importantly, enterprises must comprehend that RR practise is not a short-term objective. Time is required to alter employee perceptions. Management must execute the programme with dedication and consistency.

### ● Conclusion

Employee engagement and happiness are influenced by compensation, job security, flexibility, meaningful work, and possibilities for career advancement. The phrase "compensation" refers to the monetary benefit that employer pays to an employee in exchange for his or her "services," which may include knowledge, time, and effort. This study focuses on employee awards and recognition that are contingent on job performance. As individuals are a possible source of a sustained competitive edge for businesses, rewards and recognition become crucial to their success or failure. Reward and recognition programmes that are effective enhance the quality of internal services. The majority of what makes people happy

and engaged at work originates from the workplace environment. Employees that are engaged and satisfied work harder and give greater service, resulting in a higher level of total service performance. To improve the performance of the organisation, HR managers should implement stronger policies and practises for internal service quality that emphasise employee involvement, contentment, and service orientation. Effective tactics for rewards and recognition make employees happier. Happy staff provide excellent service, which makes consumers satisfied, which in turn increases customer satisfaction and profitability. The benefits of internal service quality practises on employee satisfaction rely in part on the type of service; therefore, HR managers should customise internal service quality to ensure the practises are compatible with the occupations and fulfil the expectations of employees in various service contexts.

This study investigates Rewarding and Recognition methods, Salary Satisfaction, and employee involvement in service organisations. We investigate the role of salary satisfaction as a relationship mediator. It shown that participants from four private banking businesses had positive perceptions of Reward and Recognition policies and were highly engaged in their work and organisation. This may indicate that the participants are dissatisfied with their work lives despite the fact that their work-life balance needs improvement. This study's key finding is that SS mediates the association between Reward and Recognition procedures and Employee Engagement. This implies that firms must devise techniques of assisting employees in achieving a higher Salary Satisfaction criterion. On the basis of these findings, firms can optimise their HR policies and implement numerous ways to enhance SS and guarantee employee well-being. Policies that lessen the stress between work and life, such as flexible

working hours, special leave for family matters, and assisting employees in providing assistance to their children or ageing parents. This study's cross-sectional design is one of its drawbacks because it is difficult to identify how the factors interact over time. In this instance, longitudinal research should be used to further studies in order to gain a larger perspective.

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## Role of Reward & Recognition in Talent Retention and Motivation

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### **Abstract—**

During slow economy, retaining talent was not a major issue in the industries. People were motivated by offering small amount of reward or recognition and by giving appreciation certificate.

In the global competitive environment people have emerged as a new source. The demand for skilled people is rising. There is shortage of skilled and talented people. To retain the talent in the present emerging world HR has to create “Reward and Recognition” policy for improving leadership development, managing work life balance, managing change, learning organization etc..

Rewarding and recognizing employees leads to greater employee engagement, which increases retention and helps to create a more positive culture”. For employee motivation and for improving their morale and performance the simple way is to acknowledge their achievement. Hence employee recognition is a critical one.

In past few years we learned how to adopt money-centric approach but in changing world we have to learn human centric approach by bringing a stronger focus on empathy, care, and wellbeing at work.

**Keywords** — Reward, Recognition (R and R) Talent, Motivation, Performance, Work culture, Retention, employee engagement, Work life balance, Leadership, Human-centric, empathy, cluster development.

### **● Introduction**

Improving the performance, retaining the talent, and creating individual motivation in the organization HR has to design and

develop Reward and Recognition policy which will align to individual objective with business goals. It is also important all organization processes shall be efficient and give the clear direction to the employees. The role of HR while executing the R and R policy shall focus on fairness and transparency.

Rather than pushing the strategy the HR department shall introduce the R and R policy in the organization which should be aligned to the business. The focus shall be changing the culture to improve the performance, motivate the people, retain talent, create learning organization, build trust etc.

R and R should also gain the commitment from the employees to enhance the performance of the organization. It should also help across organization for developing team spirit, cross-functional initiatives, cluster development etc.

To build the positive work culture organization has to take following steps while designing R and R.

1) Define compensation policy and shall be aligned with desired organizational culture, performance as well as for competency.

2) Design appropriate system for managing best salaries by creating pay grades and bands.

3) Define the criteria for job evaluation and performance incentive system.

4) Develop schemes for providing flexible benefits and perquisites.

5) Design transparent review mechanism and feedback system for R and R.



● **Literature Survey**

In the literature survey, we came across the information stating that organizations those are having focused R and R policy to build positive work culture and highly motivated human resources to achieve the organizations desired outcome.

In a competitive business situation, management is always work on quality, cost and delivery. Management is looking towards getting more out of their people, people are looking towards their corporate to get more out of them. Employee rewards and recognition are a way for motivation, improving their behaviour, enhancing the efficiency and create value for the organization.

Rewards and Recognition goes hand by hand. Rewards system meant reward for performance. Recognition meant for different purpose. Recognition provides psychological benefits to the people and make them good.

Rewards may greatly fluctuate, depending on how lucrative an industry is e.g. product managers working in technical versus product managers working in the non-profit sector will have a different set of expectations.

The literature survey also focused on high rate of technological change and the development of knowledge base economy are required new skill level and the need for lifelong learning is the important aspect. Further, company must aim for the programmes related to work life balance such as sabbaticals, employment options for the partner of the employees, employing external coaches for developing internal virtual leadership, action learning seminars etc.

Organization should capture the commitments from the employees to enhance performance and inculcate the desired skills for adopting the emerging technological changes with structured enduring learning process. R and R shall have the transparency to retain the talent,

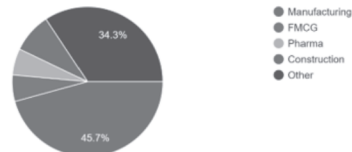
enabled the availability of pool of talent.

At the same time, it is important to define the concepts of this study to clarity, therefore, after the introduction, the next section will be defining the necessary concepts -

● **Survey**

A survey was conducted amongst the HR professional across manufacturing industries to understand the awareness of R and R in HR fraternity. We have received the response from HR professionals.

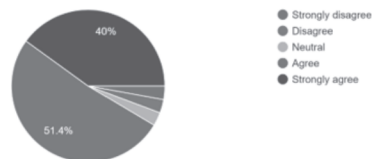
**1.Type of Industry –**



**Fig (1)**

Majority of respondent belongs to Manufacturing sector

**2. In the changing economy, HR department must change reward and recognition policy –**



**Fig (2)**

Above 50% respondent says that, in the changing economy, HR department should change rewards and recognition policy for organizational growth.

**3. To strengthen organization image and reputation, R and R plays vital role –**



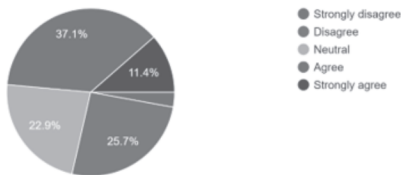
About 50% respondent are agreeing that, R & R plays vital role to strengthen organization image and reputation.

**4. To attract, motivate and retain the talent, effective R and R policy plays the important role**



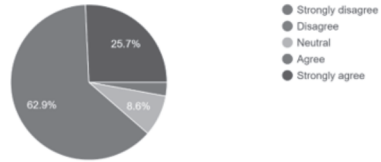
**Fig (4)**  
Almost 58 % respondents are approving that R & R policy plays important role to attract, motivate and retain the talent.

**5. Gaining commitment from the employees, R and R is only the important tool-**



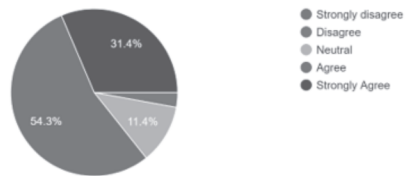
Mixed feedback received from the respondent for above question regarding gaining commitment from employees, R & R is the important tool.

**6. Empowering employee is the key motivation**



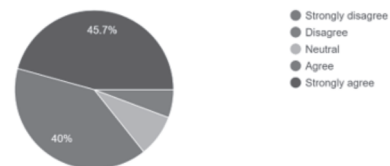
**Fig (6)**  
Maximum respondent are stating that empowering employee is the key motivation.

**7. R and R policy leads to greater employee engagement, which increases retention and helps to create a more positive atmosphere.**



**Fig (7)**  
54% respondents are agreeing that retention of the employees are directly proportionate to R & R policy. Organization can retain the employees by strengthening the R & R policy.

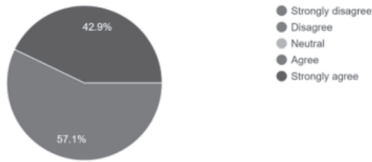
**3. Developing capable workforce through work life balance, learning organization, leadership development are the key factors in R and R.**



**Fig (8)**  
Mixed feedback is received from respondent for the question of developing capable workforce through work life balance, learning organization and leadership are the key factors in R & R.



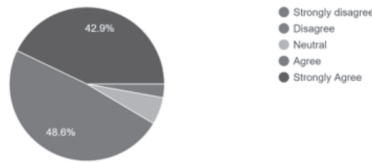
**9. In R and R, transparent evaluation system plays vital role**



**Fig (9)**

Here, 58% respondent stating that, in R & R transparent evaluation system plays vital role.

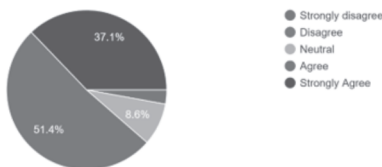
**10. R & R strategy shall be aligned with business strategy and with the external environment**



**Fig(10)**

Mixed feedback received for above question. Almost 50% respondent are agreeing that, R & R strategy shall be aligned with the business strategy and with external environment.

**11. Involvement of stake holders in designing and establishing R and R is must –**

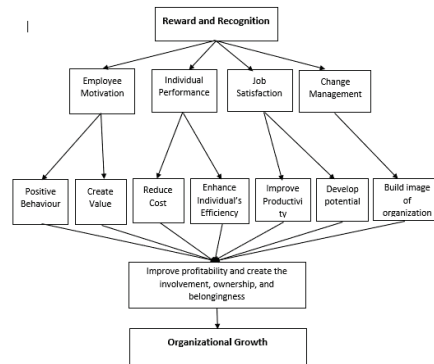


**Fig(11)**

50% respondent are agreeing that, in the establishing and designing R and R policy, involvement of stake holder is must.

**• Path Analysis**

“Path Analysis is a statistical tool used to describe the various dependents among a set of variables”. This gives multivariate analysis of variance and covariance analyses. This is the effective tool to co-relate whether our R & R policy achieve the objective of the organization and whether it is align to the strategy of the business.



**Fig (12)**

Reward and Recognition leads to employee motivation, improve individual performance, create job satisfaction, and bring change in the organization.

Motivated employees create the positive behaviour and add value for the organization. Individual performance reduces the cost and enhance individual efficiency.

Job Satisfaction improves the productivity and develop the employee's potential and change management helps to build the image of organization.

All this leads to improve the profitability and create the involvement, ownership and belongingness which results to the organizational growth.

**• Conclusion And Recommendations**

**Conclusion –**

From the above study and survey, it is concluded that, in the changing

economy, R & R policy plays important role to strengthen organization image, reputation and enhance the organizational efficiency and effectiveness by empowering employees.

R & R policy helps to create positive workaholic atmosphere which leads to greater employee satisfaction, work life balance and promote leadership development.

In changing business scenario, R & R policy will adopt the culture of involvement of stake holders which will retain and motivate the talent and it leads to Organizational Growth.

### **Recommendations -**

The trend has changed from individual performance to team performance. Hence,

1. Group reward system shall be designed and implemented.
2. Reward and recognition for internal trainer
3. Create Organizational philosophy – Recognize the candidate based on potential and not on experience.
4. Create platform for cluster and cross functional teams to recognise individual and team performance.
5. Design skilling and training program which plays vital role in reward and recognition.
6. Develop the system for peer recognition.
7. Digital rewards to be introduced.

In today's world, management should consider the most common rewards in terms of monetary benefits includes –

1. Signing Bonus
2. Spot Bonus
3. Referral Bonus
4. Holiday and Annual Bonus
5. Commission/Uncapped Commission
6. Equity/Stock Options

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## Significance of Reward & Recognition in Increasing Morale and Motivation of the Employees

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### **Abstract—**

This paper aims at the significance of motivation of employees through Rewards and Recognition. It also aims at studying the effect of Reward and Recognition on achieving the ultimate goal of the organization by improving productivity / efficiency, performance and retaining skilled / talented human resources. The data for this is collected through an on line questionnaire which was sent to about 25 respondents working with different organizations and holding responsible position in the HR Department of those respective organizations. Through the questionnaire it is attempted to know the following:

Whether the form of Reward or Recognition should be monetary or in kinds, does the Reward and Recognition prompts the employees to go beyond the call of their regular work, does the Reward and Recognition helps in improving the boss / subordinate relationship, does the Reward and Recognition is an impetus for strengthening bonding amongst the employees, does the Reward and Recognition plays a vital role in increasing employee engagement, does it results into better employee empowerment and does the Reward and Recognition increase loyalty, morale, satisfaction and happiness of employees.

**Keywords** — Reward, Recognition, Motivation, Trust, Confidence, Employee Bonding, Boss /Subordinate Relationship, Retention, Employee Engagement, Employee Empowerment, Loyalty, Morale, Satisfaction / Happiness of employees.

### **• Introduction**

Motivation is the important factor that creates positive impact on actions and work of an individual. Motivation is a process of activities that directly or indirectly influence on achievement of certain objectives. In today's scenario, motivation creates positive impact on job. In an organization, performance of an individual as well as of an organisation can be achieved by employee motivation.

Rewards have direct connection with motivation. In recent era incentives, rewards and recognition are very much important for motivation of employees.

The study by Ajila and Abilola (2004) showed that reward package can influence on employee performance. Rewards and Recognition system helps to increase employee performance and ability to achieve the organisational goals. Providing suitable Reward and Recognition system keeps the employee happy, engaged and loyal towards the organization (morale). Reward and Recognition systems may be of different types such as monetary, self –satisfying, giving in kinds, etc. In present situation, if there is no motivation, it is very difficult for an organization to retain specific talent.

According to Griffin (2008), Rewards and Recognition system is the most basic tool for managing employee motivation. Individual performance is generally determined by three things motivation – the desire to do the job, ability – the capability to do the job and the work environment.

● **Literature Survey**

Through the literature survey, our attempt is to seek information that in this era the organisations are required to emphasis on R and R Policy / Scheme in order to have positive and conducive work culture along with highly motivated employees having as much as high morale.

In today's cut throat competitive business environment focus on cost consciousness, out of box thinking and first time right is inevitable. Rewards and Recognition to employees is one of the ways to get more out of the employees beyond their regular work and improve their productivity, efficiency and loyalty to the organisation. Rewards and Recognition both are going hand in hand. Reward is aimed at better and better performance and Recognition is aiming at providing various benefits to the employees.

The organisations now a day should have a cohesive workforce having a good bonding amongst the employees and transparent boss-subordinate relationship. This results into trust amongst each other and brings in employee empowerment. The robust Reward and Recognition, system also not only helps in getting the above done but also plays a vital role in better employee engagement.

It is needless to say that employees who are highly motivated and are having high morale are always happy if not satisfied to the great extend and are always been the asset to the establishment. Due to trust amongst each other and bonding amongst themselves establishments have ease in achieving growth of the establishments and ultimately to achieve goals set by the organization.

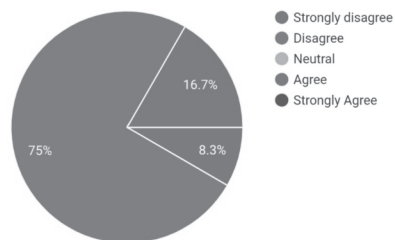
To cut short it is significant that every establishment should have to have good Reward and Recognition mechanism and should keep on further improving the same to have highly motivated and dedicated employees who have loyalty towards the

establishment and see their own growth in the growth of the establishment.

● **Survey**

A survey was conducted through an line questionnaire which was sent to respondents working with different organizations and holding responsible position in the HR Department of those respective organizations. Outcome of the same is being given here-in-below.

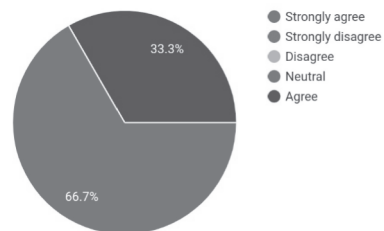
**1. R and R should be always in the monetary form**



**Fig (1)**  
Majority of respondent Strongly Disagree that

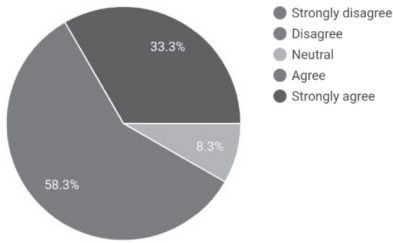
R & R should always be in the monetary form.

**2. R and R plays vital role to motivate employees**



**Fig (2)**  
More than 66% respondents agreeing that R & R playas a vital role to motivate employees.

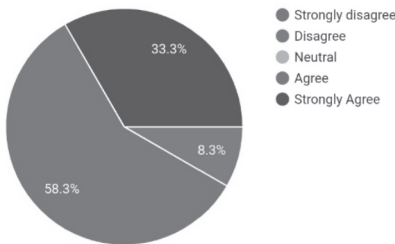
**3. R and R helps to motivate employees to exert beyond the scope of regular work**



**Fig (3)**

About more than 58% respondents are of the opinion that R & R helps to motivate employees to exert beyond the scope of regular work.

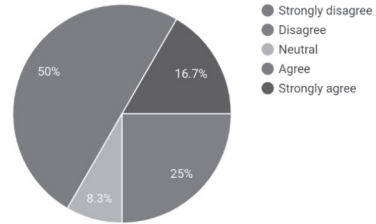
**4. R and R builds trust and confidence in boss and subordinate relationship**



**Fig (4)**

Almost 58 % respondents are approving that R & R builds trust and confidence in the boss – subordinate relationship. Another 33.3% of the respondents are strongly agreeing to this and only balance about 8% of the respondents disagree to this.

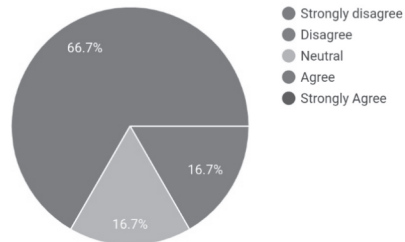
**5. R and R helps to strengthen bonding within employees**



**Fig (5)**

Mixed feedback received from the respondent for above question regarding strengthening of bonding within employees owing to R & R. However, exact 50% of the respondents agree that R & R helps to strengthen bonding within employees.

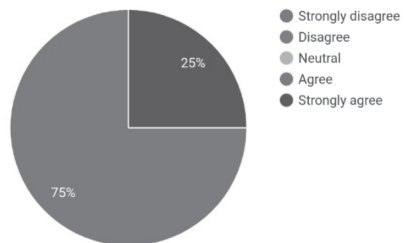
**6. R and R boosts employee retention**



**Fig (6)**

Maximum respondent i.e. 66.7% are stating that R & R boosts employee retention..

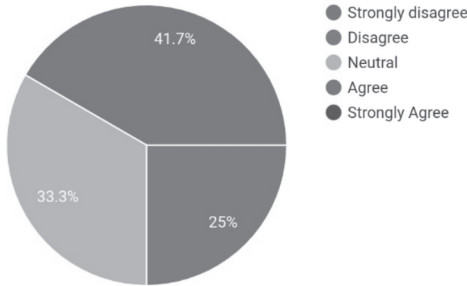
**7. R and R Plays vital role in increasing individual's productivity and efficiency.**



**Fig (7)**

75% respondents are agreeing that R and R Plays vital role in increasing individual's productivity and efficiency.

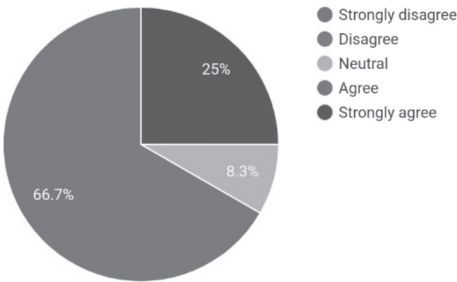
**8. Employees are reluctant to accept R and R in kinds.**



**Fig (8)**

Mixed feedback is received from respondent for the question on reluctance of employees to accept R & R in kinds i.e. 41.7% agreed, 33.3% preferred to be neutral and 25% disagree to this.

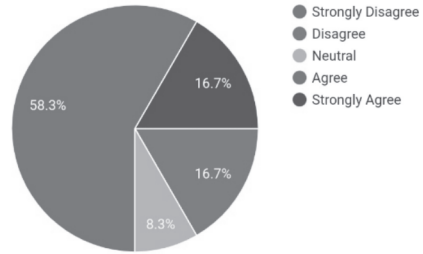
**9. R and R plays important role in employee engagement.**



**Fig (9)**

Here about 67% respondent responded R & R plays vital role in employee engagement.

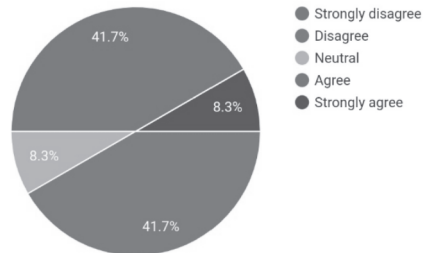
**10. Now a day's every organisation thinks that R and R is the key to employee empowerment**



**Fig (10)**

From the feedback received to this question it can be ascertained that almost 58% respondents are agreeing that, R & R is the key to employee empowerment nowadays.

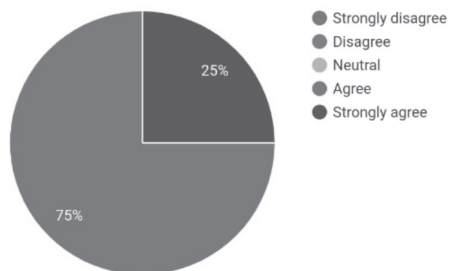
**11. R and R fosters the loyalty towards the company..**



**Fig (11)**

Mixed response received to this question from the respondents. 41.7% respondents are agreeing that R and R fosters loyalty towards the establishment. Another 41.7% disagreed to this. More 8.3% each preferred to be neutral on this and strongly agreed to this respectively.

**12. R and R improves moral and happiness of individual employee which leads to achieve organisations growth and goals.**



**Fig (12)**

From the response received to this question it is quite evident that 75% of the respondents are agreeing that R and R improves moral and happiness of individual employee which leads to achieve organisations growth and goals.

**● Conclusion And Recommendations****Conclusion –**

From the above study and survey, it is concluded that, in the present era of fast changing economy, R & R Policy plays a vital role to bring reputation to the establishment / organization image, to improve productivity and efficiency of the individuals as well as of the establishment / organisation by well engaged and empowered manpower.

Effective and proper implementation of the R & R Policy / Scheme helps in increasing bounding of employees amongst each other and brings in transparency within relationship by building trust.

Proper mechanism of R & R process many a times inspire employees to take a call of going beyond their normal work, demonstrate their loyal towards the establishment and perform tasks with due diligence.

Hence, an inference can be drawn that Rewards and Recognition are very much significant to motivate employees and to improve their morale so as to have satisfied / happy individuals to take on any herculean task in order to achieve growth and goals of the organisation.

**Recommendations -**

Today's world is a VUCA World and hence following recommendations are suggested for a suitable and effective Reward and Recognition System.

1. To design and introduce R & R System which suits to the establishment.
2. R & R should not be generic. New

methods or ways to be introduced such as, Coffee / Lunch with Seniors, Spot Awards, Thankyou or Appreciation Meetings, Recognition in front of peers, Team Shopping, etc.

3. R & R to be awarded timely.
4. Digitization of R & R.
5. Group R & R to be introduced.
6. To conduct theme based competitions and award proper / suitable R & R.

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## Does Reward Strategy Motivate the Employees?

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### Abstract.

The introductory part has dealt about the concepts of reward based motivational policies implemented by the airline organization. It has also covered the challenges faced by the organization to strengthen the performance. The study was carried out at the Hyderabad base of the airline. The objectives and hypotheses were formulated to examine the effect of reward, retention, recognition, engagement policies whether motivates the employees. The simple random technique was employed. The primary data collection process was adopted to obtain the information by the administration of structured instrument on the identified respondents. The raw data collected was computed. The reliability of the instrument was tested and found high internal consistency. The statistical techniques applied were simple percentages, correlation and chi-square. The hypothesis was statistically tested. There were certain other controllable and uncontrollable variables other than reward based motivational strategies which impacted the employee performance kept constant. The experts have opined that the airline has to adopt various proactive market driven strategies to maintain its leadership position in the airline market scenario at global level. The results of the study have indicated that the

implementation of reward based motivational policies has a strong impact on retaining the employees which also develop the customer relations, both internal and external; it also builds bonding between the employees and the airline. The reward, recognition and engagement of the employee motivational strategies have profound influence on the organizational productivity.

**Key Words:** Reward, Recognition, Retention, Motivation, Relations and Productivity.

**Introduction:** The Human Resources Department professionals with the coordination of various line and staff functions of the organization develops the talent reservoir planning strategy at corporate level after taking into consideration demand and supply mechanisms related to various occupational trade groups. The people with different socio economic demographic cultural background join the organization after fulfillment of recruitment and selection formalities. The people join the organization after assessment of certain factors like credibility of the organization, management philosophy, job security, capacity to pay, type of the organization like pure government/semi Government,



public sector, private sector, nature of the organization like manufacturing sector / service sector / academic or professional institutions. It is also evident that some people prefer the organizations where **stability** exists, less risks related to transfers and promotions. It is also evident that some people prefer the organizations where scope exists for career advancement, opportunities for innovation and creativity in their expertise domain; implementation of attractive compensation systems, reward system, recognition of caliber of individual contribution, implementation of various welfare measures, both mandatory and voluntarily schemes; implementation of standardized performance appraisal systems, clearly stated the components of job analysis systems. The crucial challenge of the organization in a dynamic environment is **talent management** which not only acquires the manpower but also **retains** the employees with the attractive reward based incentive system with an objective to achieve the organizational objectives.

The present study has emphasized on the content theories of motivation aimed to describe the essential factors that boost energy and also stimulate the behavior of the employees in a positive way. The two Factor theory developed by **Herzberg** has discussed certain maintenance or hygiene factors known as Company Policy and Administration, Technical Supervision, Interpersonal Relationship with supervisors, peers subordinates, salary, job

security, personal life, working conditions and status. These factors did not result any growth in the output of the employees. The **motivational** factors identified were achievement, recognition, advancement, work itself, possibility of growth and responsibility which positively impacts the output of the employees. The general attitude of people is that they behave in a desirable way when the consequence of any activity benefits which could be stated as reward that resulted in their good performance. The **intrinsic reward** emerges from the work performance itself and the extrinsic reward is in tangible form provided to the employee after completion of the assigned work like praise, promotion, recognition for individual contribution of the employee, status with or without pay. The employees are expected to show the end results to their superiors. The employee engagement could be interpreted that the employees have to exert their efforts with full dedication, commitment to maximize their efficiency with least costs that finally generates productivity. A satisfied employee works for an organization with loyalty and commitment which depends upon the implementation of motivational policies of the organization. The reward, recognition and engagement of the employee have a profound influence on the organizational productivity. The concept of recognition helps in the development of the performance of the employees. Recognition reflects the employee's awareness that their work is recognized and valued. The recognition criteria

process adopted by the management has to be scientific and fair. The financial incentives consist of a performance based reward system, piece work, commission, incentive pay, performance bonus, merit pay plans, membership based reward system, basic pay, dearness allowance, house rent allowance, overtime, and pay for not working. Profit sharing, Co-partnership, Stock Option Schemes and Retirement Benefits, and non financial incentives consist of Status, Promotion, Responsibility, Interesting Job, Recognition and Job Security. It is evident from some studies that financial incentives, job security, promotion motivates the worker group category and recognition of individual contribution, implementation of reward system with attractive pay and perks, status applicable to managers category besides the workforce group also.

**Need / Significance:** The employers' job was not over by completion of recruitment / selection process of the workforce. The superiors of the organization have to ensure the **well being** of the employees. The employer has to act as mentor, counselor, friend, and able to extract work from the employees. The superiors were required to understand the needs, desires of its workforce and ensure to maintain harmonious relations. The most important **challenging task** of the superiors is to encourage / inspire the workforce to perform well at the work spot. Once the employee joins the organization, completes the induction process, the superiors send the greenhorn for **training**

wherein the basic company information, vision, mission, goals, objectives, structure, and functional policies besides the technical training is also imparted on mandatory basis wherever required. The performance is the functional result of ability and motivation. The ability could be interpreted in terms of knowledge, skilled competencies of the employees to perform the given task. The ability / competencies besides the positive attitude / desire of the employees are essential for successful performance of the organization. The actual **challenges** are likely to be faced by the employer could be categorized as how to **retain** the trained manpower. There is a certain nature of skilled manpower required which is not easily available in the open market. The competitive environment is very dynamic and turbulent. The crucial task of the organization is how best it could retain the trained workforce. The organization adopts the **retention** strategy which benefits in terms of **reduction in separations** like resignations, reduction in turnover of the staff at various levels throughout the organization, **reduces the costs** related to recruitment and selection of the employees for various positions.

**Selection of the Organization:** The organization selected for the purpose of the study was an airline organization. The Ministry of Civil Aviation, Government of India has implemented the economic reforms in the airline market scenario. The entrepreneurs mostly with experience and some without experience have entered into the airline market and commenced scheduled operational activities.

The new entrepreneurs who enter into the airline business have to follow the norms stipulated by the regulating bodies like Directorate General of Civil Aviation (DGCA). The head office was located at New Delhi; regional offices were located at Delhi, Mumbai, Kolkata and Chennai. The rules and regulations were formulated at head office and communicated to its entire network. It thus met the internal validity. The various functional departments at an airline were Operations which also includes the Cabin Crew / Flight Pursers, Aircraft Engineers and other technical operative staff, Commercial, Ground Engineering and the supporting departments were Finance, Human Resources including Security and Vigilance, , Stores & Purchase, Industrial Engineering, Information technology and others. The job wise positions were very crucial in technical departments like operations, cabin crew, aircraft engineering, and to some extent the commercial department also where the airline organization has to impart mandatory training and the employees selected for these departments have to fulfill the mandatory norms and also have to qualify the tests conducted by the authorized external examiners related to the concerned field. The superiors of the airline organization have to utilize the skilled manpower to the optimum extent to justify the costs involved. It was also noteworthy to state that some employees in the operations department of the airline resigned and joined some other airline organizations. The nature of policies of public sector airline(s) differs from the

other organizations especially related to pay and perks because the private sector offers attractive pay and perks. The private sector airline operators have offered various attractive incentive based reward systems which includes monetary and non monetary. It may result in mass resignations at state owned airlines which have also impacted the operational activities of its entire network across the globe. The state owned airline has formulated various strategies to **retain** the skilled manpower especially in those areas like pilots and the other related staff, aircraft engineers and the other technical staff like Foreman, Sr. Master Technician and the other operative level categories.

The airline has also implemented the reward based incentive system both financial and non financial to motivate the employees at all levels. The motivational strategies adopted were job rotation wherein the employees at all levels rotated on a periodic basis without any change in the designations. The superiors of the airline have identified some employees with high potentiality and assigned certain tasks without any change in designation which was known as horizontal job loading. The employees with an enriched job were motivated as it provides more scope for recognition, opportunities for achievement, prepare to shoulder more responsibility, facilitates for career development and faster growth. The reward system implemented at an airline consists of compensation management in terms of salaries / wages /productivity linked incentives (which depends upon the measurement of performance criteria in

terms of on time performance, flying hours and passengers flown and revenue generated), besides certain attractive incentives like Over Time, Compensatory Holidays and others. The airline has also implemented certain attractive welfare schemes (both statutory and non statutory) were implemented. The welfare schemes were provided to the employees to promote organized social security. The statutory welfare schemes implemented were labour legislations like Workmen's Compensation Act,1923; The Provident Fund Act,1923; The Employees State Insurance Act, 1948; The Maternity Benefit Act,1961; The Payment of Gratuity Act,1972; The Payment of Wages Act,1936, Industrial disputes Act,1947; The Factories Act,1948; The Provident Fund & Miscellaneous Provisions 1952; The Payment of Bonus Act,1965. The non statutory welfare schemes implemented were medical facilities for self and contributory family medical schemes for the family members; staff canteens at subsidized rates; staff housing colonies at Delhi, Bombay, Calcutta Madras Bangalore; Community Centres, Sports clubs, recreation centres; holiday homes at Hill Resorts and places of Tourist Centres, Provision for Grants for extraordinary situations, Special Advances, Festival advances, Educational Scholarship Scheme; Financial assistance Scheme for higher studies; Long service Memento; Housing Loans; Vehicle Loans and other Miscellaneous Loans; Retirement Gifts; Group Insurance Schemes; sports Promotion; Cooperative Stores / Thrift Societies; Appointment on compassionate

grounds of dependents of deceased employees; Ex-gratia Payments to meet Funeral expenses; Passage facilities to serving and Retired Employees, Medical Facilities to the spouse of deceased employees and other incentives.

#### **Identification of the problem:**

01. When the airline was having the best resources like highly qualified competent manpower at all levels like latest technological infrastructure, latest training technology, why did the performance of the airline fluctuate?

02. The reward based motivational strategies are effective to retain the employees.

#### **Objectives of the study;**

- To study the socio economic profile of the respondents related to motivational developmental strategy.
- To study the perceptions of the respondents towards the content factors related to rewards and retention motivational strategy.
- To study about the implementation of reward system whether contributed for development of the Overall Organizational Performance
- To provide suggestions for further development

**Hypothesis:** It was a tentative statement. The validity has to be statistically tested.

Null Hypothesis (H <sub>0</sub> ):	The reward based motivational system did not contribute for the enhancement of the Organizational Performance
Alternate Hypothesis (H <sub>1</sub> ):	The reward based motivational system contribute for the enhancement of the Organizational Performance

### Assumptions:

- It was assumed that the reward based motivational strategies has strong impact on the performance of the employees.
- There were certain controllable and uncontrollable factors like breakdown of machinery, strikes/ lockouts, problems related to industrial relations, non availability of raw materials / spares, natural calamities, earthquakes, floods other than the motional system which impacts the performance of the employees were kept **constant**.

### Review of Literature:

Baskar, Prakash Rajkumar K. R., (2018) have advocated in their research study that the managers employ different motivational strategies to realize and understand the issues which require unique values, beliefs and practices. The relational study of rewards, recognition and performance has a strong impact on organizational productivity. Arthur M. Baldonado,(2013) has opined that the explosion of technology has created a workplace without walls. The results of the study have indicated that the Generation Y has provided significance to the hygienic and motivational variables. It was felt that advancement and personal life were important to Generation Y employees. Madhani, Pankaj M.,(2020) have discussed in their article that the rewards and recognition strategies adopted by the organizations reflect the management philosophy towards the employees well being. The authors also felt that the services of the employees when recognized by the superiors reinforces the employees with a sense of obligation and performs the task successfully. Dennis M.

McInerney (2019) observed that the western protocols contribute for the development of educational systems where the local cultural features strongly motivate the groups for learning. It could be applicable to the organizations. Edun, T., & Adenuga, O. A. (2011) has advocated that motivated employees are productive. The superiors have to understand the motivational patterns suitable to the employees which involve a very complex process. [David G. Allen](#), [Phillip C. Bryant](#) and [James M. Vardaman](#), (2017) have observed that the research evidence has indicated about the interest of the organization on turnover of the employees and still there exists certain gap. The contributors have provided certain strategies, guidelines / tools to manage the turnover related issues which also includes the retention strategies. Roma Chavan, Sudarsana Murthy, D., & Others, (2021) have advocated that proper balance of two demands, work and family besides the other demands results in work life satisfaction. Prasad, L.M., (2008) has opined that in the organizational context a manager induces another employee to engage in action of work behavior to ensure that a channel to satisfy the motive becomes available to the individual concerned. Motivation is one of the factors that contribute to enhancing the performance of the employees throughout the organization. Aswathappa, K., (2009) has stated that the organizations have to attract the competent people and retain and stimulate the employees to go beyond routine performance. Stephen P. Robbins & Others,(2009) have felt that the research on motivation was focused on the concepts related to the work culture, human beings especially the working have to ensure due priority to their family besides work.

**Limitations:**

- The perceptions / opinions of various respondents may not equally applicable because of psychological nature. The understanding and knowledge may vary from person to person. It was presumed that the responses provided were true.
- The study was confined to the area of Hyderabad, State of Telangana.
- The results may or may not be applicable for the other sectors.

**Methodology:** The research design consists of explorative, descriptive, diagnostic and analytical. The required information was obtained through the data collection process. The primary data analysis was carried out by the administration of the structured questionnaire / interview (s) / schedules to the identified respondents of the airline organization. The airline was merged with the other airline as per the guidelines stipulated by the policy makers. An attempt was made to collect the required inputs from the one hundred sampled respondents of the airline which was inclusive of both serving employees as well as retired employees of the airline. The simple random sampling techniques were applied. The questionnaire was designed and finalized after obtaining the consensus of the experts, professionals and those who have a w a r e n e s s a b o u t t h e implementation of reward based motivational policies by the organization. The rules and regulations of the organization

were applied throughout the organization on a uniform basis; it met the internal as well as content validity. The raw data collected was edited, and the analysis was computed. The scale adopted for the purpose was Likert Five Point scale. The statistical techniques applied were percentage, correlation and chi-square. The **reliability** of the instrument was tested through the split – off method and found (0.73) high internal consistency. The Karl Pearson Prophecy Brown Covariance formula applied to measure the reliability. It has also met the criteria of Cronbach alpha.

**Analysis of Demographic Profile of the Respondents:**

The table 01 has indicated that 38 percent were in the age group of 50 – 60 followed by the group 40 – 50 wherein found that 32 percent only. It was inferred that the composition of the largest group was 50 – 60.

**Table – 01: Age Wise: Composition**

SL.NO.	Respondents Years	NO OF RESPONDENTS	PERCENTAGE
01.	.	00	00
02.	30 – 40	26	26
03.	40 – 50	32	32
04.	50 - 60	38	38
05.	60 - Above	04	04
	Total	100	100

The table – 02 has indicated that 76 percent constitutes the male dominated group. It was inferred that the male composition was higher when compared to the female group.

**Table – 02: Gender Wise: Composition**

SL.NO.	Gender	NO OF RESPONDENTS	PERCENTAGE
01.	Male	76	76
02.	Female	24	24
	TOTAL	100	100



The table -03 has indicated that 98 percent were married. It was inferred that the vast majority were married.

**Table –03: Marital Status: Composition**

SL.NO.	Marital status	NO OF RESPONDENTS	PERCENTAGE
01.	Married	98	98
02.	Unmarried	02	02
	TOTAL	100	100

The table – 04 has mentioned that 78 percent of the respondents belonged to the Officers Cadre and 32 percent belonged to non officers' cadre. It was inferred that the vast majority of the respondents belong to the Officers Cadre.

**Table –04: Cadre Wise: Composition**

SL.NO.	Cadre	NO OF RESPONDENTS	PERCENTAGE
01.	Officers	78	78
02.	Non Officers	22	22
	TOTAL	100	100

The table 05 has indicated that 63 percent of the respondents were graduates; 36 percent of the respondents were Post Graduates and 01 percent of the respondents were having the Doctorate qualification. It was inferred that the respondents with the highest qualification was only 01 percent.

**Table –05: Literacy Wise: Composition**

SL.NO.	Literacy	NO OF RESPONDENTS	PERCENTAGE
01.	Below Graduat on / Equivalent	00	00
02.	Graduation / Equivalent	63	63
03.	Post Graduation / Equivalent	36	36
04.	Doctorates	01	01
	TOTAL	100	100

The table 06 has indicated that 42 percent of the respondents have the experience in the range of 20 – 30 years followed by 38 percent have the experience in the range of 30 years and above. It was inferred that the majority of the respondents have the service belonging to the group 20 – 30

years.

**Table – 06: Experience Wise: Composition**

SL.NO.	Service in Years	NO OF RESPONDENTS	PERCENTAGE
01.	0 - 10	00	00
02.	11 - 20	20	20
03.	20 - 30	42	42
04.	30 - Above	38	38
	TOTAL	100	100

The table 07 has indicated that the annual income of the 42 percent of the respondents lies in the range of 6,00,00.00 to 8,00,000.00 followed by the 32 percent which lies in the range of 1,00,000.00 to 6,00,000.00. It was inferred that the vast majority have the earnings which lies in the range of 6, 00, 000.00 to 8,00,000.00.

**Table –07 : Income Wise: Composition**

SL.NO.	Income annum (INR)	per	NO OF RESPONDENTS	PERCENTAGE
01.	1,00,000.00 to 6,00,000;00	32	32	32
02.	6,00,000;00 to 8,00,000	42	42	42
03.	8,00,000.00 to 10,00,000.00	18	18	18
04.	10,00,000.00 above	08	08	08
	TOTAL	100	100	100

The demographic profile of the respondents thus has indicated the compositional mix under the various categories like age, gender, marital status, cadre, literacy, experience and income.

#### **Data Analysis: Content Factors.**

An item wise analysis was carried out for the purpose of the study. The collected data was computed related to various content factors. The table no 08 has indicated the response pattern was in the form of percentages. The vast majority of the respondents have expressed in a positive way except in few cases the response pattern was of mixed nature. Some respondents have differed to some extent> It was inferred that the responses where the percentage was 70 and more were considered as positive agreement and the

response which was below to 70 percent has to be assessed constructively by the policy makers for further improvement in the long run point of view.

Table– 08. Analysis of Content Factors:

Sl. NO	ITEMS	(Response Pattern : in Percentages)				
		(5): Strongly Agree	(4): Agree	(3): Neutral	(2): Disagree	(1): Strongly Disagree
01.	Organization was having the well designed best reward based motivational policies.	84	12	04	00	00
02.	The motivation policies, both mandatory and voluntary were implemented throughout the organization.	92	08	00	00	00
03.	The reward based motivational strategy facilitates for retention of the employees	81	09	06	04	00
04.	The retention motivational strategy develops the employee engagement	78	16	03	03	00
05.	The reward, retention, engagement motivational strategies enhances the customer satisfaction ( internal and external) contribute for healthy organizational leadership stability at global level	79	13	06	02	00
06.	The reward based motivational policies has strong impact on the employee performance	87	13	00	00	00
07.	The relation between job features and reward system has significant effect on motivation of the employees	67	09	14	04	06
08.	The supervisors provides the opportunities to all the staff to reveal their expertise.	61	22	14	02	01
09.	The worker group of employees prefers financial reward rather than non financial rewards.	64	26	07	03	00
10.	The officers and above categories of employees prefer the non financial incentives rather than financial reward	72	21	06	01	00
11.	The reward based motivational practices enhances the performance of the employees	86	14	00	00	00
12.	Some of the worker and officers category are also interested in both financial and non financial rewards.	69	29	02	00	00
13.	Recognition of individual contribution is the best motivator	84	09	05	02	00
14.	The periodic revision of reward system enhance the motivation of employees which develops employee engagement	88	12	00	00	00
15.	The hygienic factors like working conditions, job security, status, quality of supervision have strong effect on the employee productivity	62	16	10	08	04
16.	The reward based motivational system develops strong bonding and healthy relationships between the employees and organization which results in loyalty of the employees.	88	08	04	00	00
17.	The measurement criteria to offer rewards are scientific and purely objective based.	88	07	05	00	00
18.	The reward based motivational policies enhances the job satisfaction of the employees.	91	07	02	00	00
19.	The satisfied employees are qualitative performers	58	22	14	02	04
20.	The quality of work life balance depends upon the reward based motivational system	73	16	08	03	00

It was inferred that the vast majority of the respondents have positively responded to the item wise analysis carried out towards the reward system implemented by the airline organization.

### Test of Significance:

The chi square ( $\chi^2$ ) was used to test the goodness of fit. The degrees of freedom were 4 (n-1). The Level of Significance: 0.0.5 percent. The table value of the chi square ( $\chi^2$ ) for 4 degrees of freedom was 9.49.

Statistical Inference: The calculated value of chi square ( $\chi^2$ ) 41.56 was greater than the table value of 9.49; the null hypothesis was rejected and the alternate hypothesis was accepted.

The results of the statistical test has indicated that the reward based motivational system contribute for the

enhancement of the Organizational Performance

### Observations / Findings: Results:

The implementation of the attractive reward, retention, recognition, and engagement motivational policies has profound effect on the development of customer relations, both internal and external, which finally contribute to enhancing the performance of the employees at all levels. The first objective stated has been met as it was related to the demographic profile of the respondents. It was found the majority were in the age group of 50-60 years, male dominated, married, graduates, mostly belonging to the officers' cadre, decent length of experience and also satisfactory earnings. The second objective has been met as the study was related to elicit the perceptions/opinions of the respondents towards the content factors and for which the item wise analysis carried out wherein the response pattern was favorable. The third objective analysis under various items indicated that the implementation of the reward system contributes to the development of the overall organizational performance. The measurement of reliability has indicated that there was internal consistency. The test of statistical level of significance has resulted in the reward based motivational system contribute for the enhancement of the employee and organizational performance

### Demographic Profile:

It has indicated that the vast majority of the employees were above the age of 50 years and in some cases above 60 years because of retirement, and few worked on adhoc basis.. It was observed that the majority of the employees were male dominated (76 percent) when compared to female composition. It was found that 98 percent



of the employees were married. The largest composition of cadre belongs to the Officers Category (78 percent) when compared to the non officers' category. The vast majority of the employees were graduates (63 percent), some were post graduates and few were Doctorates. The overall scenario related to length of service of staff was in the range of 20-30 years. The earnings in the form of pay/perks/incentives/rewards earned by the vast majority of the staff were highly attractive and lie in the group of rs.6, 00,000 to Rs. 8, 00,000.00. It was inferred that all the respondents have a reasonable awareness about the implementation of the reward based policies to enhance the motivation.

### Content Factors

The table – 08 has indicated that the vast majority of the respondents have agreed to the various items indicated in the instrument like well designed reward based motivational system facilitates for retention and engagement of the employees which enhances the customer satisfaction, both internal and external which has strong positive impact on the organizational performance. The reward based motivational system was inclusive of both financial and non financial. It resulted that the employees at non officers' category were more interested in financial incentives. It was evident that the reward based motivational system enhances the performance of all the employees. The respondents have opined that the employees with high level competencies have expected recognition for their individual contribution and some felt that there should be periodical revision of the reward policies which enhances the loyalty and builds strong bonding between the employees and the organization. It also provides scope for the healthy relations between management and employees at all levels. The systematic implementation of a

reward based system enhances the job satisfaction of the employees and also provides scope for good quality of work life. It was also observed that the hygienic factors also have a positive effect on the performance of the employees. The vast majority of the employees have expressed that the measurement criteria of the performance of the employees should be purely on an objective basis rather than subjective.

**Discussion:** The subject specialists, academicians, professionals at an airline and the other experts have felt that at present the state owned airline was at the final edge of privatization. The item wise analysis has analytically dealt extensively on various important factors like management philosophy towards reward based motivational policy to retain and utilize the employees to the optimum level which contribute for the overall development performance of the organizational performance. The response pattern was based upon historical facts. It was observed that as per the policy of the Government, the state owned domestic and international airlines were merged and at present operated under the brand name of Air India Limited. The experts have also felt that as per the Government decision, the disinvestment process was successfully initiated. The new entity of the airline has to adopt the employee driven motivational strategies to develop the bonding between the employees and organization. It develops loyalty, engagement, strong commitment of the employees which facilitates harmonious customer relations, both internally and externally. They opined that the airline market scenario was mostly in a turbulent environment. The management of the airline has to assess the earlier successful factors and modify the outdated functional policies keeping in view the competitive scenario at global level.

### Suggestions:

The management of the airline has to adopt various proactive measures on the other factors also like opportunities for innovation and creativity in the existing / future requirements, to impart training on periodical basis especially in the mandatory areas, induction of sophisticated fuel economy efficient aircraft, measures to recognize the individual talent especially in the technical areas, assessment of employee performance purely on objective basis, assessment of profitable route economics related to air connectivity, ensure balanced regional development, development of relations with the other sectors like hospitality industry-hotels, car rentals; healthy relations with the tourism centres, procurement of modern / latest infrastructure facilities e.g., ground handling equipment at runway, induction of latest training technology, and the other factors have to be regularly monitored.

**Conclusion:** The present study has resulted in the rewards based strategies motivate the employees which finally contribute for the overall organizational development of the organizational performance. . The SWOT Analysis besides the Environmental Threat and Opportunity Analysis has to be carried out by the airline organization on a periodic basis to retain its leadership position in the airline market scenario. The research community has to identify the gap and future research may attempt to fill the mismatch. There are so many ways to improve the performance of the airline without disinvestment. When the private sector was able to successfully operate the airline, why public sector airline can't handle. The public sector airline has the best factors of production. It is possible to operate successfully provided certain drastic measures were adopted e.g., market driven policies, no political or other sort of external influence. The reward,

recognition and engagement of the employee motivational strategies have profound influence on the organizational productivity. There is no substitute to the public sector airline i.e., Air India.

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## **Effect of Reward & Recognition on Employee Motivation with specific reference to GAIL (India) Limited**

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### **Abstract**

Amid the War for Talent, the victory will belong to the organization that successfully adapts to the changing needs of the current generation of workforce. The extensive competitiveness in the industry has forced organizations to pay more attention to their engagement strategies, which can lead to higher employee motivation, lower turnover rates, & higher profitability.

The core objective of this research paper is to explore the effect of Reward & Recognition (R&R) on employee motivation in Indian Oil & Gas PSUs with a multi-generational workforce like GAIL (India) Limited. It aims to study the relationship between reward & recognition (independent variable) and employee motivation (dependent variable) and thus analyze the existing reward & recognition strategy of Oil & Gas PSUs with specific reference to GAIL. The importance of this study is due to the addition of a new generation of workforce and the immense impact of R&R on employee motivation, which is crucial for the success of any business organization.

The research method used in this paper is a qualitative study of secondary data available with Oil & Gas PSUs regarding their reward & recognition (R&R) strategies and employee engagement activities during the last few years. Due to changes in the business dynamics of the Oil & Gas sector, the R&R strategies have been studied and the areas of improvement have been suggested for

Oil & Gas PSUs. Such areas of improvement are - understanding the changing needs of the next generation of the workforce, devising reward & recognition strategies that yield the best results across all generations in the workforce in terms of employee motivation, and improving organizational performance.

**Keywords:** Reward & recognition, Employee Engagement, Employee motivation, Oil & Gas, Reward Strategy, Turnover cost, Discretionary Effort

### **About The Company**

GAIL (India) Limited is India's leading natural gas company with diverse interests across the natural gas value chain. Since its inception, GAIL has played a pivotal role in the development of the Indian energy sector. Within a very short period, it has established itself as a global company with a significant presence in the entire gas value chain. Despite being a lean organization, GAIL has become one of the fastest growing Maharatna in the country.

The company is willing to spend time, money and resources for all its employees at various stages of their careers to help them to grow as a professional and realize their full potential.

### **• Introduction**

Organizations in today's Volatile, Uncertain, Complex and Ambiguous (VUCA) world seek to gain a competitive

Advantage by actively engaging their employees to perform at their best potential and retaining them for a longer period. Oil & Gas PSUs were just recovering from the disruption caused by the global pandemic and are already facing a new challenge. A new generation of workforce is entering the organizations (Refer to Chart 1) while the total reward strategy of most Oil & Gas Sector PSUs remains the same. Rethinking reward & recognition strategies has now become crucial for the success of all PSUs. R&R strategies that meet the needs of the multi-generational workforce will surely gain a competitive advantage over others. But to achieve that organizations need to understand the distinctions across these generations and must be able to accommodate the needs of each of these generations while developing reward & recognition programs.

With the above background, the business problem of Oil & Gas PSUs is defined as under.

*“With the influx of Gen Z into an already diverse multi-generational workforce, there is a unique challenge to revamp the R&R strategies in Oil & Gas PSUs to motivate employees and optimize the organizational culture”*

The objective of this research paper is as follows:

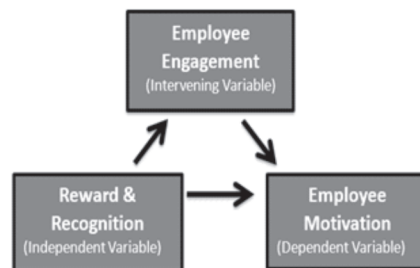
- To study the relation between Reward & Recognition, Employee Engagement and Employee Motivation (Refer to Figure 1)
- To analyse the suitability of the existing reward & recognition strategy of Oil & Gas PSUs for the multi-generational workforce

## ● Literature Review

The pandemic has changed the workplace to a great extent. With more and more private organizations offering different work models to their employees and a new generation of employees entering the organizations with their new expectations, policies in Oil & Gas PSUs need to transform. The changing aspirations, expectations, and work methods of the diverse workforce have led to retention and engagement of employees becoming a major task for Oil & Gas PSUs. It is imperative that companies today learn to understand and embrace the unique qualities that each generation brings into the workforce and to work diligently to recruit, retain, and motivate each group (Jenkins, 2008)

To understand the impact of rewards & recognition on employee motivation in the current work environment & frame a more suitable reward & recognition strategy, we need to first understand the concept of employee motivation and employee engagement in the context of a multi-generational workforce

Figure 1: Network of variables under study



## Employee Motivation

We have come a long way from the time when employees were considered just another input into the production process. Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932 (Dickson, 1973)

played a major role in studying the effect of motivation on productivity. It established that money is not the sole motivating factor of employees. Since then needs of employees and motivation of employees have become a primary focus of organizations.

The current workforce in Oil & Gas PSUs today consists of predominantly four different generations - Baby Boomers (born between 1946 and 1964), Generation X (born between 1965 and 1980), Generation Y (born between 1981 and 1996) and Generation Z (born after 1997). With the influx of Gen Z into the current workforce, it is clear that effective management, along with correct motivational techniques tailored to the needs and aspirations of the different generations will become imperative for success. However, no set guidelines on how to design these techniques have been established yet.

### Employee Engagement

Schmidt et al. (1993) defined engagement as "an employee's involvement with, commitment to, and satisfaction with work." Aon Hewitt (2001) refers to employee engagement as "the extent the employees are willing to stay in the company (i.e. retention) and work hard for their company (i.e. discretionary effort)". The Aon Hewitt Engagement Model (2011) explains the overall engagement drivers and related engagement outcomes for the business. It helps understand how various engagement drivers like leadership, career opportunities, and reward & recognition among other drivers can lead to three main desirable outcomes- Say, Stay & Strive.

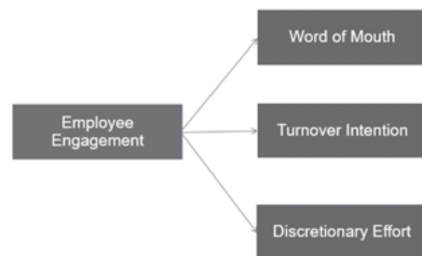
'Say' refers to when employees speak positively about the organization to their colleagues; potential employees etc. and generate value for the company through **Word of mouth**.

'Stay' refers to when an employee has a

sense of belonging thereby leading to a lower **Turnover intention**. This in turn reduces the *Turnover Cost* for the organization.

'Strive' refers to the highest form of engagement when employees are motivated enough to put **discretionary efforts** into their work leading to overall business success.

Figure 2: Desirable outcomes of Employee Engagement Activities



Employee engagement can thus be considered as a multi-faceted construct that plays a key role in increasing employee satisfaction, lowering employee turnover rate and thus leading to more profitability.

The above literature review is summed up with the perspective that each generation of employees has a unique set of qualities and aspirations. While Baby Boomers may be motivated by symbols of achievement/seniority-based promotions, Generation Z can be motivated by flexibility and learning opportunities. (Refer to Figure 3) Once Organizations acknowledge these differences, identify what motivates each of these generations and empower them with necessary motivators, organizational success will be indisputable

Figure 3: Workplace Traits & Motivators of different generations

Generation	Baby Boomers	Gen X	Gen Y	Gen Z
(Born Between)	1946-1964	1965-1980	1981-1995	After 1995
Traits	Appreciate advancement	Appreciate work-life balance	Appreciate being recognized	Appreciate Job Security & learning opportunities
	Value engagement		Participative	Digital Natives
	Want to be respected & appreciated			Social
Motivators	Designations	Flexibility	Meaningful work	Entrepreneurial opportunities
	Recognition			Digital form of working
	Symbols of Achievement			

● **Research Methodology**

To understand the effect of reward & recognition strategies on employee motivation, semi-structured interviews were conducted with senior-level executives of GAIL. Data was collected using a questionnaire (Case study protocol) and the data obtained was analysed using the qualitative data analysis software-ATLAS.ti. The questionnaire focused on reward & recognition policies, engagement activities and overall impact on employee motivation. The qualitative aspects of the data collected has been considered to reach the results mentioned in the research paper. Moreover, the secondary data available with Oil & Gas PSUs has also been contemplated to arrive at the results mentioned in the paper.

**+ Reward & Recognition Strategy In Oil & Gas Psus**

The challenge of motivating, engaging and retaining multigenerational workforces is being faced by all Indian Oil & Gas PSUs.

As the authors belong to GAIL (India) Limited, the reward and recognition strategy of GAIL has been covered as part of this study. However, similar programs are organized by other Oil & Gas PSUs.

A. Employee Engagement and Employee Motivation

To create a positive organizational culture that engages employees across all generations, GAIL has introduced the following engagement activities that help increase the motivation of employees.

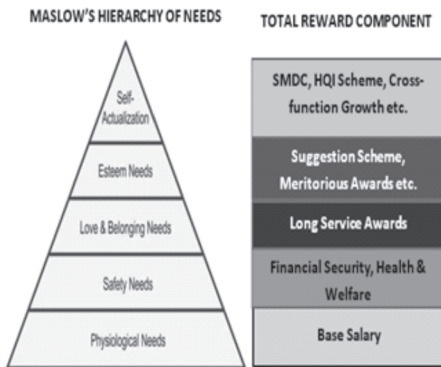
- Mentorship Program: All young employees that join GAIL are paired with a senior as a mentor.
- Full 1-year Induction Training Program for new joiners
- Inter-Regional Sports Competitions (IRSM)
- Talent Competitions, Cultural Events like '**GAILgaon Got Talent**', Music Concerts, Theatre Plays, etc. for employees & family members at site locations
- **Yugantar**'- A Youth Engagement Platform is an umbrella initiative for activities/events to be carried out in the entire spectrum of cultural, technical, and extra-curricular interests for executives below 35 years of age.
- Movie Screenings for relatively remote site locations
- Health & Welfare Activities

B. Reward & Recognition and Employee Motivation



GAIL offers ample rewards to its employees. The combination of monetary and non-monetary rewards ensures that the expectations of all generations are met. By drawing a comparison with Maslow's Hierarchy of needs, it can be observed that GAIL's R&R strategy covers the majority of the needs of any individual. Starting from a substantial base salary that meets physiological needs to Higher Qualification Incentives, L&PA scheme etc that meets the Esteem & Self-Actualization Needs of the employees; GAIL caters to each level of need. (Refer to Fig 3) Some of these reward & recognition programs have been discussed below:

Figure 4: GAIL's Total Reward Strategy based on Maslow's Hierarchy of Needs



- **Performance-related pay:** Performance Incentives that motivate employees to optimize their work potential every year.
  - **Higher Qualification Incentive (HQI) Scheme:** To encourage employees to acquire higher qualifications to improve their knowledge and professional competence
  - **L&PA scheme (Suggestion**

**Scheme):** Employees are encouraged to submit suggestions related to system & process improvements through the 'Suggestion Box' portal on GAIL Intranet. After prima facie acceptance; employees are provided monetary reward & selected suggestions are recommended to the Innovation Council of the Company for final approval & implementation.

- **Long Service Awards Scheme:** To foster goodwill, a sense of belonging and to recognize long service rendered by the employee
- **Employee Participation opportunities:** Unlike conventional organizations, the workforce in GAIL is thinly spread across various locations pan India. Therefore, an unconventional approach to encourage employee participation has been opted in GAIL. To facilitate open communication and inculcate team spirit various committees have been formed like Canteen Committee, Welfare Committee etc. Both of these committees are formed at the Corporate level and unit level and constitute members across different sections.
- **Employee Recognition:** The hydrocarbon sector is a high-risk sector. As the safety of employees is of paramount importance, GAIL incentivizes desirable behaviours to encourage Behaviour-Based Safety. Monetary Rewards & Recognition are given to employees for prompt response in



- controlling emergency incidents, reward & recognition to employees under Near Miss Reporting Scheme, etc.
- Senior Management Development Center (SMDC):** A leadership development program for executives at senior levels. The talent pool at the senior level is made to undergo Development Centers, which helps them to identify development gaps. Employees are encouraged to mitigate these gaps through executive development programs, job rotation and assigning higher responsibilities.

**VI. Impact Analysis Of A Few Of Gail's R&r Programs**

- Growth opportunities for Departmental Candidates in Recruitment Drives:** Departmental Candidates are encouraged to apply to advertisements for recruitment for positions across grades and functions
- Impact Analysis Of A Few Of Gail's Engagement Activities**

**Result And Conclusion**

To effectively manage a multigenerational workforce, understanding the expectations of the multigenerational workforce in the

Engagement Activity	Employees & family members covered	Key Impact on various generations
Mentorship Program	4500+ employees	<ul style="list-style-type: none"> <li>Learning Opportunities for young executives</li> <li>For senior employees: A way to impart knowledge and be recognized as a mentor.</li> </ul>
1-year structured training program for Executive Trainees	4500+ employees	<ul style="list-style-type: none"> <li>Faster growth &amp; cross-function learning for new joiners through classroom training/ On the Job Training/ Job Shadowing etc.</li> </ul>
Inter-regional Sports Meet (IRSM)	4500+ employees	<ul style="list-style-type: none"> <li>Helps inculcate team spirit, and a sense of belonging in younger employees</li> <li>Ensures work-life balance for senior executives</li> </ul>
Cultural events like GAILGaon Got Talent (GGT), Music Concerts, Theater Plays etc	4500+ employees and 500 family members	<ul style="list-style-type: none"> <li>Encourages employee participation</li> <li>Opportunity to express the creative side of employees</li> <li>Involvement of family members creates a sense of belonging</li> </ul>
Yugantar (Youth Engagement Platform)	1740+ employees	<ul style="list-style-type: none"> <li>Helps in the overall professional growth of young executives</li> <li>Opportunity for senior executives to pass the baton &amp; helps develop a sense of being valued in the organization</li> </ul>

workplace is imperative. While most Indian Oil & Gas PSUs have mastered the reward strategy, most of the organizations are lacking

R&R Strategy	Key Impact on employees & organization
Performance Related pay	<ul style="list-style-type: none"> <li>• Meets physiological &amp; safety needs of employees</li> <li>• Encourages employees to <b>speak positively about the organization</b></li> <li>• Encourages to develop technical &amp; behavioural competencies for better organizational performance</li> </ul>
Long Service Award	<ul style="list-style-type: none"> <li>• <b>Lowers turnover Intention</b> in newly joined employees and reduces turnover costs of the company</li> <li>• Inculcates sense of belonging</li> <li>• Employees feel appreciated for their services rendered</li> </ul>
Suggestion Scheme	<ul style="list-style-type: none"> <li>• Opportunity to contribute towards system &amp; process improvement and <b>strive within the organization</b> irrespective of grade</li> <li>• Recognition on acceptance of suggestions fulfils esteem needs of employees</li> <li>• Effective way to encourage employee participation</li> </ul>
Meritorious Awards  (Zero incidents, near miss reporting, prompt action in emergencies etc)	<ul style="list-style-type: none"> <li>• Encourages <b>Behaviour Based safety</b> across all locations</li> <li>• Recognition for employees who put in <b>discretionary efforts</b></li> <li>• Incentivises desirable behaviour and encourages others to put in discretionary efforts as well.</li> </ul>

in devising recognition programs that cater to the expectations of the new generation of the workforce entering the organization. Most of the Oil & Gas PSUs are paymasters, which fulfil the physiological & safety needs of the employees. However, with Gen Y & Gen Z soon becoming the majority of the workforce, there is a dire need to acknowledge the aspirations, and motivators of these generations. For generations that believe in *instant*

*gratification*, recognition programs that motivate employees on a weekly/monthly basis can be introduced rather than programs that recognize employees for their efforts once a year. Direct supervisors/managers can play a major role in driving the younger generations under them by providing them flexibility, and growth opportunities within the organization and encouraging participation in management.

This in turn can lead to a highly engaged multigenerational workforce that speaks positively about the organization among its peers, has lower turnover intentions and is motivated enough to put discretionary efforts into its work

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## Factors Influencing Employee Motivation and its Linkage to Business Sustainability

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### Abstract

In today's competitive and global business environment, organizations are facing a challenge to engage employees in meeting the desired objectives, and the HR team is in a predicament to attract, motivate, and retain talents in view of the ample opportunities available for those with exceptional knowledge, skills, and abilities. Furthermore, in contemporary organizations where a diverse workforce with different age groups and different levels is engaged, each employee possesses a set of interests and influences with an aspiration to succeed and be appreciated for their efforts. Indeed, in such a working environment, effective employee reward and recognition programs are required to keep the diverse workforce engaged, which serves as a strategic business tool to keep their employees motivated and work with a collaborative approach to achieve business sustainability. The aim of this research is to get an overview of rewards in general or precisely to provide an insight into financial and non-financial rewards and to review some of the factors that encompass financial and non-financial rewards which influences employee motivation. The study also scrutinizes the relevance of employee rewards and motivation vis-à-vis its linkage to business sustainability and examines the role of HR in institutionalizing rewards as a strategy in motivating employees. The study concludes with a summary and implications for effectively implementing rewards as good HR practice in motivating and engaging employees to achieve business sustainability.

**Key words:** contemporary organizations; financial and non-financial rewards; employee motivation; employee engagement; productivity; business sustainability.

JEL Classification Code:M12

### • Introduction

In today's competitive business scenario, the survival and success of an organization solely depends on the ability, motivation, and skill level of the employees engaged in achieving business goals. The rapid advancement in technology and innovation has led the business environment to redesign and restructure systems and processes to meet the needs and demands of customers, as well as revisit traditional culture and reinvent HR practices with various alternative and appealing initiatives to recruit, retain, and motivate talent. Indeed, irrespective of the nature, size, and type of an organization, good HR practices and employee benefits need to be implemented. However, it may vary based on the capabilities and requirements since the younger workforce looks for faster growth, opportunities, and benefits besides competitive salaries and pay equity when they are hired by a company. As the aspirations and needs of today's workforce are different from those of yesteryear, it is rather a great challenge for the HR team to attract and hire

talents with the required knowledge and skills because of the unlimited opportunities available for new hires and to retain them by motivating them. In turn, the complexity of managing people has undergone metamorphosis and is of paramount importance. Apart from various HR practices, rewards and recognition of employees are important motivators and can be used to facilitate recruiting, motivating, and retaining talent, which improves productivity and business sustainability.

#### ● Objectives

1. To get an insight into financial and non-financial rewards as an organizational HR practice.
2. To understand the need and importance of financial and non-financial rewards in motivating employees.
3. To examine the relevance of financial and non-financial rewards and its linkage to business sustainability.
4. To investigate the role of the HR team in institutionalizing financial and non-financial rewards.
5. To suggest ways for the effective implementation of financial and non-financial rewards in motivating employees and ensuring business sustainability.

#### ● Methodology

This research study is based on the resources available through online sources from various published research studies and journals, with a thrust on rewards and recognition as an HR practice that facilitates employee motivation. Its linkage to business sustainability has also been considered as a subject of study.

#### ● Rationale For The Study

The competitive edge of an organization is the outcome of a conducive work environment and good HR practices that the employees experience, which enables them to engage with commitment. Further,

the utilization of the available skills of the employees to achieve desired objectives depends on the relationship between the employee and employer, which enables and motivates the employees to perform beyond the call of duty, besides monetary benefits, career advancement, and opportunities for growth.

Though there are no hard and fast rules or statutory regulations for some of the HR initiatives to be followed by the company, it is the privilege of the company to identify and establish unique practices for motivation and engagement of employees. However, rewarding employees, whether financial or non-financial, as an HR initiative is one of the common practices followed in most companies, and its implementation depends on the capability and needs of an organization.

Although various research studies are available on financial and non-financial rewards, the research of this kind is limited. This paper makes an attempt to explore how financial and non-financial rewards can be used as an effective tool to motivate and retain talents, which facilitates an employee's ability and willingness to contribute and develop a sense of belongingness to the organization, referred to as employee engagement, and leads to a competitive advantage in achieving organizational objectives.

#### ● Financial And Non-financial Rewards: An Overview

In a contemporary business environment where a diverse workforce with different age groups and different levels is the strength of organizations, each employee possesses a set of interests and influences with an aspiration to succeed and be appreciated for their efforts. Indeed, in such a working environment, effective employee reward and recognition programs are required to keep the diverse

workforce engaged, which serves as a strategic business tool to keep their employees motivated and work with a collaborative approach to achieve business objectives.

Generally, rewards may be either financial or non-financial. While financial or direct rewards are important as a mechanism to help recruit and retain talent as well as a means of providing recognition and leading to employee extrinsic motivation, this includes increases in salary, incentives, fringe benefits, service rewards, and other perquisites given for exceptional performance or an innovative idea given by the employees that results in improving the systems and processes. Non-monetary or indirect rewards, on the other hand, play an important role in determining employee positive attitude toward work and improving performance, such as recognizing superior performance or achievement of employees by their superiors, which includes recognition of merit; career growth prospects in the company, including upgradation and learning of new skills; and so on, leading to intrinsic motivation.

While rewards are tangible and an effective way to attract talent, recognition builds an emotional connection between the employees and the organization. The effective implementation of financial or non-financial rewards as an HR practice fosters a positive work environment and enables the employees to get engaged in achieving organizational objectives. However, the system of rewards and recognition of employees should be aligned with the business goals and needs to be implemented based on their job profiles, which facilitates them in motivating and contributing more to the organization.

- **The Impact Of Financial And Non-financial Rewards In Employee Motivation And Business Sustainability:**

Today's competitive business environment is augmented by the new generation's younger workforce with improved skills sets and high aspirations. This has prompted organizations to revisit and update their existing HR practices not only to attract but also to engage them through motivation and retention for a sustainable business and competitive advantage.

Engaging employees to be more productive is crucial for an organization. Indeed, happy and motivated employees, whether intrinsically or extrinsically, can drive an organization to achieve its objectives. But it is a fact that identifying what really works for an employee to be motivated is a challenge for HR managers and line managers as well. Though behavioural scientists have proposed several motivational theories, it is true that no single approach works for everyone in the workplace. It is the role of a manager, in coordination with the HR managers, to understand what motivates each employee.

The effective implementation of innovative rewards and recognition as an HR practice in the workplace is a tool in establishing a positive work environment that facilitates employee job satisfaction, which aids in improving productivity, fulfilment of organizational goals, and leads to customer satisfaction and competitive advantage. Furthermore, over a period of time, the traditional concept of rewards and recognition has been redefined and customized to meet the needs and aspirations of the employees and to emphasize that their contributions are valuable to the organization. When employees believe their contributions are valued and validated by their superiors,

and when they believe they are recognized within the group, it aids in increasing their sense of belonging and ownership and engages them to give their best to the organization. Some of the research studies and surveys explicating the importance of rewards and recognition in motivating employees are accentuated herewith.

It is observed from the research studies that the key differentiators for employee motivation are based on pay equity, unique employee benefits, and fair employee-employer relationships (Great Place to Work Survey, 2012). Further, the survival and success of an organization are determined by how the employees are treated (Lawler, 2003), and their commitment will be based on effective rewards and recognition programs (Andrew, 2004). Another study conducted by the Society for Incentive and Travel Executives discovered that properly designed rewards and incentive programs can increase employee performance by up to 44%. It is also observed from another study that organizations have made significant progress by implementing a well-balanced rewards and recognition program for employees. Indeed, it is a fact that motivated and satisfied employees through timely recognition have a positive impact on increasing productivity, followed by creativity and innovation, which ultimately results in improved organizational performance and business sustainability (Deeprase, 1994).

#### ● **Financial Rewards: Factors Influencing Employee Motivation**

The employment contract between employee and employer exists through a relationship of financial rewards, which is otherwise known as compensation. The services rendered by an employee during the course of employment are rewarded by the employer

through financial benefits such as compensation or salary, incentives, fringe benefits, perquisites, and so on, which lead to the extrinsic motivation of an employee. In today's global scenario and increasing competition, organizations have undergone a paradigm shift in recognizing employees as key resources for the company's growth and success. While managing and motivating employees has become more complex, it is necessary to keep updating the company's reward practices to consistently motivate and engage employees periodically from time to time. The following are some of the factors of financial rewards besides pay and statutory benefits/allowances in the workplace that may facilitate and benefit the organization in fully engaging employees.

#### ● ***Productivity Linked Incentives***

A powerful reward strategy in motivating employees to improve their performance is widely accepted even in today's business context in many industries. Though it is one of the traditional reward systems, the scheme is adopted to achieve desired productivity levels and is linked to results. Further, the employees are encouraged to work as a team and enhance their individual and organizational competitiveness. As the scheme is tied to performance, it benefits the employees by earning more than regular salary or higher wages and profits for the companies as well.

#### + ***Bonus/Ex-gratia***

Though a bonus is a statutory benefit under the Payment of Bonus Act of 1965, it must be paid to eligible employees once a year based on the company's profitability.



However, many companies have the practice of considering the bonus over and above the statutory provisions as a reward strategy to boost the morale and motivation of their employees, enhancing productivity and organizational competitiveness. While the bonus is paid as a monetary benefit, ex-gratia is also a monetary benefit paid to the employees in the form of a reward, where there is no legal requirement and it is purely based on the discretion of the employer. Furthermore, a bonus is associated with the performance of the employee. Ex-gratia has no relation to the performance of an individual.

- ***Stock Options***

One of the opt-reward strategies to determine an organization's stability is quite common in most public limited companies and private companies as well. Stock options as a reward strategy are offered to the employees at a price lower than the market price, which enables a sense of belongingness and ownership among employees and motivates them to give their maximum output towards organizational growth.

- ***Profit Sharing***

Profit sharing is a powerful reward strategy where employees are considered as shareholders of the company, which motivates and facilitates them in developing a sense of ownership. Furthermore, when the employees are considered first and the customers second, they take care of the company and customers as well, improving productivity and giving their best effort to increase profits.

- ***Service Rewards***

Service rewards are generally based on the longevity or tenure of service of an employee or commendable service offered by an employee. Though this is a

traditional method, many companies still follow the practice of acknowledging the loyalty, commitment, contributions, and service rendered by the employee through a citation and gift vouchers or a plaque arranged on a company celebration day or any occasion that will create a greater impact and boost the morale of employees. Furthermore, service awards presented by the company in recognition of an employee's service will have a greater impact on engaging employees besides attracting and retaining talent.

- ***Fringe Benefits***

Fringe benefits are the most commonly used rewards in companies that are not directly related to the salary or wages of an employee. It serves as a tool to motivate, compensate, and provide relief to the employees while at work. In simple terms, fringe benefits are the authorized expenses incurred during the course of employment and contributions made on behalf of an employee, which include monetary and non-monetary benefits beyond the salary, such as health insurance and personal accident coverage; reimbursement of certain expenses; educational assistance for children; and so on, which are generally exempted from tax.

- ***Perquisites***

Perquisites, or perks, are one of the reward schemes either with monetary or non-monetary benefits provided by the company based on the job position of the employee, which is an add-on benefit over and above the salary. It is a suitable measure to motivate the employees,

particularly at the senior level, to feel a sense of comfort in their job position and enable them to focus on the desired results. Monetary benefits are provided in the form of reimbursement for expenses such as housing, bills for household amenities, and provision for motor vehicles and expenses such as gasoline, diesel, and so on. Non-monetary perquisites are in the form of free facilities that the employees have access to either free of cost or at concessional rates, and these benefits are generally considered as taxable benefits.

- ***Employee Referral Scheme***

It is one of the most effective strategies to motivate and reward employees, as employee referrals save enormous time and work out cheaper than the traditional way of hiring for the required job position. It is for the simple reason that the employees are able to identify the right candidates who are able to fit into the culture of the organization and job position to be recruited. Further, when employees are encouraged to bring in referral candidates with a suitable bonus or reward, they play the role of ambassadors for the company, which also enhances the brand image of the company. Further, when they are publicly acknowledged among others or in a group, it encourages others to make references as well.

- ***Quality of Work-life***

In today's industrial scenario, organizations are moving forward to add more value to the employee compensation package to emphasize flexibility, goal achievement, and variable pay based on performance and less emphasis on base pay, which may aid in reducing the cost of benefits. In lieu of this, to improve the morale and motivate employees' quality of work-life rewards are given more thrust, which includes lump-sum payment or cash

award for a result or outcome that deserves recognition; payment of smaller rewards and acknowledgment with thanking notes for the call of duty contributions, which are not necessarily tied to an achieved result but may increase the probability of results; also thrust on prepaid legal and educational assistance and vision insurance; increased opportunity for flexible work arrangements; job sharing; and more emphasis on learning and development; and so on.

- ***Post COVID Healthcare Benefits***

The technology firms, particularly IT/ITES, including some of the sectoral businesses, are taking a step forward to redesign some of their reward strategies for their employees since they are used to remote working without any resistance during the COVID and post-pandemic era. As the employees in these sectors are comfortable with remote working and showcase their production capabilities by satisfying their employers through virtual reality (VR) technology and by making maximum use of social media to collaborate, brainstorm, and develop strategies, they expect a good work-life balance with more flexible initiatives such as enhanced healthcare benefits for their families, counselling sessions to come out of burnout and mental stress, financial assistance for debt reduction geared during the COVID period, and so on.

- ***Non-financial Rewards: Factors Influencing Employee Motivation***

In the aftermath of the global coronavirus pandemic, organizations are attempting to revert to normalcy and regain their potential, and HR teams are under

increased pressure to keep their employees engaged and motivated. In this situation, revisiting and redesigning the existing reward practices facilitates the utilization of available human potential and enables employees to get engaged and motivated. While financial rewards are important to fulfill the employee's extrinsic expectations, non-financial rewards are also equally important to enable them to satisfy their inherent needs, which may be more than financial rewards. Indeed, research studies indicate that the appropriate use of rewards results in improved performance and enables the employees to develop skills and knowledge. Further, non-financial rewards are related to the employee's needs for achievement, affiliation, motivation, responsibility, and personal growth. However, the extent to which these needs are powerful motivators varies between employees, and in order to be effective, they must be used selectively on an individual basis. The following are some of the factors of non-financial rewards that inspire and motivate employees to get engaged in achieving organization sustainability.

- **Recognition**

To reinforce the desired behaviour and achieve results, recognition is one of the important reward strategies to acknowledge the good work or accomplishments of the employees, which boosts morale and motivation of the employees and also results in improved productivity and enhanced business performance. In other words, recognition of employees is about acknowledging what

is done and appreciating how they behave (Robbins, 2020), where the above is critical for supervisors or managers who want their team to achieve desired results. Further, employees understand that their employers value what they do and how they behave if they are recognized at the right time. This is a component that turns a company's values into a reality and helps strengthen the cultures of engagement, loyalty, and high performance.

- **Flexibility in work arrangements**

In today's working environment and with the increasing trend of the younger generation workforce, flexibility in work schedules is one of the most preferred choices of employees in most sectoral organizations. While the attraction and retention of talent is a challenge for organizations, flexible work arrangements as a non-financial reward strategy facilitate employees with more happiness and tend to have a work-life balance. It benefits employers too, in lowering absenteeism and as a retention measure. Further, when employees perceive autonomy in their work schedules, it enables an improvement in individual productivity.

- **Job Enrichment**

Job enrichment is a way of motivating employees by providing varying tasks in the job position that give them greater responsibility with the required authority. It enables the employees to make use of their abilities to an optimum level, provided they have acquired the necessary training and skills. Furthermore, it provides the employees with more

flexibility, an opportunity to take decisions, be able to monitor and control the assigned tasks, and develop additional skills and knowledge. Job enrichment is a tool for retention and increased productivity.

- ***Job Enlargement***

When the job becomes monotonous or repetitive, the employees may tend to become dissatisfied and do not show interest in achieving the desired results. In such cases, job enlargement is a method to motivate employees by assigning a wide range of tasks or with additional tasks in the same job to break the monotony and enable them to get involved in the job. Though extended tasks by job enlargement benefit the employees by breaking up monotony, it may have an impact on individual productivity and output quality.

- ***Job Rotation***

To motivate and provide career advancement opportunities for the diverse workforce, many organizations are encouraging job rotation as a non-financial reward strategy, which aids them in developing knowledge and skills in performing various tasks across organizational functions. Further, job rotation reduces the monotony of doing repetitive tasks by the employees and also creates an interest in performing new jobs and enhances the employees' strengths by creating opportunities.

- ***Teamworking***

To achieve common goals and develop cohesiveness among employees, teamworking is one of the modern approaches to employee recognition adopted by many organizations, which facilitate employee engagement and improve motivation through organized work. Working as a team builds synergies

and greater togetherness among employees, enables creativity and good interpersonal relationships, develops multi-skills through shared responsibility, and serves as a means to develop competence.

- ***Empowerment***

Is one of the powerful drives to motivate employees, which makes a positive impact on the employees intrinsically rather than through external rewards. Further, when employees perceive they have autonomy in their work, they tend to make the best use of their skills and abilities in performing the job. By empowering the employees, they tend to identify solutions to the occurring problems, which facilitates improvement in productivity while developing synergy with superiors and increasing retention through job satisfaction.

- ***Employee Participation***

One of the most important ways to motivate employees is to get them involved in the decision-making process on issues that are of concern to them through various committees that are formed in the workplace. Involving employees in work-related activities encourages them to collaborate in order to achieve the best results for the organization. While employee participation is an effective way of engaging them to improve productivity, it also facilitates solving many of the bottleneck and quality-related issues when their suggestions and feedback are considered by their superiors. And this enables them to be happier at work and tend to work hard to achieve company goals.

- ***Career Advancement***

In today's context, the younger workforce, in particular, is eager to move quickly due

to the abundance of opportunities available in the global competitive environment, and as such, they are more eager to advance their career and be loyal to their profession than to the company for which they work. If the employees do not find an opportunity to enhance their career, they tend to leave the organization in spite of the adequate monetary benefits. In light of this, career advancement is an effective method to motivate employees by giving them a clear career path and honing their skills through learning and development to enable them to work hard to move up the ladder, which is also a way to retain talent.

- **Organization Climate**

The organizational environment influences how employees are inspired and motivated to fine-tune their behaviour and collaborate to achieve business goals. In other words, when the employees perceive their opinions towards the organization, viz., a feeling of freedom to express their views and thoughts; observe autonomy in their work; approach towards employees by their superiors; reward orientations; and so on, all of these tend to have a great impact on the behaviour of the employees and also enhance the brand image of the company, which aids in the attraction of talents.

- **The Role Of HR In Effective Implementation Of Rewards**

As the success and survival of the organization depends on the workforce employed, it is deemed that they are able to drive the organization to achieve competitive advantage. When employees are determined as the key to the organization, it is indeed important to inspire, nurture, and motivate them continuously to achieve the desired results. The HR team, as they are responsible for managing and representing employee-related issues, plays an important role in creating the right balance between the

employer and the employees. Furthermore, making people work collaboratively and cohesively to achieve business goals is an important task for the HR team. In addition, the HR team needs to establish good rapport and constantly coordinate with managers to understand and motivate the team working with them.

To initiate and implement employee total rewards as a strategy, HR must ensure some of the aspects such as viz., components of rewards should be connected with business goals vis-à-vis customization that motivates employees and formulated either through assessment or interactions; planning suitable methods of rewards; interacting with departments; budgeting; clear communication with employees; reinforcement to have clarity and understanding; fairness and transparency in reward implementation; feedback and review about the efficacy of reward strategy; all these are important for effective implementation of rewards and a way to attract, engage, and retain talents towards organization sustainability.

- **DISCUSSION AND IMPLICATIONS**

Rapid technological advancement and increasing competition have led organizations to reengineer their business processes and reorient their HR practices to motivate, attract, and retain talent as well. Meeting the expectations and aspirations of demographical trends, particularly from the last decade of the twenty-first century, is a challenge for organizations. As today's younger workforce looks for quicker growth and advancement in their careers to cope with changing technological trends, innovative employee rewards and recognition may be one of the strategies that may facilitate

organizations to motivate, retain, and enable them to engage in achieving improved productivity. When rewards are framed and aligned with business objectives, whether tangible or intangible, they become effective and, apparently, aid in organizational sustainability. The HR team at the core of an organization plays a vital role in instituting rewards, monitoring, evaluating effectiveness, and reviewing from time to time to ensure robust employee rewards and recognition schemes. This research is an attempt to accentuate the various factors of financial and non-financial rewards that may facilitate organizations' ability to motivate, attract, and retain talent as well as promote business sustainability. The following are the implications of the study:

1. Financial incentives or rewards, in addition to pay and statutory benefits, are extrinsic motivators that are required to engage employees in achieving productivity.

a. Productivity Linked Incentive (PLI) promotes individual and group performance and aids in achieving organizational competitiveness. It also encourages employee motivation because they can earn more than their regular wages or salary while also profiting the company.

b. Bonus/Ex-gratia as a reward strategy over and above the statutory provisions boost the morale and motivation of the employees, enhancing productivity and organizational competitiveness.

c. Stock options as a reward strategy extended to employees fosters a sense of belonging and ownership, motivating them to contribute their full potential to organizational growth.

d. Profit sharing as a reward strategy helps

employees develop a sense of ownership, improve productivity, and give their best to increase profits.

e. Employee service rewards encourage commitment, loyalty, and contributions to the organization and have a greater impact on engaging employees in addition to attracting and retaining talent.

f. Fringe benefits, as rewards given to employees in addition to salary and wages, serve as a source of motivation and monetary relief, committing them to producing better results.

g. Perquisites or perks, either as monetary or non-monetary benefits, extended to the employees based on their job position, facilitate motivation, perceive a sense of comfort, and enable them to focus on the desired results.

h. Employee referral as a bonus reward encourages the employees to identify and bring in the right candidates who fit the organization culture and the job requirements, which also enables HR to save time and work out cheaper in terms of hiring, besides enhancing the brand image of the company.

I. Improving the quality of work life for employees by providing a lump sum payment or cash award for achievements or outcomes that deserve recognition by the company boosts morale and employee motivation and results in productivity improvement.

j. The Post COVID healthcare benefits are extended support provided by the company, particularly to remote working employees, in terms of financial assistance and flexible initiatives to alleviate mental stress and burnout, which allows them to maintain work-life balance and provide a break result in the achievement of desired



results.

1. Non-financial rewards as intrinsic motivators enable employees more than financial rewards to satisfy their inherent needs for achievement, affiliation, responsibility, and personal growth.

a. Recognition of the performance excellence and achievements of the employees boosts morale and motivation and results in improved productivity and enhanced business performance.

b. Creating an opportunity with flexible work arrangements enables employees to perceive autonomy in their work schedules, allowing them to increase productivity and have a happier work-life balance.

c. Job enrichment motivates the employees to do varying tasks with greater responsibility and enables them to use the best of their abilities to an optimum level.

d. Job enlargement motivates the employees with a wide range of tasks and breaks the monotony, which influences an improvement in productivity and output quality.

e. Job rotation fosters enthusiasm for new tasks, enables knowledge and skills across organizational functions, and develops strengths by providing opportunities.

f. Teamwork builds synergies and togetherness among employees and facilitates organized working, improving employee engagement and motivation.

g. Employees experience autonomy when they are empowered to do their work, which enables them to make the best use of their skills and abilities in performing the job, facilitates synergy with superiors, and increases retention through job

satisfaction.

h. Allowing employees to become involved and participate in work-related activities helps them collaborate and achieve the best results for the organization, as well as solve many quality issues when their suggestions and feedback are sought by their superiors.

I. Motivating employees by giving them a clear career path and honing their skills through learning and development enables them to work hard to move up the ladder, which is also a way to retain talent.

j. The behaviour of the employees is fine-tuned by the environment created in the workplace, which includes a feeling of freedom to express an employee's views and thoughts; observe autonomy in their work; approach towards employees by their superiors; reward orientations; and so on.

#### ● Limitations Of The Study

The strategy for rewards and recognition depends on the nature, type, and size of organizations. This research is a useful resource for organizations in general and not specific to any individual sector. Nevertheless, this study may be useful for HR practitioners based on their organizational needs and requirements.

#### ● Conclusion

The younger generation with diverse knowledge, skills, and abilities employed by contemporary organizations are eager for fast-track progression and career advancement opportunities, besides competitive salary and benefits as well. While attracting and retaining talent is a challenge for the HR team because of the abundant opportunities available for knowledge workers in today's competitive global environment, rewards and recognition have become critical in



motivating and retaining them to achieve a competitive advantage.

The institutionalization of financial and non-financial rewards aligned with business needs and employee aspiration in the workplace enables the organization to motivate, attract, and retain talent while also fostering business sustainability.

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## Challenges faced by employees and employer in driving Rewards and Recognition Programmes

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### Abstract –

The research is aimed at understanding the current practices used by different organizations for rewards and recognition of their employees. Through the feedback we received, we tried to identify the challenges that employee think they and employers are facing during these rewards and recognition activities. We studied effect of rewards and recognition on employee motivation and challenges organizations face in rewards and recognition through the literature review. Through the same set of respondents, we tried to understand their satisfaction level with the existing rewards and recognition practices, challenges in rewards and recognition practices and through literature review we tried to identify solutions to these problems.

### Introduction –

In recent time rewards and recognitions has come up as key factor in term of employee motivation and ultimately employee retentions. What started as a simple practice of rewarding employee for any significant work that they have done, now has became one of the major factors of HR strategy. Looking at this change, many organizations have now started to predefine their R&R activities in the form of documented policies, they started linking these R&R to monetary as well as non-monetary benefits and subsequently they started making budget allocations for it as well.

During the implementation of such activities, which involves monetary components as well, it becomes very essential to implement it with utmost care and responsibility. Management can face

various challenges as well as retaliation from employee. To address these challenges well within time becomes one of the major asks of the entire R&R process to make it a success. Some of these challenges can be involvement of leadership in entire R&R process, interest of employees in R&R, communication to employees regarding R&R programme or employee not able to understand the programme.

It has been observed that, R&R programmes play a vital role in employee motivation. As the employee get recognised time to time for the good work he has done, he/she understands that his/her work is being noticed by the management and he/she is a key contributor in the organization. These regular activities of R&R help to keep high employee motivation and helps in employee retention in long run. Hence the overall R&R programmes and to deal with its challenges becomes important.

**Keywords –** Rewards and recognition, R&R, Employee motivation, Challenges

### Literature review –

In the literature review section, we tried to learn more about, reward and recognition and its various aspects, various practices that industries follow in reward and recognition and various challenges that can come across while undertaking these activities. Let us look at all these points one by one

### Reward and Recognition

Reward and Recognition practices are run by organisations to recognise & motivate

the top performers. Reward and Recognition practices help organizations improve their employee engagement at their job role and corporate culture.

Recognising and awarding for a well-done job can have a positive influence on work culture, organisation environment, employee morale, commitment, performance and retention, which indirectly achieves organisational goals and objectives. "Organisational behaviour theory defines that recognising and rewarding good performed employees motivates and reinforces the overall performance and behaviours of employees which contributes to achieve business objectives."

To start with Reward and Recognition practice, firstly we need to have a database of employees KRA and KPI's report and on the basis of these reports we need to set certain goals or targets in coordination with the concerned Head of the Departments. On the basis of performing and fulfilling or overachieving the targets can make the employees eligible for getting rewarded for the monthly basis, quarterly or annually. Generally recognition is given from top-down grades, but [peer-to-peer and 360-degree recognition](#) is found more effective.

### **Some employee recognition practices which can affect on motivation of employees:**

- **Engagement of Top Management in the programs**

Leaders are key drivers of company work culture and strong examples of behaviour or environment in the workplace. When top-level executives support strategic reward and recognition, managers and employees are likely to participate, as well. The CEOs who empowers their team through reward activities and strategic recognition, and who hold managers

accountable for using it, have the most successful employee recognition plans.

"Remodelling your work culture starts off evolved together with your leaders – these are the folks who are using the engagement journey and keeping a pulse on your Employees."

- **Well timed recognition is vital**

Imagine receiving a praise for something that you had completed three months ago? It is meaningless and serves no reason. It is why well timed recognition is effective. The longer the recognition timing, the much less probably employees will see them as genuine. Hence appreciate and award the employees at earliest for being genuine and real.

- **Peer to peer recognition**

Peer to peer recognition is the act of acknowledging any other employee's capabilities, skills, deliverables, expertise, or talent. Generally, employee's think of recognition coming from their reporting managers or boss, but wonderful remarks from peers may be simply as powerful. Peers are 'in the trenches' with every other and know the specific, day-to-day obstacles and demanding situations.

This practice of recognising employees enhances company culture and help them feel appreciated and more confident. It Strengthens team morale and positive work culture and employee relationships. A study from Harvard business school observed that it could dramatically boom motivation and performance.

- **Public Recognition**

Public reputation is while a whole agency makes a focused attempt to rejoice employee's performances and accomplishments as an entire.

Within the equal examine carried out by “Gartner” found 77% of respondents located peer reward very or extraordinarily motivating. Public recognition ensures that no longer only managers but co-workers are also aware of key accomplishments of employees and hence celebrate with their team members accordingly.

### **Key challenges faced by HR while conducting Reward and Recognition Activities:**

#### **1.Compensation:**

Regardless of how tons employee recognition an employer plays, a few employees will constantly sense unappreciated due to the lack of compensation and benefits Employee compensation refers to the benefits that an employee receives in exchange for the services they offer to their business enterprise. It consists of the month-to-month salary and other advantages which can consist of organisation-subsidized vacations, bonuses, and so on. However, when an organisation restricts its employee recognition to intangible benefits only, the [reward system](#) and its sustainability becomes a challenge for HR professionals.

- **Rewards not understood by employees:**

The generic challenge faced by HR while conducting R&R activities is mainly the employees in general are not aware of the system that is going at the back of the plan, design, execution and delivery of the praise programs. The identical are also no longer communicated effectively/successfully to the employees, and the engagement of the managers also are no longer sought in the procedure either. As a result, HR isn't always capable to maximize the value of such rewards to its inner clients or employees.

- **Rewards or Benefits not linked to the labourmarket:**

The ones businesses which do not tune

their opponents regarding salaries paid to their employees or evaluate their pay scale with the industry are usually at a disadvantage of not paying their employees market level salaries, and therefore losing out in skilled talent retention. It is always sensible to get Market Salary or earnings Data quarterly or twice a year, and clean custom surveys which provides real time statistics are the great alternatives for retaining talent and keep them motivated to obtain organisational goals and objectives.

#### **What Motivates employees?**

The HR and departmental managers have to act as a one team to attract the employees in reward activity to award and shout out the good performing employees publicly to make it more effective and a work culture which encourages other people to take efforts which leads to increase in performance indirectly results in productivity. For such kind of good performance, the employee is rewarded which gives motivation to work harder and the cycle goes on to obtain the personal targets which links with organisational objectives.

#### **Research Objective –**

The study was carried out with following objectives –

- 1) Understand the existing rewards and recognition practices followed in different organisations and sectors
- 2) Understand the satisfaction level of employees with existing rewards and recognition practices.
- 3) Identify various challenges in carrying out rewards and recognitions
- 4) Identify solutions to existing challenges in rewards and recognition practices.

**Research Methodology –**

The study is based on qualitative and quantitative research.

The qualitative analysis is done based on literature review. That helped us understand various rewards and recognition practices followed by organizations. It also helped us understand what can be the challenges that organizations come across during the existing reward and recognition practices. Post studying various reward and recognition practices and various challenges, a quantitative analysis is also performed to understand current practices of rewards and recognition practices in organizations and various challenges which employee think companies face during these rewards and recognition activities.

The quantitative research is exploratory in nature. The analysis is done using descriptive data analysis method. The questionnaire was made to seek the information about existing rewards and recognition practices in the different organizations and industries. It is also designed to understand participant's views on challenges in existing rewards and recognition practices. The data was collected through the questionnaire and 45 working professionals have responded to our questionnaire. The respondents were informed about the objective of the study.

The data was analysed using excel and charts, various figures prepared for better understanding of responses.

**Data Analysis –**

Responses of total 36 participants were recorded through the questionnaire. This group of 36 participants included professionals from all sectors of corporates and different organizations. There are two parts to this questionnaire, first part is to understand the current status of R&R activities carried out in organizations, such as frequency of R&R, parties involved in

R&R, involvement of HR in R&R etc. Second part of the questionnaire is to identify challenges in existing R&R practices which are faced by employees and employer.

We can observe from the first chart that, around 78% of organizations have a predefined and written rewards and recognition policy, whereas around 22% of employees are not aware if their organization has a prescribed policy or not, this reflects a lack of communication from management to employees.

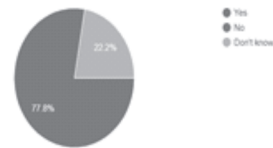


Fig 1 – Response to question, “Does your organization have prescribed R&R policy for rewarding employees?”

Also, through the study it was observed that in majority of organizations, approximately around 89%, rewards and recognitions are carried on a quarterly or annual basis. And in case of only 11% of organizations the R&R is done on monthly basis. This shows that the frequency of R&R activities needs to be improved, so that the employee gets rewarded for their contribution on regular basis.

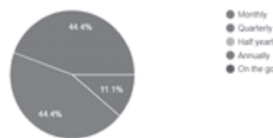


Fig.2 – Frequency of R&R activities carried out in the organization.

It was observed that, when it comes to decision making for rewards and recognition, the parties involved are reporting manager, skip level manager and head of the department in most of the cases that were part of the study. Around 94% of time, decision makers were Manager,

skip level supervisor and HOD, in 6% of cases it was observed that, peers were also invoked in R&R decision making.

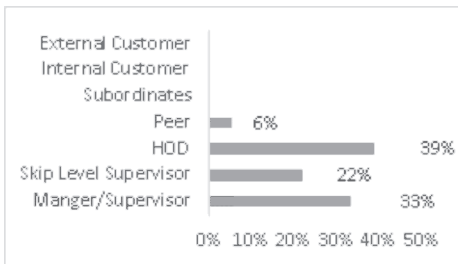


Fig.3 – Parties involved in the decision making of rewards and recognition.

During the survey, we tried to identified are the rewards and recognition practices linked to monetary benefits or rewards. We observed that, in 89% of cases these rewards are linked to some monetary benefit, whereas in 11% of cases it has other elements attached to rewards and recognitions which can be seen in the Fig - 4. We also try to identify what is the opinion of employees on the monetary benefits linked to R&R, all participants had the opinion that R&R activities must be linked to some monetary benefits,



Fig 4 – R&R activities linked to monetary benefits

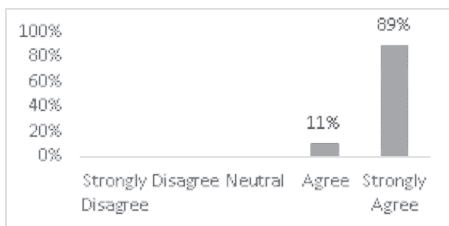


Fig 5 – Should all R&R activities involve monetary benefits?

Further we tried to identify, what are the challenges that employee and employers are facing while carrying out these rewards and recognition. In one of the questions we asked participants, if they feel that there is a lack of involvement from leadership in the R&R activities in your organization. The response received from participants was varied as seen in Fig. 6. We think leadership to have more involvement to make these R&R activities more meaningful.

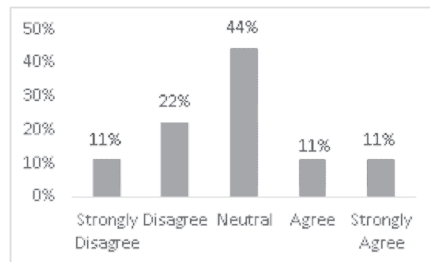


Fig 6 – Do you think there is a lack of involvement from leadership in R&R activities.

After understanding the involvement of leadership in the R&R activities, we also wanted to understand that, what is the interest level of employees in the R&R activities. Though majority of participants, i.e. 44%, disagreed that, there is a lack of interest from employee side in R&R activities, a significant number of participants, i.e. 33%, responded neutral to this question. We think there should be high level of interest from the employees as well in R&R activities, for these activities to be beneficial for development of employees.

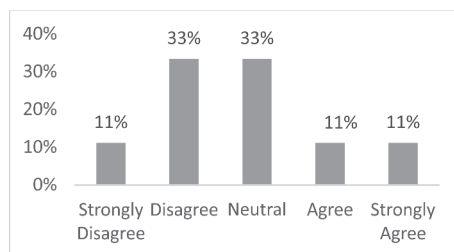


Fig. 7 – There is lack of involvement from employees, in R&R activities.

Further we tried to identify, if the employees feel, there is some sort of bias while rewarding any of the employee. As per the response of the participants, it was observed that almost 67% of participants think, that they do experience biasness when it comes to rewards and recognition activities.

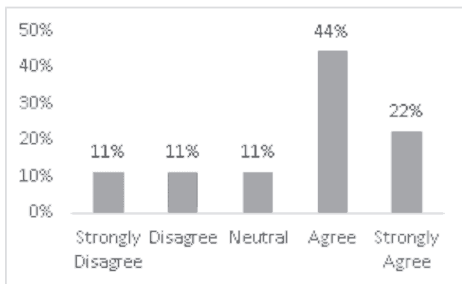


Fig. 8 – There is a biasness involved while deciding on R&R

As a part of the survey, we also tried to find out, if there is appropriate communication from organization about the Rewards and recognition programmes to employee. We observed that, almost 73% of participants said, that they feel, the communication regarding R&R programme benefits and highlights from HR or leadership is not sufficient, to have employees aware about the R&R activities in the organization.

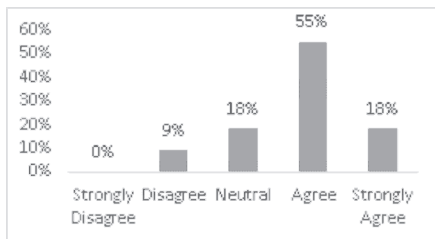


Fig 9 – Lack of proper communication of R&R programme benefits and highlights from organization

As outcome of all above questions, we also tried to identify if the participants are

satisfied with the R&R programmes that are currently ongoing in their organization. As we can see in Fig. 10, though majority of participants had a neutral opinion on it, around 33% participants were not satisfied with the current R&R programme of their organization., whereas 25% of them were satisfied or very satisfied with the existing R&R programme.

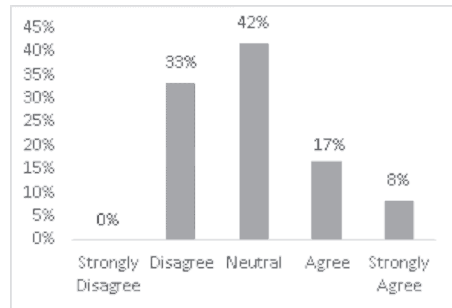


Fig. 10 – Satisfied with current R&R programme in your organization.

**Conclusion –**

The proposed study was to identify the satisfaction level of employees with the current R&R programmes and challenges they face in these R&R programme. From the results we can comments that majority of the participants are not satisfied with current R&R programmes. Reason for this dissatisfaction can be the challenges that we could identify. Following are the challenges that we identified and possible solutions that can be adopted to tackle these challenges.

●**Lack of communication** – There is a lack of communication in term s of the benefits of the current R&R programme, because of which employees are not engaged in the process. Management need to advertise such programmes on regular basis, so that employee can be benefited from this and the overall motivation of employees increase once they are rewarded.



1.Lack of involvement of leadership – Though we could see involvement of leadership in response of few of our participants, but we think in majority of cases, this parameter is not up to the mark. The challenge here is, if the involvement of leadership is limited in the R&R programmes, then it does not gain significant importance to drive it through the general public. Hence, we recommend that, leadership should be closely involved in these programmes, so that the employees also understand the seriousness of the R&R

<https://community.nasscom.in/com>

2.Biasness in deciding R&R - Biasness felt by employees is another big challenge that we observed. In this case there can be two case, one is that is actually biasness in the process, or the employees who are not awarded feel that there is a bias in process. In both the cases we recommend that organisations need to bring transparency in these processes. The policy of R&R should be well defined and well written, the parameters for all the R&R should be pre-defined wherever possible and achievement of person receiving rewards should communicated to general public, to eliminate the element of bias from the process.

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## A Study Of Effect Of Reward & Recognition On Employee Retention Insugar Industries Of Western Maharashtra

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### **Abstract:**

Sugar Industry is the second largest agrobased industry in the country. Nearly 3 lakh workers are creating extensive indirect employment for 45 million farmers of sugarcane. This study is analyzing how Reward & Recognition plays important role in retaining employees in sugar industries. It also examines the human resource practices adopted by the selected sugar factories from cooperative and private sectors. Also it highlights the importance of reward & recognition practices in selected sugar factories. This study covers the areas of Western Maharashtra ie. Kolhapur, Sholapur, Ahmadnagar, Satara, Sangli, Karad districts of Maharashtra which is popularly known as “**Sugar Belt**”.

**Keywords:** Reward & Recognition, Sugar Industry, Motivation

### **● Introduction:**

In 1945, the 1<sup>st</sup> sugar factory was pioneered & subsequently commissioned in 1951 in western Maharashtra by Padmashri Vitalrao Vikhe Patil. Today Indian Sugar industry is the backbone & big agro processing industry which plays a significant role in Indian economy.

In the current season, 521 mills operated against 506 mills which operated last season. As on 15th May, 2022, 405 mills had closed their crushing operations while 116 sugar mills were still operating in the country

Size wise Maharashtra is has occupied more than 50% the largest in sugar mills of the country having more than 250 industries & nearly 10% extract rate. According to the data released by the

sugarcane officials, till January 13, 2022, a total of 192 sugar mills are operating in Maharashtra which includes 97 private and 95 cooperative mills. They produced 574.83 lakh quintal sugar by crushing 582 lakh tone sugarcane. Indian sugar industry has spread in organized & unorganized sector. The production of Gur, khandasariis in Organised sector accounts for 37% of total consumption of the country. Another important feature of Indian sugar industry is that it has generated employment opportunities in rural areas & given jobs nearly 7-8 lakh in these areas. Also it is largest industry in engaging employment of workers permanent, temporary, seasonal, etc.

This research paper focuses on the motivation forces that drive employers to retain the employees by good reward & recognition practices. This paper also outlined important key issues of reward & recognition in sugar industry. Western Maharashtra Sugar Industry plays a important and sensitive role.

### **● Objectives:**

- 1) To Study the significant relationship between employee motivation, reward & recognition and employee retention.
- 2) To Study various employee motivation practices in selected cooperative sugar industries of Western Maharashtra.
- 3) To find out the important employee retention factors in selected cooperative sugar industry.
- 4) To suggest ways & means to retain best talent which organization requires for its growth & prosperity

in sugar industry.

● **Hypothesis:**

**Hypothesis No.1**

**H<sub>1</sub>:** There is significant difference of reward & recognition methods of different sugar industries

**Hypothesis No.2**

**H<sub>2</sub>:** There is significant positive effect of employee motivation on employee retention.

● **Research Methodology:**

- Respondents of this research study are the employees of the cooperative sugar sector of western Maharashtra region
- Study is based on responses on questionnaire & interviews.
- Primary data is collected as first hand information data by questionnaire method, personal observation & discussion with sugar industry experts.
- Secondary data includes Research Journals, Economic Surveys newspapers, Website based trade data etc

● **Scope Of Research Study:**

- This research study is limited to the cooperative sugar sector of western Maharashtra region.
- This research study will also contribute to the academics, to understand the current employee motivation practices of the sugar industry.

● **Review Of Literature:**

Paul falconer (1987)1 in their study performance appraisal is an opportunity to create an environment of job satisfaction and motivation among employees, inspire retention and build a culture that focus on performance excellence.

● **Discussion:**

The success of any organization is good PEOPLE MANAGEMENT & PEOPLE SATISFACTION. Reward & Recognition plays a important role in growth & development of the organsation.

Reward & recognition are usually less expensive than giving direct salary rise in Basic, allowances, etc. It's the recognition of individual's efforts & contribution to the organization. It's a immediate gratification to employees.

The purpose of Reward & Recognition is to recognize the people & teams which impact on employee retention & employee satisfaction. It gives the opportunity to acknowledge in the organization. It's the people who make the difference. Competitive people make the organization successful by effective Reward & Recognition system. It's the best tool keep employee happy & retain. Reward is generally in monetary or nonmonetary form which reciprocates the good work performed by individual.

Small terms rewards are sales incentive, long service rewards, Spot awards like gifts, prizes, etc.

Long terms rewards are promotion & position. Manager becomes MD of factory, retention incentive, special training opportunity like deputation for abroad training, family caring, children education, etc.

Recognition is normally non monetary & it's towards appreciation for something good done by individuals or teams. Mostly expressed by words. Its interaction with individuals for inducement & effective tool of motivation for people. Sugar industry value for people & their contribution. It makes role model as successor &

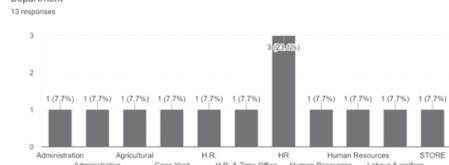
& leaders.It's the key to employee engagement & motivation.

● **Data Collection:** The researcher prepared 28 questions on the title subject& circulated in following 10 sugar industries of Western Maharashtra which is known as “Sugar Industry Belt”.

- 1) Shree Dataa Sahakari Sakhar Karkhana, Ltd, Shirol, Kohapur
- 2) Saharar Maharshi Shankarrao Kilhe Sakhari Karkhana, Akluj, Solapur
- 3) Saharkar Maharshi Shankarrao Ko he Sahakari Sakhar Kharkhana, Ahmadnagar
- 4) Shri Gurudatta Sugars Ltd, Kolhapur
- 5) Sarsenapati Santaji Ghrpade Sugar Facatory, Kagal- Kolhapur
- 6) Shri Shahu Sugar Co.Ltd,Kagal, Kolhapur
- 7) Jawahar Sahakari Sakahr Kharkhana, Hupari, Kolhapur
- 8) D a l m i a B h a r a t S u g a r Industries, Ltd. Kolhapur
- 9) GEM Sugar Ltd, Bagalkot, Near Maharashtra border
- 10) Shri Sai Priya Sugars Limited Hipparag, Near Maharashtra Border
- 11) Jawahar Sahakari Sakhar Karkhana, Kolhapur
- 12) Shri Dutt India Pvt Ltd, Sangli
- 13) Sahakar Maharshi Bhausahb Thorat Sahakari Sakhar Karkhana Limited, Ahmadnagar

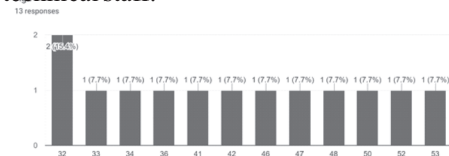
The questions were based to study on different aspects of reward & recognition which includes gender, qualification, experience, motivation, salary, skill, performance, goals and employee retention and so on. Questions were structured on Likert Scale & multiple choices. Questions were also prepared on Google forms, on line responses were received & the data is analyzed.

**Sample Data: Analysis - Tools:** Bar charts & graphs Analysis & Interpretation of Data Collected: Pie diagram is used to analyse the data



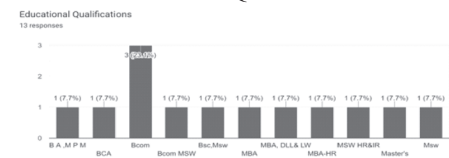
The respondents are mainly in the position of supervisor, accountant, clerk, officer, manager, etc. The respondents are in the function of HR, administration, accounts & operations.

The sample data is collected from different age groups, different levels of management staff employees which include HR, administration, accounts & technical staff.



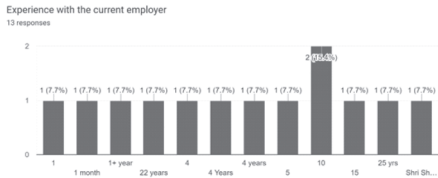
The employee age group is 32 to 53 years.

**Chart 1:** Educational Qualification



38% respondents are graduates & 62% respondents are post graduates which show more qualified talents are available.

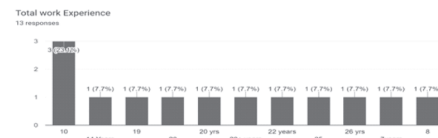
**Chart 2:** Current Experience



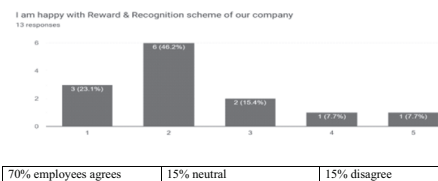
**Chart 3:** Type of appointment in current organization



All respondents are permanent employees  
**Chart 4:** Total work Experience

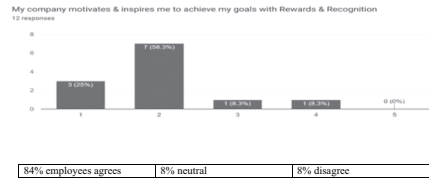


**Chart 5:** I am happy with Reward & Recognition scheme of our company



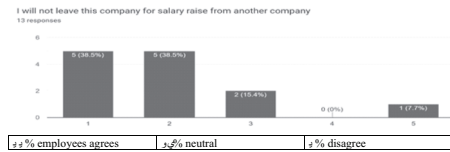
Majority respondents are happy with the reward & recognition of the company. Hence there is need to modify the scheme to make more employees happy.

**Chart 6:** My Company motivates & inspires me to achieve my goals with Rewards & Recognition:



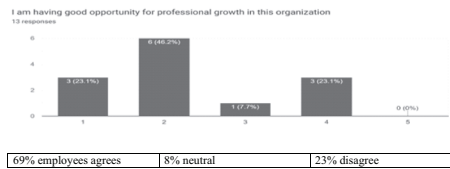
Majority respondents are happy & company can continue to put efforts for excellence.

**Chart 7:** I will not leave this company for salary raise from another company



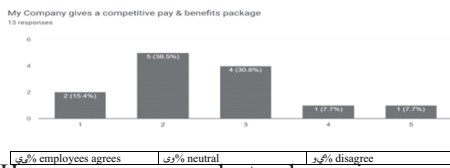
This shows they are happy to continue with the company

**Chart 8:** I am having good opportunity for professional growth in this organization.



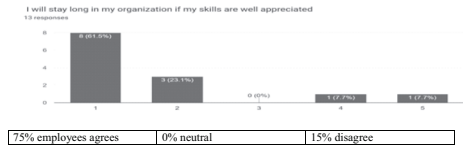
Majority respondent's feels good career opportunity exists & company needs to put further efforts for the growth of other employees.

**Chart 9:** My Company gives a competitive pay & benefits package



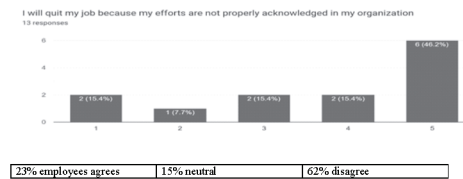
Here company needs to do region cum industry survey & look for competitive pay to employees.

**Chart 10:** I will stay long in my organization if my skills are well appreciated



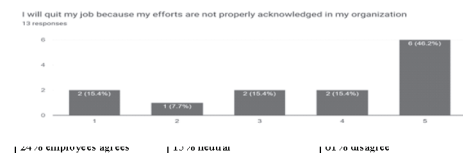
High majority respondents stay long with company.

**Chart 11:** I will quit my job because my efforts are not properly acknowledged in my organization



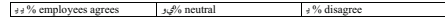
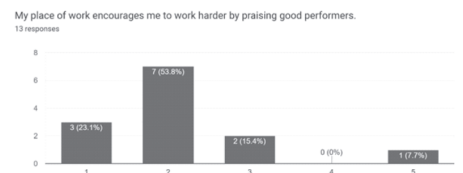
Here 20% respondents may leave but majority respondents disagree & they will not quit the job though it is not acknowledged.

**Chart 12:** Each time I do a good job, my organization acknowledges it.



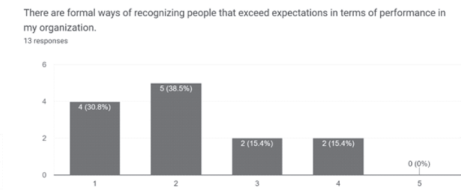
Respondents confirm that organisation gives importance to acknowledge the good job of employee.

**Chart 13:** My place of work encourages me to work harder by praising good performers



Here majority feels work environment is good

**Chart 14:** There are formal ways of recognizing people that exceed expectations in terms of performance in my organization



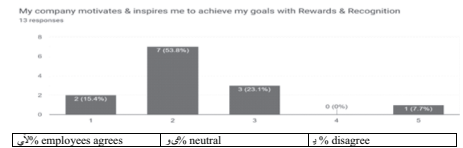
Majority respondents agree formal way exists to recognize the people. company can put further efforts.

**Chart 15:** Reward and Recognition policy leads to greater employee retention and helps to create a more positive atmosphere



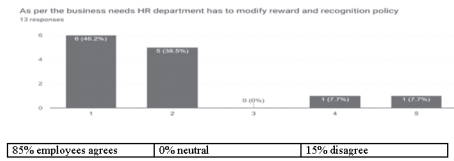
Majority Respondents agrees reward & recognition policy leads to retain employees.

**Chart 16:** My Company motivates & inspires me to achieve my goals with Rewards & Recognition



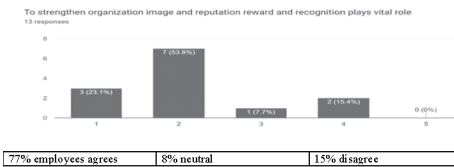
Respondents believes on company's effort to motivate with reward & recognition  
**Chart 17:** As per the business needs HR department has to modify reward and

and recognition policy



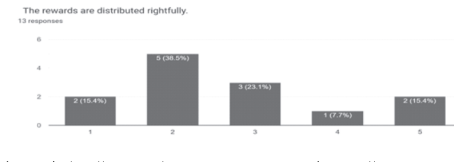
Majority respondents agree HR to modify the policy with the changing time to retain people.

**Chart 18:** To strengthen organization image and reputation reward and recognition plays vital role



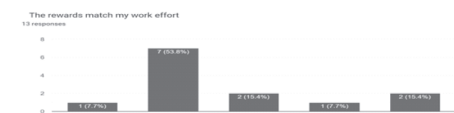
Respondents believes reward & recognition plays vital role t strengthen the organisation

**Chart 19:**The rewards are distributed rightfully.



Majority agrees but still 23% respondents feels it's not rightfully done.

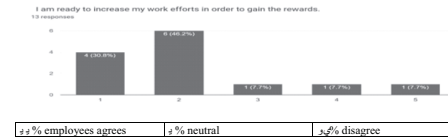
**Chart 20:** The rewards match my work effort



42% employees agrees	32% neutral	23% disagree
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Majority agrees but rest shows it's not matching

**Chart 21:** I am ready to increase my work efforts in order to gain the rewards



More respondents are ready to put efforts to gain rewards.

**Chart 22:** Employees work more as a team in order to gain the rewards



Majority Respondents believes in team work

● **Findings:**

**Outcome:** Helps to reduce level of attrition, reduced medical leave, improved recruitment by incentive

1. Employees are happy with the reward & recognition of the company.
2. Majority respondents are happy & company can continue to put efforts for excellence.
3. Employees are happy with rewards and recognition and they want companies to continue with this.
4. Majority respondent's feels good career opportunity exists & company needs to put further efforts for the growth of other employees.
5. Employees even though happy expect for competitive pay & benefits package.
6. Majority of employees are happy with culture of organization.
7. Majority of the employees are happy to work in team.



2. Majority respondents agree HR to modify the policy with the changing time to retain people.

#### ● Impact Of Study:

- The study will have positive impact on cooperation between management & employees. Through this research employee retention and industrial peace can be attained.
- The attitudes of the workers' and the management will have great impact in future.
- In some sugar factories it is observed that after getting reward employees started recognizing not only in their organization but other organization employees too.

#### ● Limitations:

- 1) Most of the employees were busy with the Annual General Meeting of the sugar industry. Due to busy nature of work & they don't want to be disturbed.
- 2) Due to festivals of Dasara, Durgashtmai, etc. employees were not available.
- 3) The respondent attitude did not allow getting their true feeling.

#### ● Hurdels:

Major problem being faced by the cooperative sugar sector is:

- Unprofessional management
- Political interference & approach
- Centralised decision making process.
- Cultural issues
- No free working environment & transparent communication

#### ● Suggestion:

- 1) Rewards & Recognition initiatives are to be aligned with the Vision, Mission, Goals of the

organization & motivate the employees.

- 2) Top management involvement is required in designing the scheme employee's representative, H O D 's & employees participation is essential in execution.
- 3) For the success of scheme Communicate to each employee & explain the language in which they understand easily, scheme need to be specific & time bound.
- 4) Consistent and equitable policy of reward can be devised.
- 5) Career opportunities need to be adequately provided for upliftment of employees.
- 6) Due recognition need to be given to the employees by top management.
- 7) Structured training need to be provided to employees for increasing the skill & competencies.

● **Conclusion:** In every organization reward & recognition plays a vital role. In this research it is observed that there is more scope for improvement to recognize the people by good communication, clear & transparent people policies, more supportive approach by management any employee involvement.

#### ● Reference/bibliography:

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## Revisiting Organizational Reward and Recognition Influenced by Pandemic: A Gender-based Assessment

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### Abstract

The world is fast evolving from manual to automated processes, human to robotic and machine learning, artificial intelligence, and the Internet of Things, and it will continue to do so in the future. The entire world, including India, has declared lockdown and shutdown to restrict the spread of COVID pandemic. All services have been suspended, with the exception of the essential service. The shapes of all have been drastically altered as a result of this. Aviation, Hospitality, Apparel, Electronics, Automobiles, Poultry, Seafood, Education System, and Supply Chain, to name a few, were the most precocious sectors. Most businesses allowed their staff to work from home in order to comply with regulatory laws. For both people and organizations, the house had become the new office. Most businesses were seeing a drop in revenue as a result of the massive Pandemic, giving economic pain and strain to both employers and employees, and posing an unknown hazard to both. In this pandemic condition, every employee may be fearful of losing their work, having their income lowered, being laid off, and so on. Therefore, the current study has been an attempt to understand employees' perception related to the organisational reward and recognition (R&R) systems during these challenging times. Based on five different parameters like Work from Home, Health and Wellness, Communication, Learning and Development, Benefits and Compensation, an assessment of R&R system was carried professionals' opinion from various industries in India.

**Keywords:** Benefits and Compensation, Communication, Health and Wellness, L&D, Pandemic, WFH.

### Hypothesis:

#### Hypothesis No.1

H<sub>1</sub>: There is significant difference of reward & recognition methods of different sugar industries

#### Hypothesis No.2

H<sub>2</sub>: There is significant positive effect of employee motivation on employee retention.

### • Introduction

COVID-19 pandemic had enforced the organization to adopt the new ways of managing workplace rather than going with the traditional ways of physical interactions among boss, co-workers, and subordinates. This led to both possibilities and risks that could affect employee productivity and relationships. Opportunities included adopting new technologies, working in an independent environment, improving decision-making ability, and honing communication skills, among others. Risks included employees working at home with their children, spouses, and parents, and expecting assistance in domestic chores from them, which could lead to conflict and negatively impact family relationships. Because of the family's concern and future predictions, some unknown tension may enter human life while working from

predictions, some unknown tension may enter human life while working from home. Employees unable to work from home (WFH) started showing concerns about their health and well-being. These personnel work with a variety of people and are exposed to each other, as well as being affected by other infected individuals. Organizations should maintain adequate rubrics for employees, such as thermal checks at entry points, hand sanitization, face masks, and the supply of resources, such as seat spacing and other accessories so that their employees can work freely without fear of being harmed. Organizations should maintain effective communication with their employees so that they may remain secure and unafraid in the event of a pandemic, as there would be many opportunities for rumors to spread among employees, affecting employee attention. They can divert attention away from the organization's mission, lowering productivity. As a result, top management must communicate effectively with employees at all levels. The pandemic opened up many options for study and development, as anyone may access hundreds of online courses offered by various reputable universities, allowing them to expand their knowledge. The majority of companies also provided training to their staffs via webinars, video conferencing, and other methods. As many organizations are economically impacted by the pandemic, others are severely impacted, to the point where they are unable to pay their employees' salaries, resulting in compensation cuts, staff layoffs, and job terminations, among other things. In this epidemic, every organization and individual is affected, and everyone is looking for a new path to long-term growth. Therefore, it has really become pertinent to understand the perception of employees (in such a challenging time) about the rewards and

recognition (R&R) system being adopted by professional set ups.

#### ● Review Of Literature

Various earlier studies have revealed some fascinating facts about the issues related to the current study. It has been observed that there is a co-relationship between the gender of employee and the emotional illness caused due to quality of life. During global crisis and environmental orders, the inability to withstand the challenges and cope up with the scenarios multiplies and becomes really high in comparison to male employees. (Hampton *et al.*, 2015). It was also found that women are having comparatively less scores in the areas of psychological, societal as well as health related quality issues (McLaren *et al.*, 2020). In order to sustain during the crisis, the employees really seek organizational support in a relatively higher extent than during any other normal situations. They become more serious to fulfil the expectations more during these exigencies and thus expect similar reciprocations from the employer as well (Kong *et al.*, 2016). In many cases role of media in creating a fearful environment come into picture and thus act as an important factor in changing the mood and motivation level of employees (Patti *et al.*, 2007). Studies on COVID-19 and its impacts on human efficiency have revealed the risks and anxiety levels increasing among the employees due to restrictions posed by governments worldwide (Roy *et al.*, 2020). Disruptions created by pandemic have got serious impact on the employees across sectors to prepare themselves for different job roles and professions apart from their present assignments (Kim, 2020)

It has been established that the professional organisations must promote different methods of working and develop continuously for upgrading the infrastructure and equipment relevant to

the workplace during pandemic. This required training, mentoring, counselling and motivating the employees in an eye to improve productivity at large (Huang *et al.*, 2020). From the employers' side, there can be special attention towards employees who bring in better productivity undeterred by pandemic and its hazards being communicated every now and then. This creates an effective result in the perceived benefits and recognition moving higher in the psychology of employees (Jaworski *et al.*, 2018). It is also expected the companies in addition to their desires of productivity level from employees must equally concentrate on making the later equipped with latest tools and techniques. This seriously requires upgrading their skills through continuous focus on learning and augmentation (Ramkumar, 2018). The unwanted situation (like financial insecurity etc.). created by pandemic needs to be thoroughly and systematically removed from the mind of employees by creating a robust reward and recognition system at place (Kopasker *et al.*, 2018).

**● Objectives And Hypothesis**

With a focus on understanding the impact of pandemic on the motivation of employees towards the workplace and the employers' reciprocity towards the performance of the former, the current study was conducted with the following objectives. The five components of Reward and Recognition (R&R) taken into consideration as Work from Home (WFH), Health and Wellness (H&W), Communication (COM), Learning and Development (L&D), Benefits and Compensation (B&C).

- To assess the gender-based response on five components of employees from different organization.
- To find out the differences in five

components of employees vis-à-vis their perceptions on R&R.

- To find out the relationship between five components of employees vis-à-vis gender-based perceptions on R&R.

Keeping in mind the above objectives, the following hypotheses were formulated and tested subsequently.

$H_0$ : The components of R&R are not significantly differing from the employees' perceptual factors arising out of changing working environment.

$H_1$ : There is a significant difference between perceptions on Works from Home and R&R

$H_2$ : There is a significant difference between perceptions on Health & Wellness and R&R

$H_3$ : There is a significant difference between perceptions on Communications and R&R

$H_4$ : There is a significant difference between perceptions on Learning & Development and R&R

$H_5$ : There is a significant difference between perceptions on Benefits & Compensation and R&R

**● Research Methodology**

In pursuance with the objectives to achieve, opinions of 418 employees from various sectors like information technology, aviation, transportation, hotels and restaurant services, educational institutions and consulting were collected. With a structured questionnaire based on a 5 point Likert scale (where 5 refers to strongly agree and 1 refers to strongly disagree), the data

	Gender	Valid cases	Mean	Standard Deviation	t-values (Sig.)
WFH	M	370	3.68	0.81	3.619* (0.000)
	F	48	4.12	0.63	
H & W	M	370	3.67	0.52	0.732 <sup>NS</sup> (0.495)
	F	48	3.82	0.39	
COM	M	370	3.95	0.59	1.692 <sup>NS</sup> (0.058)
	F	48	4.27	0.31	
L & D	M	370	3.86	0.68	2.135* (0.039)
	F	48	4.15	0.47	
B & C	M	370	3.75	0.76	0.613 <sup>NS</sup> (0.701)
	F	48	3.69	0.29	

were gathered from the respondents located in different parts of Odisha and West Bengal, two eastern states of India.

With the help of analytical tools like measures of central tendency, t-values and keeping the significance level at 0.05, the collected data were analysed and subsequently the proposed hypotheses were tested. The results of this analysis are cited in the following sections.

### ● Result Section

With the help of SPSS 23.0, the data collected were analysed to find out the significance of hypotheses considered. This was further validated by t-test and the five components of reward and recognition system were tested with the help of correlation method as well. The initial values of measures of central tendency typically the mean and the standard deviation were found to be significant (Table-I)

**Table-1:** Mean, Standard Deviation and t-values of Reward and Recognition components vis-à-vis the Perception of employees

N.B: - \* - Significant at 5% level ( $P < 0.05$ ), NS – Not Significant at 5% level ( $P > 0.05$ ) for  $Df = 390$   
M: Male and F: Female

**Source:** analysed by the authors

The mean response of males towards working from home (3.68) represents their neutrality whereas those of females (4.12) show their willingness by establishing their opinion significantly different on the basis of significant t-value (3.619) ( $P < 0.05$ ). Accordingly, the alternative Hypothesis  $H_1$  is satisfied and establishes the fact that females are more finding some good amount of difference while working from home and the corresponding reward and recognition meant for the same than their male counterparts. The mean

response of males and female employees toward Health & Wellness (3.67) and (3.82) respectively shows their neutrality by establishing their opinion with no significant difference on the basis of t-value (at 0.495 which is greater than 0.05). Accordingly, the alternate Hypothesis  $H_2$  is rejected and found that the views of both males and females are similar. In communication factor, mean response of male (3.95) represent neutrality whereas the response of female (4.27) shows their willingness and their opinion are not significantly different on the basis of t-value (at 0.058 which is greater than 0.05). Therefore, the alternative hypothesis  $H_3$  is rejected and establishes the fact that there is no significant difference between communication from the organisation and the corresponding reward and recognition system followed. The mean response of males towards Learning and Development (3.86) represents their neutrality and that of females (4.15) represents their opinion significantly differ on the basis of t-value (at 0.039 which is less than 0.5). According to the alternative hypothesis,  $H_4$  is satisfied and establishes the fact that females are more agreed towards learning and development being a reason towards reward and recognition system (than their male counterpart). Coming to benefits and compensation, the mean response of males (3.75) shows neutrality and almost similar in case of females (3.69). Their opinion is not significantly different from the t-value (at 0.442 which is greater than 0.05). Thus alternative hypothesis is  $H_5$  is rejected and concluded that both male and female views are similar on benefits and compensation are hardly having any impact on the reward and recognition system followed by the organization during pandemic.

An assessment on the correlation among various components of reward and recognition vis-à-vis the perception of employees was done. The results from

male employees' opinion are given (Table - 2). It demonstrates the significance of inter-correlation between Work from Home, Health and Wellness, Communication, Learning and Development, Benefits and compensation of males.

**Table-2:** Correlations between the different components of R&R system (Male employees)

Correlations					
Factor s	Work from Home	Health and Wellne ss	Comm unication	Learn ing and Deve lopment	Benefi ts and Comp ensation
Work from Home	1	0.254	0.354	0.294	0.072
Health and Wellne ss	0.254	1	0.706*	0.481	0.152
Comm unication	0.354	0.706*	1	0.568	0.037
Learn ing and Deve lopment	0.294	0.481	0.568	1	0.264
Benefi ts and Comp ensation	0.072	0.152	0.037	0.264	1

N.B: - \*. Correlation is significant at the 5% level ( $P < 0.05$ ) for  $Df = 359$  and its square is more than 0.5.

**Source:** analysed by the authors

Only Health & Wellness and Communication have a significant correlation (0.706) between them and the rest pairs of the parameters do not have a significant correlation. Hence, if Communication increases then Health and Wellness increase and vice-versa.

Similar assessment was undertaken for

female employees as well (Table- 3). It demonstrates the significance of correlation between Work from Home, Health and Wellness, Communication, Learning and Development, Benefits and Compensation as opined by female employees.

**Table-3:** Correlations between the different components of R&R system (Female employees)

Factor s	Wo rk fro m Ho me	Hea lth and Wel lnes s	Com muni catio n	Learn ing and Deve lopment	Benefi ts and Comp ensation	%
Work from Home	1	0.797*	0.962*	0.724*	0.904*	90.04
Health and Wellne ss	0.797*	1	0.932*	0.925*	0.857*	85.70
Comm unication	0.962*	0.932*	1	0.854*	0.931*	93.31
Learn ing and Deve lopment	0.724*	0.925*	0.854*	1	0.647	64.70
Benefi ts and Comp ensation	0.904*	0.857*	0.931*	0.647	1	64.70

N.B:- \*. Correlation is significant at the 5% level ( $P < 0.05$ ) for  $DF=31$  and its square is more than 0.5.  
**Source:** analysed by the authors

Only Learning & Development and Benefits & Compensation have an insignificant correlation (0.647) between them and the rest pairs of parameters have significant correlation among them. Hence, Work from Home, Health & Wellness, Communication, Learning & Development, Benefits & Compensation are highly co-related with each other



except for Learning & Development with Compensation & Benefits and vice versa.

### • Discussion

As per the findings, it is well understood that there is a significant variation among the opinions of male and female employees on their understanding of reward and recognition system followed by organization during the pandemic. Certain factors like Health and Wellness, Communication, Benefits and Compensations, have no gender implications. These issues should be taken into account by Human Resource (HR) specialists when drafting new HR policies (Zhou *et al.*, 2020). The current study also opens up doors for further research in this regard with emphasis on sector-wise impact of these factors during pandemic and beyond. However, irrespective of results, the definitions of reward and recognition in a professional workplace will definitely requires a complete rework and revamp as well.

### • Conclusions

It is quite pertinent that people across the globe have been through the speculation of different answers to traditional meaning of workplace factors due to the stress, anxiety, nervousness and fear factors created due to pandemic and the processes of lockdown, shut down, quarantine, and self-isolation. The pandemic has also spotlighted several skills that the HR teams need to improve. To make a better understanding of the corporate world, machine learning and artificial intelligence have started finding their place in the workplace application. Leadership abilities for managing teams of people who work from home, ability to create effective business continuity plans, self-management and the ability to quickly adapt to working in unexpected situations can be the next drivers of reward and recognition system. In an exigency like

pandemic, change management, crisis management, and employee involvement are all important. Increasing organizational agility and resilience, as well as developing trust, capacity to manage a contingent workforce, organizations have come up with a slew of innovative solutions to help them get through this crisis (Page *et al.*, 2006). New employees on-boarding and virtual recruitment, counselling on personal economic management, as well as online *Ask Me Anything* session with leaders, encouraging the use of office gadgets and the selection of freelance employment are used as a means of supplementing the organisational growth.

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## Importance Of Rewards And Recognition- Study On Job Satisfaction, Retention, Opportunities, Self-esteem & Branding (JROSB)

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**Abstract**— Rewards and recognition refer to the acknowledgment of the good work of an employee and potential perks. The act of recognizing desired behavior boosts productivity in the workplace and led to better employee satisfaction and enjoyment of work. The general idea of the research was to study the impact of rewards and recognition on employee motivation and productivity and the specific objective was to identify the specific means of rewards and recognition which enhances employee performance. Rewards and recognitions are one of the most important pillars on which the business must be built and plays a significant role in managing the organization's sustainability, productivity, growth, and repo (Krywko, 2019). The effect of various dimensions of rewards and recognitions will be on increased productivity and performance of employees, less attrition which reduces the overall cost provides opportunities for growth of employees, creates a positive work environment, and builds better market value and repo of the organization. The relevant data was obtained with the help of a questionnaire which was distributed among respondents who were chosen by convenient sampling. Quantitative analysis has been made to understand the importance of rewards and recognition. Model JROSB – Job Satisfaction, Retention, Opportunities, Self-esteem, and Branding is derived to show the role of rewards and recognition. The analysis showed that the appropriate rewards and recognition practices had a positive and significant influence on business performance.

**Keywords**— *Motivation, Satisfaction, Rewards, Recognition, Employee.*

### • Introduction

Rewarding and recognizing employees leads to greater employee engagement, which increases retention and helps create a more positive overall workplace. Employees are the main assets of any business, so it is important to keep them motivated and to increase their morale through different modes of rewards and recognition. Thus, apart from financial compensation, there are other means to reward employees which include praising them among the team members, assigning new tasks and roles, giving them the chance to be a part of the leadership team and decision-making process, etc.

Employee recognition includes evaluating and judging the performance of the employees and giving them the appropriate recognition, they deserve ©, 2020). Every day is an opportunity to recognize the employees for their work, performance, and results to enhance their morale and motivation at the workplace. It is a unique way to recognize the contribution of each employee by creating a better environment to work. So, it is important to understand all the parameters of rewards and recognition in detail to manage the driving force of the organization i.e., employees. These days the candidates are more interested in joining an organization with great culture, environment, rewards, and recognition instead of going only for financial compensation. So, practices good rewards and recognition practices will act as an advantage in attracting talented

manpower.

(Radhesham, 2018).

### Scientific Approach towards Incentive Schemes

- Psychological Impact: Rewards and Recognition is highly impacted by the positive psychological mindset of the employees. It helps to provide learning opportunities and increase the productivity of employees in the organization.
- Develop a culture of appreciation: The organization brings a culture of appreciation that helps in the prosperity and growth of the employees. It helps to fulfill individual and organizational growth and increase brand value in the market.
- 360 degree- The framework of 360-degree help to get appreciation from peers, supervisor, superior, manager, colleagues, and juniors leads to motivation in their work and productivity.

**Various Insurance Schemes focusing Reward & Recognition:** Insurance Company is providing various schemes in terms of gratitude gifts and messages to their clients for every occasion that builds the connection among the organization.

#### ●Aim

This paper aims to study about few important aspects of rewards and recognition and to understand their effect on employees' job satisfaction, retention, opportunities, self-esteem, and branding of the organization

#### ●Objectives

The objectives of this paper are:

1. To evaluate the effect of implementing appropriate HR practices for rewards and recognition.
2. To understand the importance of job satisfaction and motivation of employees in the overall growth of the organization (Reena, 2018).
3. To access the importance of giving opportunities to the employees to grow professionally and personally.
4. To understand different ways of enhancing the self-esteem and engagement of employees.

#### ●Problem Statement

Business profitability and sustainability depend on the workforce and employees. So, for the growth of the organization, it is important to keep the employees motivated by implementing appropriate rewards and recognition practices. The rewards and recognition act as a driving force to keep the employees engaged and satisfied at the workplace but sometimes it becomes difficult to understand the practices that will work for different employees depending upon their behavior patterns. This study aims to realize and understand issues, which require recognition of each employee's beliefs, practices, and values. The employees perform the best when their efforts are acknowledged, rewarded, and recognized.

### ●Significance

1. Boost Productivity – It is a fact that appreciated and recognized employees perform better. So, rewards and recognition practices boost the productivity of employees as they feel acknowledged for their work and performance.
2. Ups the ante of happiness – Employees spend most of their time in the office performing their roles and responsibilities and eventually prove to be an asset to an organization (Van Dyke & Ryan, 2012). So, recognition for their work can only work as a remedy for their happy state of mind which will lead to a positive workplace.
3. Retaining the best talents – All the organizations are struggling to keep the employees retained and reduce attrition (Mehta et al., 2017). This issue can be resolved by implementing appropriate rewards and recognition practices as it will make the employees feel wanted and valued in the organization.
4. Employee Engagement – Rewards and recognition ensure better employee engagement which creates a sense of belongingness and job satisfaction among the employees that leads to growth, profitability, and sustainability of the organization.

**"The competition to hire the best will increase in the years ahead. Companies that give extra flexibility to their employees will have the edge in this area."- Bill Gates, Founder of Microsoft Corporation**

### ● Literature Review

Reward: Jack Zigon defines rewards as "something that increases the frequency of an employee action" (1998).

Recognition: It is constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs, and equipped with their expertise. (Brun & Dugas, 2002).

Motivation: Abraham Maslow (1954) defines motivation as the Cognitive, Aesthetic, and Transcendence aspects, which drive a man toward a developmental change.

Reward – It is a formal and impartial exchange in terms of material or financial expression that is conditional on results.

Recognition – It is a return for employees' dedication and performance at work that is conditional on results.

Motivation – It is a process for boosting the morale of employees to motivate them to perform better willingly to achieve the results (Van Dyke & Ryan, 2012).

### ●Research Methodology

According to the research, we used secondary, primary, and quantitative methods that make effective and attractive research. The primary data is collected through various questionnaires and focus groups (Krywko, 2019). The secondary data is collected through books, journals, and websites. We have designed our questionnaire based on 5 tools such as job satisfaction, retention, opportunity, self-esteem, and branding (JROSB). The dependent variable is job satisfaction, retention, opportunity, self-esteem, and branding and the independent variable is business growth, profitability, business sustainability, and organizational culture. The sample size of the research is 45.

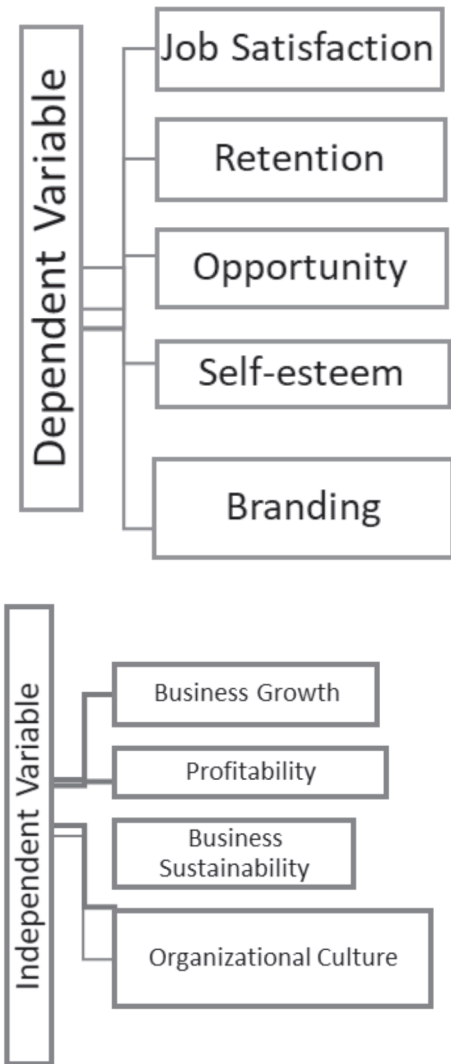
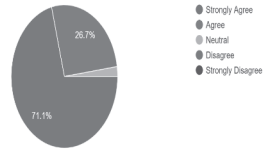


Fig. 1: Independent and Dependent Variable of JROSB

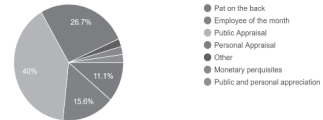
●. Finding & Analysis

Graph 1: Impact on Performance

Do you think that Rewards & Recognition have impact on your performance?  
45 responses

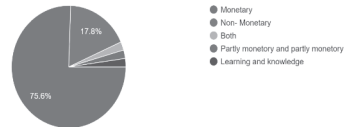


Which type of recognition do you value the most?  
45 responses



**Interpretation:** 71.1% of employees are strongly satisfied that they think reward and recognition have an impact on their performance in the organization while 2.2% of employees are neutral about the relationship between rewards and recognition and performance (Mehta et al., 2017).

Which reward motivates you to make your work more valuable?  
45 responses



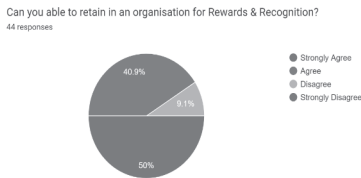
Graph 2: Make work more valuable

**Interpretation:** 75.6% of employees are satisfied with the monetary policy of rewards and recognition while 17.8% of employees are satisfied with the non-monetary policy that motivates them to make their work valuable. 4.4% of employees think that monetary and non-monetary both are necessary while 2.2% of employees are more towards learning and development.

Graph 3: Recognition value the most

**Interpretation:** 40% of employees are satisfied with the public appraisal of rewards and recognition while 26.7% of employees are satisfied with the personal appraisal that recognition value the most. 15.6% think that pat on the back while 11.1% of employees think that monetary perquisites are more effective recognition.

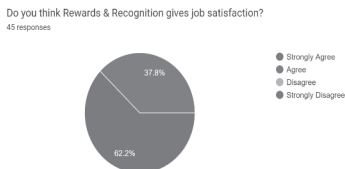
Graph 4: Job Satisfaction



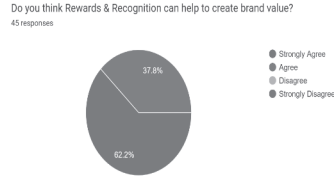
**Interpretation:** 62.2% of employees are strongly satisfied that they think reward and recognition give job satisfaction in the organization while 0% of employees disagree with the relationship between rewards and recognition and job satisfaction. The organization should change the 37.8% agree to strongly agree so that it gives maximum job satisfaction.

Graph 5: Able to retain

**Interpretation:** 50% of employees are strongly satisfied that they think reward and recognition can help to retain in the organization while 9.1% of employees are not. The organization should use

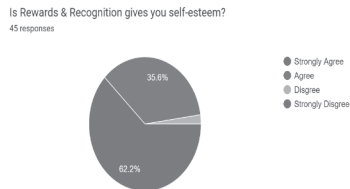


effective rewards and recognition techniques that help to retain the employees



Graph 6: Create Brand Value.

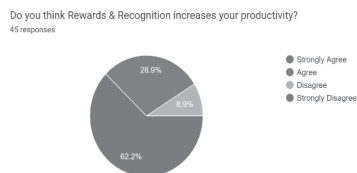
**Interpretation:** 62.2% of employees are strongly satisfied that they think reward and recognition can create brand value in the organization while 0% of employees disagree with the relationship a



between rewards and recognition and brand value. The organization should change the 37.8% agree employees to strongly agree so that it helps to create brand value and loyalty (Hapsari, 2018).

Graph 7: Gives Self-esteem

**Interpretation:** 62.2% of employees are strongly satisfied that they think reward and recognition can give self-esteem in the organization while 2.2% are not. Rewards and recognition techniques should be more effective which helps to increase self-esteem in the organization (Bodroza, 2014).



Graph 8: Increases the productivity

**Interpretation:** 62.2% of employees are strongly satisfied that they think reward and recognition can increase productivity in the organization while 8.9% of employees disagree with the relationship between rewards and recognition and productivity

**●Result Interpretation**

Data Interpretation	Research Questions	Hypothesis
97.5% of employees think that reward and recognition are directly proportional to the performance that comes under H1 while 2.5% are not that comes under H0.	Do you think that rewards and recognition have an impact on their performance?	H1: Employees are directly proportional to rewards and recognition and performance. H0: Employees are indirectly proportional to rewards and recognition and performance.
100% of employees think that rewards and recognition give job satisfaction that comes under H1 while 0% do not come under H0.	Do you think rewards and recognition give job satisfaction (Lee et al., 2005)?	H1: Employees are directly proportioned to rewards and recognition and job satisfaction. H0: Employees are indirectly proportioned to rewards and recognition and job satisfaction.

90% of employees can retain in the organization for reward and recognition that come under H1 while 10% do not come under H0.	Can you able to retain an organization for rewards and recognition?	H1: Employees are directly proportioned to rewards and recognition and retention. H0: Employees are indirectly proportioned to rewards and recognition and retention.
100% of employees think that reward and recognition can affect the brand value that comes under H1 while 0% do not come under H0.	Do you think reward and recognition can help to create brand value?	H1: Employees are directly proportioned to rewards and recognition and brand value. H0: Employees are indirectly proportioned to rewards and recognition and brand value.
97.5% of employees think that reward and recognition give self-esteem which comes under H1 while 2.5% do not come under H0.	Are rewards and recognition give you self-esteem?	H1: Employees are satisfied with the relationship between reward and recognition and self-esteem. H0: Employees are not satisfied with the relationship between reward and recognition and self-esteem.
90.2% of employees think that reward and recognition can increase the productivity that comes under H1 while 9.8% do not come under H0.	Do you think reward and recognition increase productivity?	H1: There should be a good relationship between reward and recognition and productivity. H0: No relationship between reward and recognition and productivity.



<p>97.5% of employees think that reward and recognition are directly proportional to the performance that comes under H1 while 2.5% are not that comes under H0.</p>	<p>Do you think that rewards and recognition have an impact on their performance (C, 2020)?</p>	<p>H1: Employees are directly proportional to rewards and recognition and performance. H0: Employees are indirectly proportional to rewards and recognition and performance.</p>
<p>100% of employees think that rewards and recognition give job satisfaction that comes under H1 while 0% do not come under H0.</p>	<p>Do you think rewards and recognition give job satisfaction?</p>	<p>H1: Employees are directly proportioned to rewards and recognition and job satisfaction. H0: Employees are indirectly proportioned to rewards and recognition and job satisfaction.</p>

TABLE 1: INTERPRETATION OF THE CHART

● Discussion On Interpretation

In this study, we have developed the finest model based on our knowledge, understanding, knowledge, analysis, and observation of the current scenario considering the mindset of employees to know the better techniques of rewards and recognition in any organization. It is very transparent that the needs and expectations of the employees are kept on changing. The organization's motive is to satisfy by fulfilling the necessary demands and expectations of employees (Hapsari, 2018).

In a better view to know the rewards and

recognition of the employees, we have developed a model named JROSB that stands for JOB SATISFACTION, RETENTION, OPPORTUNITY, SELF-ESTEEM, and BRAND. With the help of this model, we have analyzed HR practices that need to be modified to meet the business and employee requirements and if it is implemented successfully then it can impact in managing reward and recognition methods in the organization (Radhesham, 2018). The organization should keep a periodic check on all the parameters stated in the model.

**Description of the MODEL – CJMCC**

Rewards and Recognition is the effective method in the organization. The best model that can use to create effective rewards and recognition is Job Satisfaction, Retention, Opportunity, Self-esteem, and Branding (JROSB). This model helps to fulfill individual and organizational goals and earn maximum profit by creating brand value in the market.

● JOB SATISFACTION

In Rewards and Recognition practices, satisfaction plays a vital role in the organization. Rewards & Recognition should be reviewed at frequent intervals by which employees should get maximum job satisfaction. It helps to increase the performance and productivity of employees in the organization.

● RETENTION

The most difficult task is to retain any employees. Rewards and Recognition help to retain the employees in terms of monetary and non-monetary benefits. The organization should organize employee-friendly compensation schemes to retain employees.

### ● OPPORTUNITY

All the employees will see the opportunities level in the organization. Rewards and Recognition help to give proper opportunity to grow their skills and knowledge like certification, courses, and many more (Reena, 2018). These opportunities help a different organization and help to increase credibility. This leads to fulfilling individual and organizational goals.

### ● SELF-ESTEEM

In Rewards and Recognition practices, it helps to increase self-esteem and brings positivity to individual growth (Bodroza, 2014). The organization should plan awards and recognition on a quarterly or half-yearly basis that brings positivity to the organization's culture.

### ● BRANDING

Rewards and Recognition help to increase the branding of the organization. Employees



become loyal and feel pride to be a part of the organization (Zgrzywa-Ziemak, 2016). Branding creates market value all over the world.

Fig.2: Model of JROSB

### ● Limitations

The research was conducted in a limited period, so the scope of the study was narrow. The data survey was collected by the employees of any organization and

department so the results may not give a clear picture of any business or sector (Lee et al., 2005). The questionnaire was focusing on the rewards and recognition practices of the company so, the employees who have not received such rewards may be uncomfortable giving the correct responses. It was a time taking process to get the survey filled out from the respondents.

### ● Conclusion

Based on the model JROSB – Job Satisfaction, Retention, Opportunities, Self Esteem of the employees and Branding of the organization depends on rewards and recognition practices. The research helped us to understand the importance of rewarding and correctly recognizing the value of employees. It keeps the employees motivated and engaged in work which improves their productivity and by enhancing their self-esteem it maintains a positive culture and environment at the workplace which makes the organization a better place to work. It is observed that appreciated and rewarded employees feel valued and motivated by the organization and hence will be retained for a longer period which reduces the attrition rate in the organization. The productivity, efficiency, and effectiveness of the employees have a direct relationship with the rewards and recognition in the organization and the employees feel motivated to perform well and give the best results.

The appropriate rewards and recognition practices not only keep the employees motivated but also build a good market value and reputation of the organization in the market which enables the organization to attract talented candidates. So, every organization must plan for rewards and recognition practices that are appropriate, suitable, and accepted by the employees and management to ensure the growth and success of the business (Zgrzywa-Ziemak,

## When Employees are happy, they are your very best Ambassadors.

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## Effect of Reward & Recognition On Employee Motivation

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### Abstract

The research objective was to study the effect of Reward and Recognition on employee motivation, a detailed study to identify the most practical means of Reward and Recognition, and the behavioral difference between monetary appreciation and non-monetary appreciation methods and their Impact on employee motivation. To understand the degree to which Motivation enhances employees' performance, to analyze if Motivation affects individual and organizational growth. The descriptive research design was applied to this study. Various employees from the companies, white and blue collar, were the respondents. There is evidence from the study that various factors influence employee motivation and satisfaction. It was also significant to discover a direct and positive relationship between Reward and Recognition, Motivation and job satisfaction, and organization.

Performance if the organization offers different rewards and recognition tools, work Motivation, and satisfaction.

If we go through Maslow's hierarchy of needs theory, the bottom-level needs, like salary, wages, and benefits, must be prioritized before the higher-level needs, which impact Motivation, can be satisfied. The research study has shown that different strategy would have different motivational impacts on different people.

The study has shown that white collar can employ different strategies blue, collar have different strategies.

To get the optimal result, managers should understand and realize the issues of employees, which may be related to their personal, professional, or work-related.

**Key Word:** Rewards, Recognition, Employee, Motivation.

### Introduction

The current global trend is Industry 4.0; due to this organization giving more meaningful to digitalization and innovation, now there is a need for organizations to reassess how they communicate to their employees, which would help to increase employee morale and will act as a dynamic force towards the combined workforce, Thus apart from financial compensation there are other means to reward employees, some of which include the recommendation that employees can acquire from their managers, the opportunity to take in important goal/task, and even leadership attention helps them which helps the climb Maslow's pyramid of need to attain Motivation for better performance.

The Rewards and Reorganisation are the judgment of employee contribution towards the organization's perspective. It also includes evaluating the value of professional expertise and experience of employees by developing a strategic culture of Reward and Recognition. While developing the Rewards and Recognition

## Objective

This article focuses on the effect of Reward and Recognition on employee motivation and their effect on organizational performance.

Study the Impact of Reward and Recognition on employee performance.

strategy, every organization should ensure employee engagement because an engaged employee is always motivated, loyal, and happy, directly impacting organizational performance.

Motivation is not a new concept. It is available in our Indian culture. Chanakya developed a system of Motivation that worked with the carrot, the stick, and many other motivating factors. The application of his theory of Motivation – Sama, Dama, Danda, and Bheda,

Sama: If an employee is working correctly, listen to him and clearly understand his side. Dama /Rewards: Chanakya suggests rewarding employees sufficiently to get work done. The Reward could be a form of incentive, paid vacation, bonus, or promotion.

However, it is also essential to study and understand the extent of factor that impact employees considering all the positive and negative effect appreciation have on individual and organizational performance.

## Literature Review

Reward & Recognition Impact on appreciated and non-appreciated extent of Motivation is not identical; there may be an emotional conflict between employees, various factors influence employee motivation and satisfaction, and there is a

significant direct and positive relationship between rewards and Recognition and job satisfaction and Motivation. The organization needs to be alerted to time reward and recognition drive, which would give corresponding change in work motivation and satisfaction. It resulted in a greater level of performance and productivity. And in the emotional conflict between performance and non-performing employees related to reward and Recognition, the organization, should make an effort to re-evaluate and rectify the situation. If an organization does not take it, it negatively impacts job performance and productivity. According to Maslow's hierarchy of needs, the lower need, such as compensation and benefit, must first be met. The higher level needs, the Managers can apply different strategies to motivate employees, but they should keep in mind that it may have different motivational impacts on different people; the manager should understand that the issue requires Recognition of each individual's values, beliefs, and practices. (International Journal of Science and Research (IJSR) · January 2013).

The organization should establish an equitable balance between the employee's contribution to the organization and the same way the organization contributes to the employee. Establishing the balance of rewards and Recognition is an essential part. The organization should follow a strategic approach to creating this balance and focus on three main components of the reward system: compensation, benefit, and Recognition.

The organization's most common factor is missing the essential components of Recognition. The employee who gets recognized tends to have higher self-esteem. More confidence and more willing to take on new challenges. Their positive relationship between rewards, Recognition, and Motivation. (ROSHAN LEVINA ROBERTS, UNIVERSITY OF THE WESTERN CAPE, 2015) The Reward & recognition system is much related to the participation of employees in organizational activities. Still, most organizations have no expectations and are willing to involve their employees, which may impact both sides. Employees are always demotivated, and organizations cannot meet their business goals. The most crucial part of getting it done is the organization's support, rewards, and recognition drive. The organization always thinks about new working patterns, which positively impacts employee motivation. The work motivations of different people are different. Because the needs are different at the individual level, it may depend upon the job role, situation, and work culture. Reward and Recognition expectation drives an employee to think, predict and act. Employees with low self-efficacy may be more challenging to achieve than high self-efficacy employees. Those who feel confident will work hard, and those who feel low will lag. The organization should create faith and motivate those who have low confidence. They seem motivated and more productive. There are internal and external factors that affect Motivation. Motivation, as a state of mind, makes a person behave in a way to achieve the goal, and it is the need. Motivation is voluntary action related to a specific task. The performance of tasks because of remuneration. While Motivation is attributed to the involvement of employees in the job with excitement and enjoyment. (National Economics University, Vietnam 2019, Thi Kim Nhung Tran) Employees' contribution is key to any organization's success; that is why organizations need to understand the importance of Reward and Recognition for the employee to improve their contribution to the organization's growth. There is a significant relationship between employees' Rewards, Recognition, and job satisfaction. Employee motivation in the organization depends on providing incentives, appreciation, concrete rewards, and Recognition. The organization can achieve its goals through an effective Reward and recognition system. Financial benefits, positive feedback, promotions, respect, and recognition. Recognition plays a significant role in improving employee job satisfaction, directly impacting productivity. The organization should choose an individual role that gives the most significant benefit to an employee; as per Vroom Expectancy theory, people choose such roles that benefit them. Job satisfaction is an essential factor, and it must be tied with rewards and Recognition because if the employees are satisfied and happy, they put their full energies into their activities. This could happen when a supportive



environment and Motivation are available. There are two factors in Motivation, motivator and de-motivator; these are called hygiene factors; then, an organization should take concrete action to remove the de-motivator and convert them into a motivator. Human needs do not fix it may change based on situations, then organizations should change the rewards and recognition system on a situational basis. (Abasyn Journal of Social Sciences. Vol: 7 Issue: 2, Department of Management Studies University of Malakand)

Motivation is one of the significant factors in the organization that will help increase the morale among the employees to achieve their goals. Motivated employees always support the organization to increase performance because they look forward to developing their work performance. Due to Rewards and Recognition, employees are motivated and will try to achieve their goals. Indirectly rewarding and Recognition support the organization achieves its goal. The rewards can be categorized into extrinsic or intrinsic rewards. Extrinsic rewards are tangible; these are outside of the job accomplishment by the employee. It may include salary/pay, incentive, bonus, promotion, etc. Intrinsic rewards are intangible in terms of psychological rewards like appreciation, meeting new challenges, and an employer's positive and creative attitude. The employees acknowledge the Reward for performing or achieving a particular task. Reward and Recognition develop a positive relationship with an organization, such as the Employer-Employee relationship,

autonomy, and relationship with colleagues. (M. Jayanthi et al., Journal of Management Research and Analysis (JMRA) 1 M.JAYANTHI and 2 Dr. G.S. MAHESHWARI 2018)

## **Methodology and Data Collection**

### **Research Design**

The expressive research design was espoused for this study. The questionnaire was designed to consider the factor impacting employee motivation, job satisfaction, and organizational performance by using the 1 to 5 scale, one has to represent strongly disagree, and five represent agree. Since various researchers conducted various kinds of research on rewards and Recognition, the descriptive design was adopted as the researcher intended only to project the scenario and describe the phenomenon.

### **Universe**

Various employees from the automobile company the total employees are 500. The study of the whole universe is not required; therefore, the researcher decided to select them using the sample size calculation @ 5% no's and 95% confidence level. The sample was selected using Sample Random and proportionate sampling techniques. The questionnaire was sent to 120 respondents. Out of that, 112 responded, 82 were blue-collar, and 30 were white-collar. The data was collected by using an online questionnaire link. The questionnaire was prepared to collect data from employees on the various aspects of rewards and Recognition and their Impact on employees and the organization.



## Source of Data Collection

**Primary data** comprises the data which was collected through the questionnaires filled out by the respondents.

**Secondary data** comprises the data which was collected through books, journals, articles, magazines, and websites.

Variable	Sub Category	Blue (N)	%	White (N)	%
Age Groups	18-25	9	10.97	0	0
	26-35	44	53.65	2	6.66
	36-45	20	24.39	12	40
	46-54	9	10.97	15	50
	55-60	0	0	1	3.33
Types of Reward	Monetary	24	29.27	6	20
	Non-Monetary	2	2.44	4	13
	Both	56	68.29	20	66
Education Qualification	P.G.	18			16.07
	Degree	39			34.82
	Diploma	55			49.10

## Data Analysis And Interpretation

**Table 1: Descriptive Statistics**

### Demographic Profile Of Respondents

The largest group in BC, 53.65%, fell in 26 to 35, and in W.C., 50% fell in the 46-54 age category, and the age group 36 to 45 represent the BC 24.39 and W.C. 40% and 46 to 51 to represent BC 15%, the age group 18 to 25 represent BC 10.97 % and last 3.33 % Represent the age group 55 to 60. Regarding education, the Diploma is the largest group, representing 49.10%, and Degree and Post Graduates 34.82 & 16.07%. The researchers asked about a

method of Recognition. The result shows that employees preferred both kinds of Recognition, Monetary, and Non-monetary, which represent 68.29 in BC & 66% in W.C. and B.C. categories, 29.27 % and W.C. 20% of respondents preferred only the Monetary Recognition method and only 2.44 % BC & 13% W.C. respondent are in favor of Non-monetary kind of recognition method.

**TABLE II**  
**Variable Factor Showing Mean And Standard Deviation**

Factor	Mean	Standard Deviation
Employee Enablement /Job Satisfaction	4.38	0.96
Clarity about the Evaluation of Rewards methodology	4.03	1.10
Perceived Recognition for the accomplishment	4.05	1.10
Impact of Reward Recognition on employee	4.26	1.10
Impact on Organisational Performance	4.58	0.8

Variable	$\alpha$ Value	Number of Items
Employee Enablement /Job Satisfaction	0.829	6
Clarity about the Evaluation of Rewards methodology	0.936	7
Perceived Recognition for the accomplishment	0.860	6
Impact of Reward Recognition on Employee Performance	0.718	5
Impact on Organisational Performance	0.792	5
Overall	0.733	29

The above table shows five variables process, such as Employee Enablement /Job Satisfaction ( $M=4.38$  &  $SD=0.96$  and Impact on Organisational Performance ( $M=4.58$  &  $SD=0.8$ ), likely shift to the positive Impact of Reward and Recognition and Clarity about the Evaluation of Rewards methodology. ( $M=4.03$  &  $SD=1.10$ ) Moreover, Perceived Recognition towards the accomplishment ( $M=4.05$  &  $SD=1.01$  and Impact of Reward Recognition of employees ( $M=4.26$  &  $SD=1.10$ ) shift to positive, but there is a high deviation in responses.

To ensure the credibility of the research results testing the survey data for reliability remains an important consideration. As discussed by De et al. (2017), the Cronbach Alpha test remains one of the most efficient

and widely used statistical tools for checking the reliability of the data collected from the survey. The reliability of the data can be assessed based on the different ranges of alpha values, as reflected in Table III.

#### Regression Analysis: Model Summary

The regression analysis remains a critical approach to explaining the linearity of the relationship between the dependent and independent variables. As Daoud (2017) discussed, the arguments' credibility in the regression analysis significantly relies on the value of the standard error of estimates. The low value of the standard error of estimates indicates the high levels of credibility of the regression analysis. In the case of the current study, as reflected in the model summary Table 2, the standard error of the estimate is low, i.e., 0.652. Therefore, the results obtained through regression analysis can be justified as valid.

#### TABLE III

##### Regression Analysis: Model Summary

The regression analysis remains an integral approach to explaining the linearity of the relationship between the dependent and independent variables. As Daoud (2017) discussed, the arguments' credibility in the regression analysis significantly relies on the value of

Model	Sum of square	Df	Mean Square	F	Sig.
Regression	9.362	4	9.632	28.765	0.000
Period	71.660	116	0.335		
Total	81.292	117			

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**Table IV**

As shown in the above table, employee motivation is the dependent variable. At the same time, the perception of all reward and recognition elements were independent variables. In the above table, independent factors and dependent variables have a strong relationship.

Our conclusion is perceived Recognition of an accomplishment, and its impacts on employee performance have a more significant impact on employee motivation. The corrected R Square is 0.61. This means the three variables are responsible for 61% of the Impact of Reward and Recognition and employee motivation. This indicates a correlation between Reward and Recognition and employee motivation. Regression analysis was used to determine how the independent variable relates to the dependent variable. Reward and Recognition account for 51.8 % of the

employed Motivation. As determined by ANOVA, the linear regression results are shown in the table above. Thus the significance of these holds is 0.005 (= 0.000); according to the result, regression of more nodules significant in explaining changes to a study-dependent variable is termed by this result.

**TABLE V**

Model	R	R Square	Adjusted R square	Std. The error in the Estimate
1	0.644	0.518	0.614	3.16529

	Coefficients		Adjusted R Square	t-Value	p-Value
	Beta	S.E			
Constant	0.703	0.203		3.459	0.001
Clarity about the evaluation of RM	0.012	0.039		0.259	0.04
			0.61		
Perceived Recognition for the accomplishment	0.16	0.041		6.770	0.000*
Impact on employee performance	0.305	0.045		4.761	0.000*

**Note:** \*\*Significant at  $p < 0.01$   
 \*Significant at  $p < 0.05$

The above standardized beta coefficient table gives a measure of the contribution of each variable to the model. The t value of Clarity about the evaluation of R.M. is 3.12, the significance is .001, and the probability is less than .05. Thus, Clarity about the evaluation of R.M. influences the prediction of

Regression results for R&R and Employee Performance					
Variable	B	.	S.E	T	Prob.
Constant	1.36		0.2	6.72	0
Clarity about the evaluation of RM	0.17	0.27	0.05	3.12	0
Perceived Recognition toward accomplishment	0.22	0.35	0.83	2.59	0.01*
Impact on employee performance	0.13	0.2	0.81	1.62	0.11
S.E. of estimate	0.365				
R square	0.495	F Statistic	58.2		
Adj. R square	0.424	P	0		

Organizational performance. T value of Perceived Recognition towards accomplishment is 2.59, the significance is .00, and the probability is less than .05. Hence, it influences the prediction of

Organizational Performance. The t value of Impact on employee performance is 1.624, and the probability is less than .05. From here, we can conclude that Employee performance will predict organizational performance. Finally, the overall model is significant, and the implications represent that Clarity about the evaluation of R.M., Perceived Recognition towards accomplishment, and Impact on employee performance influence Organizational Performance.

### Conclusion:

As shown in the above table, employee motivation is the dependent variable. At the same time, the perception of all reward and recognition elements were independent variables. In the above table, independent factors and dependent variables have a strong relationship.

Our conclusion is perceived Recognition of an accomplishment, and its impacts on employee performance have a more significant impact on employee motivation.

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Regression analysis was used to determine how the independent variable relates to the dependent variable. Reward and Recognition account for 51.8 % of the employed Motivation.

As determined by ANOVA, the linear regression results are shown in the table above. Thus the significance of these holds is 0.005 (= 0.000). According to the result, regression of more nodules significant in explaining changes to a study-dependent variable is termed by this result.

The majority, 73% of employees, are interested in both reward & recognition methodology types, i.e., the Monitory and Non Monitory methods.

It is observed from the study that various factors influence employee motivation and job satisfaction. It also discovered a direct positive relationship between rewards, Recognition, and job satisfaction. If rewards and Recognition offered to employees were to reformed from time to time. Because the expectation of humans is constantly changing, the direct translation of this could be that the better the rewards and Recognition and possible chances to get a more significant level of performance and productivity. In the case of significant inconsistencies, particularly for emotional conflicts between performers and nonperformers, the organization should make an effort to reconsider the situation. If the organization does not rectify the situation, it could have a negative impact on job performance and productivity.

Following Maslow's hierarchy of needs, the lower-level needs, such as salary and benefits, must first be met before the higher-level needs, which impact Motivation, can be satisfied.

This study indicates relationships between the Clarity about Reward and Recognition

methodology. The organization should focus more on this factor. Because if HRM policies about rewards and Recognition are transference, it positively impacts employee motivation and job satisfaction and helps the conflict between performance and non-performance employees.

Given this investigation's case study nature, the findings' results may be specific only to the Manufacturing unit. They may not be generalized to the other business units within the organization or to other similar business units outside the organization. However, the business unit could use the outcomes of the research study to revisit its current reward and recognition programs and, in particular, focus on addressing the needs of diverse people within the business unit.

According to the findings, there is a strong correlation between employee work satisfaction and rewards and Recognition. Blue-collar workers are more interested in rewards because their needs have not yet been addressed, whereas white-collar workers are concerned with rewards and Recognition. According to Maslow's hierarchy of needs theory, gratifying low-level wants results in gratifying higher-level demands.

Based on the survey results, the organization created and implemented a revised recognition and rewards system that was tied to the organization's strategy and was intended to help raise staff morale and Motivation, which in turn should boost performance and increase organizational

effectiveness.

The study showed that reward programs boost organizational performance and staff productivity. This study's findings suggest that a good incentive program should include both monetary and non-monetary incentives, as most blue and white collared employees favor both rewards, i.e., monetary and non-monetary.

Work motivation and job satisfaction would shift in response to changes in the rewards and Recognition provided to employees.

This may be because higher levels of Motivation and satisfaction lead to higher levels of Motivation and satisfaction, which may lead to higher levels of performance and productivity.

The study demonstrates how many factors affect employee happiness and Motivation. It was also significant to learn that incentives and Recognition are directly and favorably correlated with Motivation and job satisfaction.

According to the research, acknowledgment involves acknowledgment and performance criticism. Thus, management could regularly acknowledge and provide feedback using the performance management system.

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Research study on the correlation between employee job satisfaction and employee motivation  
<https://www.researchgate.net/publication/236008924>

## Role of Reward and Recognition on Employee Motivation

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### Objectives:

The general objective of the research study the Effect of reward and recognition programmes run by an organisation to motive the employee, to boost his performance which ultimately contributes to meeting the organisational goals.

### Abstract:

This research article will demonstrate how the reward and recognition plays an important role in motivating an employee. This also represents the effect of reward and recognition on organisation change. This article will also give inputs on traditional incentive programs, the belief system that employee must be offered various reward and recognition programmes in order to motivate and to performance. Further this article will through light on the various studies, research articles and give examples on the outcome of the research study.

Though Reward and recognition are misunderstood as the same as monetary benefit, promotion, increment, incentive etc, I have tried to plead that, various traditional schemes floated by the organisation like project completion certificate, longevity certificate, sponsored family tour, recognition in a professional gathering, certificate signed by the board member, choice Deputation etc are also part of reward and recognition.

The data particularly the survey report presented in this research paper is from Primary data. The citation and the examples given are from the secondary data apart from own views of the presenter.

### Key words:

Rewards, Recognition, Motivation, Performance, Incentive, Promotion

### Introduction:

As we know motivating an individual is a Herculean task. Every given movement an individual can be motivated if rewarded and recognised for his good work or get demotivated if no reward or recognition.

As rightly presented in the Gallup's [article about praising employees](#) states that, "Receiving praise and recognition releases dopamine in the brain, which creates the feelings of pride and pleasure. Better yet, that dopamine hit cements the knowledge that more of that behaviour will create more praise, resulting in another dopamine drench, and so on. ["https://helmleaders.org/all-articles/in-praise-of-praising-employees"](https://helmleaders.org/all-articles/in-praise-of-praising-employees).

Motivating an employee is the challenging task of any organisation. The top management plays an important role in devising the system to plan and execute the reward and recognition system to motivate an employee. It is pertinent to say that, employee motivation is bilateral responsibility and both respondents and recogniser should equally participate and welcome the reward and recognition programme. It is the responsibility of both the recogniser and the respondent to find the causes and solution to the problem and issues at work and contribute equally in creating an environment that is conducive for the organization success.

Rewarding and recognizing employees lead to greater employees' engagement, which ultimately increases the retention of the employees and helps create a more positive workplace. For an organisation particularly the manufacturing & sales,



reward and recognition program helps increased employee engagement, improved sales, improved profit and more than that good employee relation. The study shows 69 % of employee would work harder if they felt their efforts were better appreciated and recognized. 90% say that recognition motivates them to give more effort. (<https://blog.empuls.io/importance-of-employee-rewards-and-recognition/>)

Research has proven that employees who get recognized have higher self-esteem, more confident, willingness to take on new challenges and more eagerness to be innovative. Reward system is an important tool that management can use to channelize the employee motivation in desired ways. It is also defining the set of process that arouses directly and maintain human behaviour towards attaining some goals. Reward can be used to influence motivation (P Pratheepkanth · 2011 · Cited by 222 published in Journal of Business)

Employee recognition is a judgement on a worker's contribution, in term of the work process as well as dedication and motivation. Employee engagement is a critical element of an organisation success and sustainability enhancing. One should have a very strong HR process to implement the Reward and Recognition programme. However, employee engagement is dependent on employee needs and motivation and therefore the HR manager must be responsible for rolling out the programme and keep it going.

The affects of dopamine wears off fast. We are experiencing the affects of dopamine immediately after the pay rise in which we experience highly motivated employee and few months later the motivation starts to dwindle.

Roy Saunderson, MA, CRP in his "A Short History of the Origins of Recognition"

writes in "**Rewards and recognition; it's kind of like the chicken or egg theory. Which came first – rewards or recognition?**"

Though there is no fixed way in motivating an employee, it is always said that Reward and Recognition are the most important factor to keep the employee motivated.

Reward and recognition is not only applicable to civil society, it is also very much practiced in defence sector as well mentioned in the **Australian Government Defence system**. It says: "**Employee reward and recognition is a fundamental component of performance management in Defence, acknowledging positive behaviour, supports a high-performance culture.**"

With this background, it is very much true that Reward and recognition plays an important role in motivating an employee. Organisations are evolving different methods of reward and recognition system which is blended with medieval era motivational programme.

#### **Research Methodology:**

We have witnessed a major shift in reward and recognition programme implemented in the organisation particularly comparing with the Industry 1.0 to 4.0. With the availability of new technology and added issues related to post pandemic (Covid 19 effects), we are witnessing the working style of employees.

As rightly quoted by Dale Carnegie, "People work for money but go the extra mile for recognition, praise and rewards."

To conclude the research, a survey questionnaire is circulated to different type of industries i.e.

- Manufacturing,
- IT/ITES, Services,
- Services
- Consumer products
- Others

And about 40 participants filled in provided google form and shared their learned views:

### Hypothesis:

“Reward and recognition plays an important role in employee motivation”

### Study Review :

Employee motivation can be defined as influencing others in a specific way towards goals specifically stated by the motivator by the motivated conforming within the organisation constraints (Mackay, 2007)

As quoted by Robert McNamara, Fmr, American Secretary of Defense “Brains, like hearts, go where they are appreciated.” A study on the Impact of Rewards and Recognition on Employee Motivation by Dr. Bhaskar and Prakash Rajkumar K.R.

I fully agree with their finding that “Many different things motivate people, and that which motivates one person may not necessarily motivate another” and “Organisation should find innovative ways to reward and recognise the employees.”

### Theory:

Maslow's Hierarchy of needs of the employee needs: -



### Fig(1)

Maslow's hierarchy is the oldest and most widely used method of employee motivation but, some after hierarchy some problems have come up while doing this research. While motivation someone we have to consider this factor:



### Fig(2)

In the above points, the situation in the installation is being observed more. In a [BambooHR study](#), nearly one-third of employees reported they would rather be recognized for their work accomplishments in a company-wide email from a company executive than receive a monetary bonus of \$500 that isn't openly publicized by a superior to their co-workers. It further says that **Rewards are transactional, while recognition is relational**, Rewards are tied to goals and accomplishments and Recognition can happen frequently and in the moment.

Most of the researchers agree that reward and recognition is the only way to motivate an employee.

**The challenge:**

It is appropriate to say that, the forcefully imposed system of “Work from home” to “Work from anywhere” and now “Back to office” has in fact shifted the focus of Reward & Recognition.



Fig(3)

We have learned the hard way to survive in business whether it Pre-Pandemic, Pandemic or post Pandemic.

**Comparison of Reward and Recognition:**

It is difficult to differentiate the Reward and recognition. They are inter connected. Indeed the reward programme can be done in a specific time frame. However the recognition is instant more particularly on achieving specific goals. Finally both are recognition of good work done by an employee to achieve goals or on specific task completion.

**Research Analysis :**

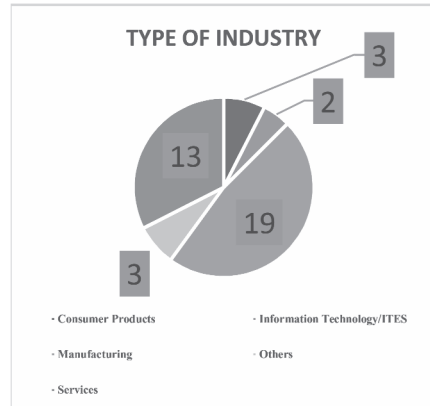
A survey questionnaire is prepared and circulated to professionals working in various organisation. Professionals working in manufacturing, IT/ITES, services, Consumer products and others more particularly small scale to large scale have participated and submitted their response. Following data shows the analytical response for each question asked in the survey:

- Your type of industry.
- About 40 organisation professionals participated in this survey i.e.
- 3 Consumer products,

- 2 IT/ITES,
- 19 manufacturing,
- 3 others and
- 13 Service Industries participated in this survey

**• Type of Industry**

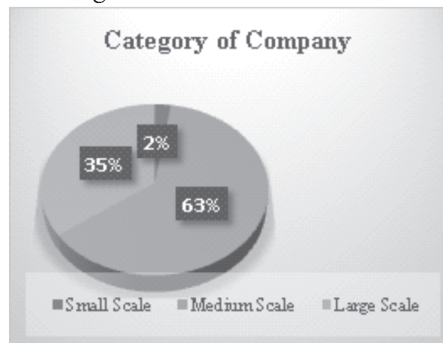
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Fig(4)

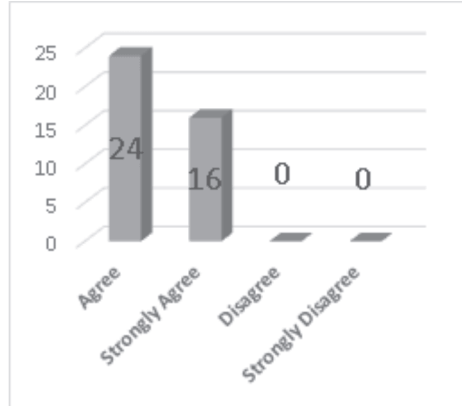
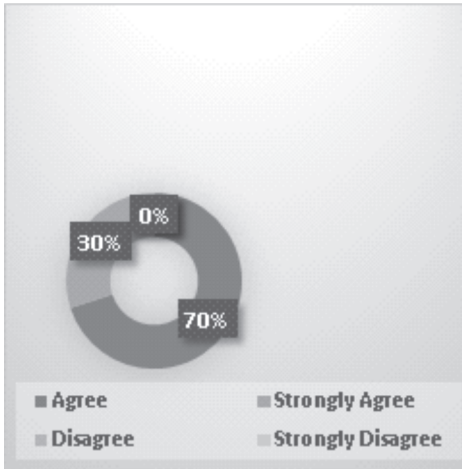
**• Category of the company.**

Out of the participated organisations 2% are Small Scale, 63% Medium Scale and 35% large scale



Fig(5)

● Reward and recognition plays an important role in employee motivation.

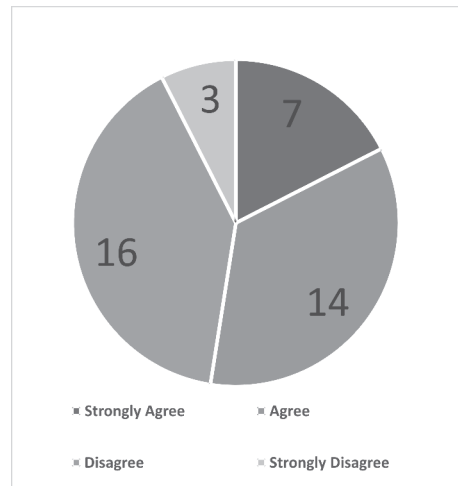
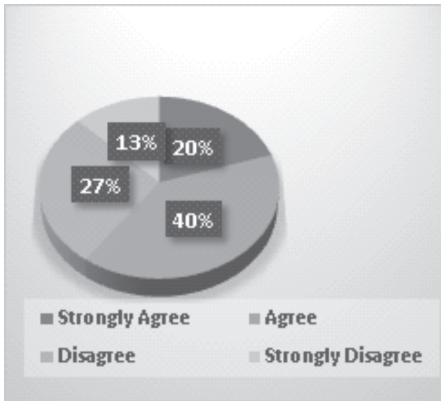


Fig(8)

● Reward alone motivates the employees to focus on his assigned work.

Fig(6)

●Reward and Recognition used in the organization to retain employees up to mid-level



Fig(9)

●Reward with recognition motivates the employee to enhance their performance.

●Frequent changes in reward and recognition is required to attract the employee attention for motivating them further

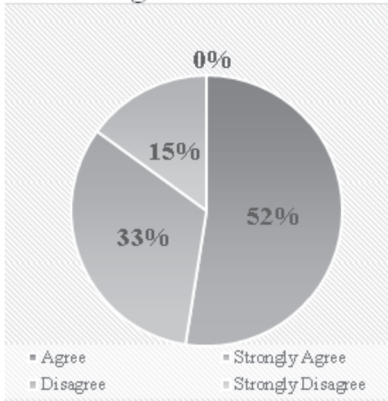
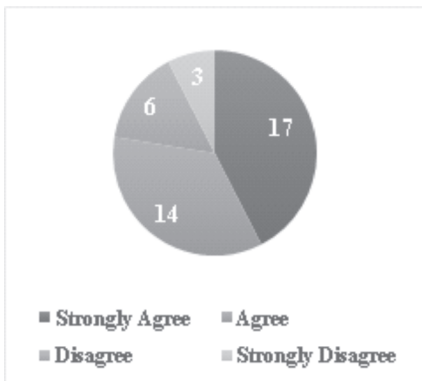


Fig (10)

●It is up to the HOD's to decide the type of Reward and recognition program.



Fig(11)

●Promotion is part of Reward and recognition.

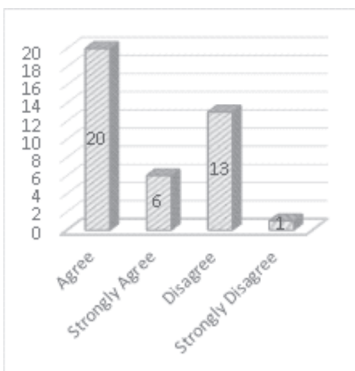
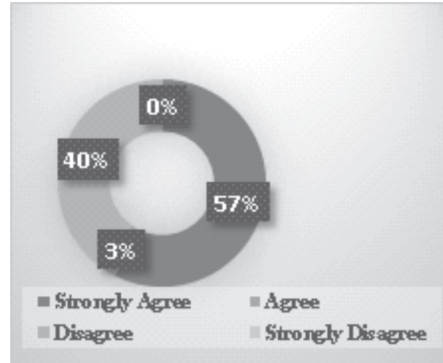


Fig (12)

●Reward and Recognition improves the emotional attachment with the organization.



Fig(13)

●Reward and recognition is a motivator of an employee to retain in the company.

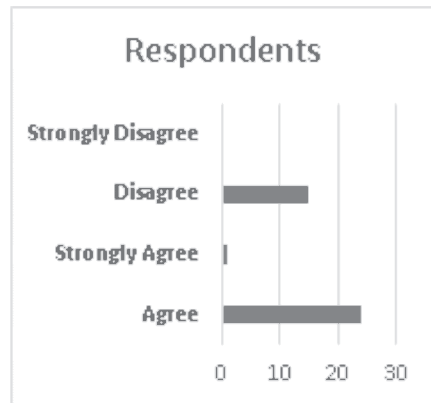


Fig (14)

●There is no alternative to motivate the employee than Reward and recognition.

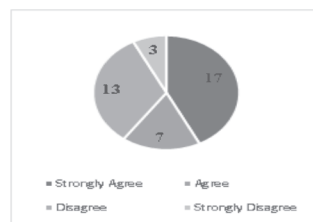


Fig (15)

**Finding and conclusion:-**

Give recognition where it is due. Compliments definitely stimulate more effort and desire to improve. Be generous with honest praising ..... Bruce Lee  
If you don't create a great, rewarding place for people to work, they won't do great work ..... Ari Weinzweig

**The following are the findings of my research survey:**

1. 28 respondents agree that, Reward and recognition plays an important role in employee motivation.
2. 40% (i.e. 16 out of 40) respondents do not agree that, Reward and Recognition used in the organization to retain employees up to mid-level only.
3. 60% respondents agree that Reward with recognition motivates the employee to enhance their performance.
4. Respondents are divided in their response that, Reward alone motivates the employees to focus on his assigned work.
5. Most of them agree that Frequent changes in reward and recognition is required to attract the employee attention for motivating them further.
6. About 77% respondents believe that, It is up to the HOD's to decide the type of Reward and recognition programme.
7. Most of them agree that, Promotion is part of reward and recognition.
8. Majority of them agree that, Reward and Recognition improves the emotional attachment with the organization
9. 24 respondents are in agreement with Reward and recognition is a motivator of an employee to retain in the company
10. Majority of them agreed that that is no alternative to motivate the employee than reward and recognition

**Conclusion :**

The above survey findings show that, Reward and Recognition is a collaborative activity done by employee, HOD and the

management to get the best out of the employees.

It is also shows that, reward and recognition is must for the growth of the organisation.

Reward and recognition is very necessary to achieve organisational values, motivate employees, improved customer satisfaction. This provides an opportunity to leaders to get the best out of their team, it is very important to maintain a positive relation with each other.

**Abbreviations :**

1. HR – Human Resource
2. HOD – Head of Department
3. IT/ITES : Information technology / Information Technology Enabled Services.

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- websites : google scholar, researchgate



## Reimagining Reward System For Generation Z

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### Abstract

Future compensation will be linked to skills not levels. Socialization was the norms in past. That means people with similar levels and designations earned almost same compensation. But this is being challenged now. Differential compensation will create inequalities within the organization. So internal equity has to be linked with value addition rather than designation. Managers are experimenting with monthly, bi-monthly, weekly or daily pay cycles as research has shown strong insights and support in favor of this. However, the more challenging issue at hands is now working with gig economy, improving work life balance and progressing towards 4-days a week. Designing rewards and managing compensation structure is challenge in such dynamic environment. Employee benefits are deciding factors for joining any organization, millennial already have been thriving on them. If properly done and not just routinely, then reward system might be a critical success factor for any organization in winning “Talent War”.

### Introduction

Gen Z is the first true digital natives - only ever knowing a world with the internet and all screens connected - but that doesn't mean they want to live their lives wholly online. Most employees want direction, freedom to work, and encouragement. An effective reward system should be in place to develop and motivate people. The traditional system of reward and motivation might not be suitable and appropriate for this generation. Reward and recognition systems should be adaptable, agile, and consider contexts. All

generations want three things - to be respected, rewarded, and recognized for their work.

### Literature Review

The motivation and the form factor of the rewards differ for the generations. You need to be creative and keep reward and recognition systems fresh. Several motivation theories have provided a foundation to create an effective reward system. Compensation strategies are rapidly changing towards intangible benefits. Taylor (1911) and Maslow (1954) provided a conceptual base of incentives and pay for performance and identified several factors in developing reward policies. A useful distinction between extrinsic and intrinsic is made by Herzberg, Mausner & Snyderman (1957); Vroom (1964) suggested the provision of contingent pay and the establishment of a link between the expectation of work and rewards. Adams (1965) emphasizes the importance of Equity; Latham & Locke (1979) provided a theoretical framework to increase motivation through goal setting and a structured reward system.

So there is no denial of the reward system as a motivator amongst the employees. Performance-related pay is one of the strongest communicators of how much an organization values the contribution of an individual or group. In practice, however, many questions are raised about performance-related pay. Does it motivate people? Does it lead to higher levels of individual and corporate performance?

Organizations that introduced performance-related pay do so for several reasons. The most quoted arguments in PRP are: Focusing attention and



and harnessing efforts where the organization wants it; Supporting a performance-oriented culture; Emphasizing individual performance or teamwork as appropriate; Strengthening the performance appraisal process; Rewarding & motivating the right people; Sharing in success and increasing employee identification with the company.

### Modern Reward System

The following features need to be considered in designing reward system

● **Experimentation is the Key:** The changing external environment requires employees to maintain a high level of creativity, such as unpredictable output and exploration of stimulate this ability, spontaneous compensation, welfare incentives will need to be included within the organization. The future will be all about gig workers and their compensation will not be limited to monthly salary but also real time pay, quarterly pay, pay per piece and other ways of payment

● **Need-based Reward:** Companies may have to promote social appreciation and instant rewards that are encouraged with the power of choice. Digital vouchers and gift cards can address the instant needs of employees while giving them freedom to choose their own rewards.

● **Immediate Rewards:** Paying bonuses and rewards annually as per designations, fixed structures and bandwidths will soon be redundant. Everything that will sustain morale, positivism, hope and passion will matter, Instant gratification is the key.

● **Digital Recognition:** There should be a tech-enabled reward & recognition method for rewarding meritorious employees. Digital rewards, vouchers or points will encourage frequent good performer to work even harder. There are some situations where digital recognitions are very useful especially in industries where employees are working in different locations. They can only be recognized by

seniors through digital rewards. It helps in breaking geographical boundaries.

● **Pulse Shaped Compensation:** traditional stepwise salary increment was suitable for the businesses in the past, but today it will no longer work. Today, when business is unstable, uncertain and complex. Organization must bring pulsed salary adjustment.

They must update employees' salaries and make adjustments as and when they see changes in market. The companies must also recognize that today talent is considerably more mobile than it used to be, pulsed salary adjustment will make employee feel they're paid fairly.

● **High percentage of Intangible benefits:** Compensation strategies are rapidly changing towards intangible benefits, companies must scale up the incentive or variable pay content of total rewards, including career development opportunities and other benefits that will create a big personalized experience for an employee and work positively towards mental and physical well-being.

### Why Does This Matter?

Demographically, by 2025, millennial will constitute 75% of the global workforce. Their work preferences will largely encompass autonomy and flexibility of work. Several studies have proven, this generation is motivated by career progression. Looking across the future generation, Gen Z research that has emerged over recent years, the most interesting theme is how much this generation defies the stereotypes about younger workers, Gain their loyalty by nurturing them, instant gratification, rewards, incentives, gig works are the defining criteria's that make them different from other generations. Companies have realized that they no longer have same power as before to guarantee stability or even growth. But at the same time, the talent war is fierce and employee simply

have more options-technology has enabled gigs from living rooms. Learn to train Gen-Z for their success- and yours. Employee retention is only possible through bringing in more positive experience.

**Conclusion:** The reward system is not a Panacea. It cannot sort out many problems. So Companies should also work out removing uncompetitive base salary policy, deficient company performance, poor management of people, and low employee engagement. Inadequate performance management systems, Too much focus on financials and quantifiable. Sometimes rewards system is Divisive, critical success factor of performance such as, team work, inter-relationship between departments are not taken into consideration. The most frequent criticism of executive bonus schemes is that they encourage divisive or competitive behaviors rather than teamwork. Organization must create a system to build up morale, show career growth and protect talent. Many of the big companies in each sectors are over and done with technology, now they will need to use the data generated from these technologies to enhance the employee experience. Employee and employee engagement will be key factors when an employee decided to join any organization and undoubtedly key factor of retention as well.

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## Effect Of Appraisal - Reward & Recognition – A Study At A Coffee Curing Company

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### Abstract

Human resource is the intellectual capital of a company; an invaluable asset. Irrefutably, to get the best out of the intellectual capital, we need to nurture and care for the asset. While any other type of asset like building, machinery etc. would require external and periodical maintenance, the Human Resource also requires periodical maintenance for a company to ensure best employee productivity and outcome.

To accomplish this, it is important for a company to institute an effective reward and recognition system that would motivate employees to be more productive and effectively help the organization achieve its objectives. However, this is never a cakewalk for the HR manager. The employees come from different cultural, economic and social backgrounds; their age, their likes and aspirations differ. And to ensure an all encompassing appraisal system is a challenge for an HR manager. The cue word is, to have a proper performance appraisal system in place.

This study focuses on the performance appraisal system being adopted and the effectiveness of the process in achieving the objective of the company. This study was conducted at a coffee curing company, situated in Chikkamagaluru District, Karnataka State. The outcome of the study reveals that an effective appraisal system is being instituted by the company, based on the financial statements, the high level of employee retention and level of satisfaction of employees in the company.

**Key words:** *Performance Appraisal, motivation, organizational development, reward, recognition.*

### ● Introduction

Performance appraisal is a formal technique to evaluate the contribution of an employee, and also assist in identifying strength and weakness of the individual. The identified method the world over, which assists the HR manager to give employees their due without any ambiguity, is the performance appraisal system. This activity not only helps identify the level of performance of every employee, but also helps in motivating those whose performance exceeds standards prescribed. Further, it also promotes a drive among all employees to enhance their performance and reach organizational objectives.

There are several performance appraisal techniques to choose from. Infact, the organizational objectives can be attained through an effective performance appraisal process that is suitable, appropriate and custom-made for the organization. A good performance appraisal is transparent, unambiguous, explicit and will ensure employee participation. Only when employees accept and participate in the system, will the outcome be objectively possible. It also motivates employees to perform better, which again helps identify the potential of the employee. Infact Manav Seth in his article 'post-appraisal strategies for managers and the HR Department, mentions that post the appraisal and feedback, it is important for the manger to focus on key employees who express their dissatisfaction over the process. This means that employees should be allowed to express their displeasure and it is the duty of the appraiser to counter the findings with evidence. A clear and simple

understanding of the process will reduce ambiguities and become part of the employee work process.

### **Review of Literature:**

Sharma, Anshu & Tanuja Sharma (2017) through their study reveal that the use of HR analytics in the Performance Appraisal system will ensure perceived accuracy and fairness, which will ensure employees' willingness to improve performance. Another study by Idowu, Ayomikun (2017) reveals that using more than one appraisal techniques brings more transparency to the appraisal and helps motivate employees to perform better, identify their strength and weakness. The author further iterates that there are significant positive outcomes when an organization uses its performance appraisal as a motivation tool and by linking performance to rewards.

An interesting study by Carolyn Rolle & Donald Klingner (2012) on the Bahamian Public Services, reveals that, when the participants to the performance appraisal do not have trust in the system, the performance appraisal process remains ineffective. Enhancing transparency is one of the primary factors effecting an appraisal system. Employees who perform well should be mentors for enhancing performance of other employees (Muhammad Faseeh U Khan 2013).

Infact, Shaik Peerla SS & Sunitha, G.2017 mention through their study that no performance appraisal system can assure reliability of results , however, ensuring a transparent system of appraisal can help in enhancing reliability of results.

### **Significance Of The Study**

This study mainly tries to identify the outcome of the performance appraisal process being adopted in the identified company where the study was conducted. It aims to determine the level of success in terms of employee satisfaction, employee attrition and the financial position of the

company. Though, it may be argued that the financial position involves several factors, yet, contribution by the employees cannot be overlooked.

### **Objectives Of The Study**

The study is based on the feedback collected from employees and the HR manager of the identified company. The objective for selecting this particular company was the location (semi-urban) and type of work responsibility of the employees in the company (availability of opportunity for employees in the vicinity and region). The following are the main objective of the study:

- To identify the method of performance appraisal being followed by the identified company.
- To study the challenges faced by the HR while performing the performance appraisal.
- To determine the effectiveness of the performance appraisal system being implemented in the company
- To identify and evaluate the success level of the performance appraisal system in the company.

### **Materials And Methods**

The study basically follows exploratory and descriptive research process. The analysis is based on details provided by respondents ( employees from the company). The Research design also follows the descriptive research process as it tries to identify the characteristics of the performance appraisal process being adopted by the company. The data was collected through a structured questionnaire from among the employees working at the company, and also through personal interviews with the HR manager. The sample size is 100 respondents who are on the rolls of the company.

Data for the study has been collected through primary and secondary sources. A structured questionnaire was designed to elicit the necessary information from the identified respondents. In addition to distribution of questionnaire, direct interviews were also arranged to collect required information for the analysis. This was facilitated by the HR manager at the company.

**Table- 1 Showing The Summary Of Research Methodology Adopted**

Research design	Cross-sectional descriptive research
Sampling Technique	Random & Purposive sampling
Sampling Unit	Employees of a coffee curing works company situated at Chikmagalur District, Karnataka State, India.
Sample Size	100 employees randomly chosen, who are on the rolls of the identified company.
Research Instrument	Structured Questionnaire.
Source: Survey data	Structured questionnaire and direct interviews

**1.4.1. Data Sources:** The study has employed both primary and secondary data for the study. The Primary data required for the study was collected with the help of a structured questionnaire and also through direct interviews, to elicit required information and data. This was accomplished by using the Cross-sectional descriptive research design and random sampling method. The secondary data was collected from relevant Journals, Periodicals, Research articles and Websites pertaining to the topic of Performance Appraisal, Compensation and Reward systems.

**1.4.2. Sampling:** The respondents for the study included both men and women employees from the identified company. The total number of respondents, randomly selected, were 100 in number.

**1.4.3. Analysis:** The collected data has been analyzed using the percentage method using advanced MS-Excel.

**1.4.4. Limitations:** The limitation of this

study can be attributed to the biased responses. The duration of the study was also short and therefore restricted only to studying the effectiveness of the performance appraisal system adopted in the company. Secondly, due to company's policies, certain information was not shared.

**Results And Discussion**

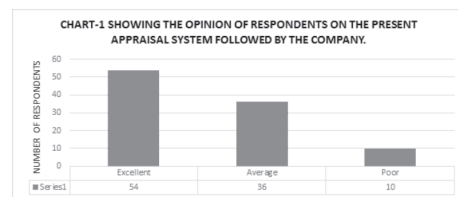
**1.5.1. Analysis and Major Findings:** It was observed during the study that the company was an equal opportunity provider as the number of male and female employees were almost equal. This study includes 60 male and 40 female employees who responded to the questionnaire. Further, the age group of the respondents were between 20 to above 46 years and the majority had work experience of over 15 years in the same company.

**Table- 2 SHOWING RELIABILITY STATISTICS - CRONBACH'S ALPHA**

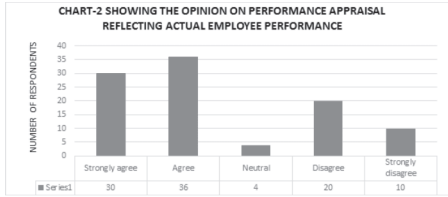
CRONBACH'S ALPHA	N OF ITEMS
0.658	24

Source: Survey data

The Cronbach's Alpha measures the internal consistency and reliability of the questionnaire. The data collected from the identified respondents consisted of 24 items and the value for Cronbach's alpha is  $\alpha = 0.658$  which shows an acceptable value.



The data reveals that majority of the employees (54%) opine that the present appraisal system is excellent, while 36 % mention that the system being followed is average.



Source: Survey Data

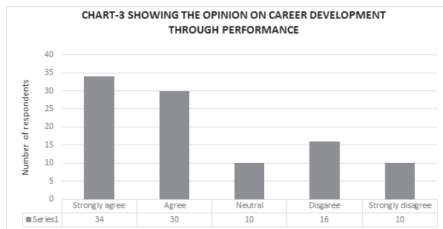
**H<sub>0</sub> : Performance appraisal does not reflect actual performance of employees**

**H<sub>1</sub> : Performance appraisal reflects the actual performance of employees**

Particulars	No of Observations	Value
Strongly agree	30	5
Agree	36	12.8
Neutral	4	12.8
Disagree	20	0
Strongly disagree	10	5
	100	$\chi^2 = 35.6$

Source: Survey Data

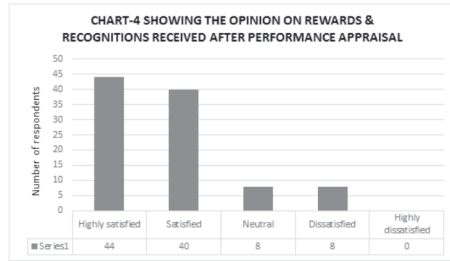
The chi-square statistic is 35.6. The *p* value is 9.488 . The statistical analysis reveals that the Null Hypothesis cannot be accepted. We may therefore state that the performance appraisal reflects the actual performance of employees.



Source: Survey Data

The data collected reveals that majority of the respondents positively affirm that the company's performance appraisal system has helped them develop their career and progress to higher designations through performance appraisal system adopted in

the company. This is one of the attributes of a good performance appraisal system.



Source: Survey Data

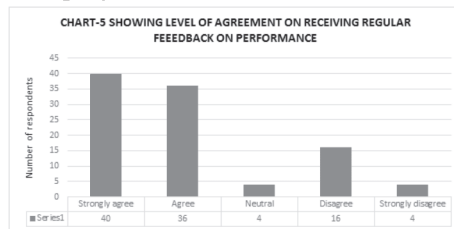
**H<sub>0</sub> : Respondents are not satisfied with the rewards and recognitions provided by the company.**

**H<sub>1</sub> : Respondents are satisfied with the rewards and recognitions provided by the company.**

Particulars	No of Observations	Value
Highly satisfied	44	28.8
Satisfied	40	20
Neutral	8	7.2
Dissatisfied	8	7.2
Highly dissatisfied	0	20
	100	$\chi^2 = 83.2$

Source: Survey Data

The chi-square statistic is 83.2. The *p* value is 9.488 . Here again, the statistical inference reveals that the Null Hypothesis cannot be accepted. We may therefore state that the employees are satisfied with the rewards and recognitions provided by the company.



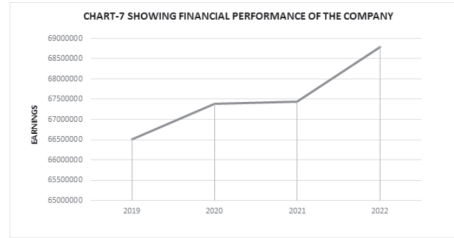
Source: Survey Data

Further, the data also reveals that 90% of the respondents expressed that they are able to achieve the target they have set because of the performance appraisal system. Around 10% mentioned that they

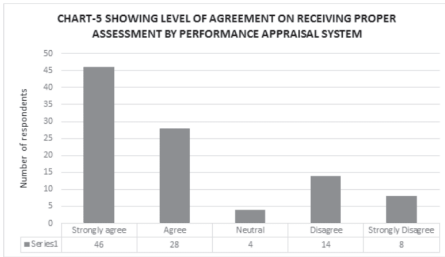


were able to achieve their set targets , to some extent. This again reveals that the performance appraisal system is a productive one.

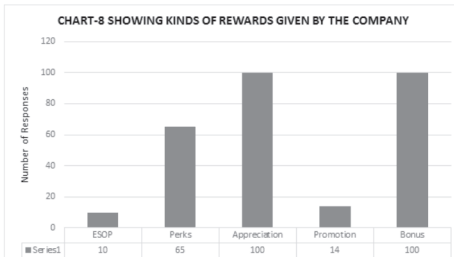
The data reveals that 84% of the respondents positively agree with the statement that the performance appraisal system gives proper assessment of employees and their contribution to the company.



Source: Financial statements of the company

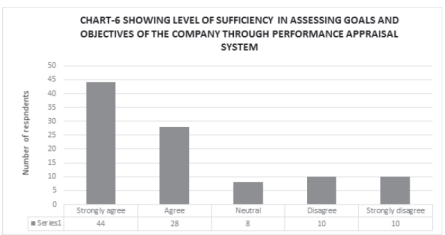


Source: Survey Data



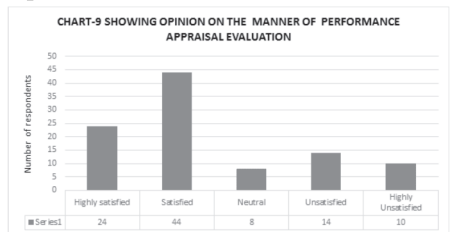
Source: Survey Data

The data reveals that all employees receive bonus as part of company policy. Further, after the performance appraisals, they are appreciated for their work performance, and according to the appraisal reports the employees have received promotion, perks and have also been given Employee Stock Option.



Source: Survey Data

Majority of the respondents have mentioned that the performance appraisal system is sufficiently helping the company in assessing goals and objectives set . This is evident through the financial statements of the company taken during the last five years. The following chart shows the financial performance of the company during the past 4 years. Though other factors are also to be considered for the financial performance, the contribution of the intellectual capital ( Human Resource) cannot be overlooked



Source: Survey Data

**H<sub>0</sub> : Delivering incentives are not carried out in a fair and consistent manner.**

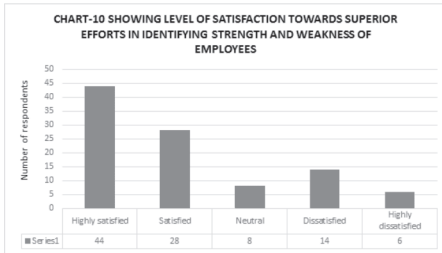
**H<sub>1</sub> : Delivering incentives are carried out in a fair and consistent manner.**



Particulars	No of Observations	Value
Highly satisfied	24	0.8
Satisfied	44	28.8
Neutral	8	7.2
Dissatisfied	14	1.8
Highly dissatisfied	10	5
	100	$\chi^2 = 43.6$

Source: Survey Data

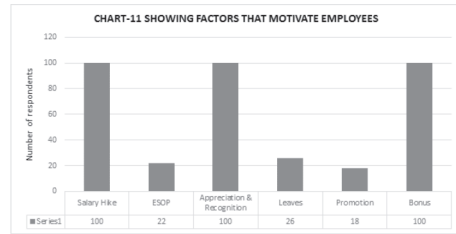
The chi-square statistic is 43.6. The *p* value is 9.488 . The statistical inference reveals that the Null Hypothesis cannot be accepted. We may therefore state that the incentives being delivered are carried out in a fair and consistent manner.



Source: Survey Data

The data reveals that the employees are happy with the efforts of their appraiser in identifying their strength and weakness. Further, they suggested that the areas to be improved for performance appraisal include enhancing standards of performance, frequency of appraisal and around 22% suggested that the appraiser should be given a preset schedule before appraising the employees. The company documents the individual performance to support compensation and career planning decisions.

The data also reveals that performance-based pay motivates employees to improve their performance as well as ensure sustainability of employees in the company.



Source: Survey Data

The respondents (86%) also mention that the company considers suggestions given by employees which is also a motivation for them.

**Findings & Conclusion:**

Human Resource is presently considered as the intangible asset and the wealth of every company. Utilizing the human resource resourcefully needs to become the priority of every company. However, it must be seen that the utilization of the human resource should not be a one-way concept. It is the bounded responsibility of the company to ensure that they equally reward and compensate employees for their contribution towards the company. To ensure a clear reward and compensation system, it is imperative that the company follows a transparent performance appraisal system that is endearing to the employees.

The coffee curing company where the study was conducted, was established in the year 1964 , as a unit of the Coorg and Mysore Coffee Company Ltd , which was set up, way back in 1937. The company started its operations with an initial processing capacity of about 800 tons and has come a long way since.

Based on the objectives set for the study, the following are the analyzed outcomes:

- To identify the method of performance appraisal being followed by the identified company.**

**1. To study the challenges faced by the HR Manager while performing performance appraisal.**

Direct interaction with the HR manager in connection with the appraisal process reveals that there are no serious challenges faced. It is to be understood that it is a challenge to please all individuals. However, based on the response received, majority of the respondents mention that they are happy with the system being followed (Chart-9 & Chart-10).

**2. To determine the effectiveness of the performance appraisal system being implemented in the company & to identify and evaluate the success level of the performance appraisal system in the company.**

Effectiveness of the appraisal system can be observed by the low attrition level in the company. The response received also show a very positive response pertaining to level of satisfaction among the employees. Similarly, the financial statement reveals a positive upward growth which again reveals success factor for the company (Chart-7 & Chart-11).

The study also throws light on the employee perception towards the existing performance appraisal system. Through this study, it is evident that the employees think positively about the appraisal system and are performing their job responsibilities with confidence as they are aware of the constructive outcomes of the appraisal system.

It is usual to find that negative feedback can lead to a hostile work environment and also observe lack of motivation and disengagement among those who are rated

below a certain average. And to complicate this more, the employees are always on the lookout for better avenues. Faced with such challenges, every company needs to continue motivating employees to enhance employee productivity. At this point the appraiser and manager should immediately focus on re-establishing trust and build motivation among employees. This will send a clear message that the company value their employees.

It would be a good practice to give regular feedback to employees, over their performance, which will help them improve and also motivate them to do better. When the appraisal is done at the end of the year, the feedback might backfire in terms of employees with negative feedback not being ready to accept the same. It is also preferable that periodical orientation, towards the set objectives of the company is reiterated, which will ensure recalling of the goals set before the employees. The HR field has paid relatively little attention to measurement of HR systems and previous reviews have not yet focused in detail on these measures (Corine Boon, Deanne N Den Hartog & David P Lepak. 2019). Constructive feedback will help both the company and the employee focus on the strength and identify ways to overcome weakness and challenges. This study has attempted to prove the point.

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## Performance Management, Rewards, Recognition & Commitment

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### **Abstract:**

The practise of recognising and rewarding employees, which is a common form of incentive strategy in management, plays an important part in organisations. Employee recognition and reward does not place an emphasis on monetary and material prizes like other incentive strategies do; rather, it recognises the accomplishments of employees and the goals of the workplace. In this study, we seek to discover the consequences of employee recognition as well as the emotional mechanism that underlies it. We explored the role that the feeling of self-esteem plays in the dynamic relationship that exists between employee recognition and reward, performance, and organisational spontaneity using the broaden-and-build theory as our theoretical foundation. The leader-member dyad approach was utilised to collect a total of 200 valid questionnaires from 20 different groups with the help of a cross-sectional sampling strategy. SPSS20.0 and Amos21.0 were utilised in order to validate the hypothesis and do the analysis on the data. Specifically, this research looks at how self-esteem influences the relationship between employee recognition and reward, performance, and organisational spontaneity.

**Keywords:** Employee Reward; Recognition; Self-esteem; Commitment / Organizational

Spontaneity; Performance

### **Introduction:**

Recognizing and rewarding people's contributions is a standard practise in the administration of modern organisations and is one of the most common ways to improve a leader's performance. According to the findings of the research, gratitude from employers is a powerful incentive. Supervisors are able to recognise and reward individuals or teams in a variety of ways, including "a pat on the back," "personally congratulating for a job well done," and "publicly acknowledging for good performance." These recognitions and rewards can take place formally or informally, publicly or material means. Even though there are many different ways to demonstrate gratitude for employees, the one thing that all of these methods have in common is that they communicate to workers that their contributions to the organisation are valued (Tetrick et al, 2014).

Recognition at work may come from coworkers, subordinates, or superiors, depending on the circumstances. In this study, we focus on the acknowledgement of superiors, which is something that we feel to be highly essential due to the fact that it can assist employees in determining whether or not the company recognises their value. In point of fact, because of the authority of their superiors and the nature of the roles that they play, they have the right to bestow

acknowledgment upon workers and to recognise the accomplishments that have been done by individuals. The affective event theory posits that the experiences that workers have while on the job have an effect on their emotional state, which in turn shapes how they act while at work and how they approach their responsibilities. Previous study on the subject of the connection between employee recognition and work attitudes and behaviours has led to the formation of a great number of hypotheses and conclusions. According to a number of studies, when superiors take the time to recognise their subordinates, it can increase their workers' feelings of support and trust in their organisation, as well as their overall job satisfaction and pleasure. This, in turn, can lead to increased productivity on the job. Employee recognition is typically less monetary than awards, and as a result, it has the potential to incentivize workers to put in more effort at a relatively low cost (Montani et al, 2017).

However, the emotional response of employees when they are acknowledged has received very little attention, with the exception of the section on how constructive attitudes and behaviours at work can be. Staff members find the praise they receive from superiors to be an incredibly motivating factor. According to the findings, performance assessments provide workers a feeling of success, increase their confidence, and evoke a positive psychological response from them. When we feel a certain emotion, it is often followed by a series of physiological and behavioural responses. These responses can be rather intense, but they typically only last for a short period of time (Lazarus et al, 1991). Self-esteem can be thought of as a typical feeling that regulates human social interaction on both the micro- and the macro-levels. It is a normal part of the experience of being

self-conscious.

A person experiences a pleasant, subjective emotional state known as self-esteem or pride when he or she attributes a favourable or successful occurrence to his or her own abilities or efforts and draws a connection between the two. According to the findings of a number of studies that were conducted within the past few years, self-esteem is made up of two distinct and for the most part independent components: true self-esteem and hubris (Tracy et al, 2017). Both of these qualities contribute in their own unique way to the multifaceted concept of self-esteem. Genuine self-esteem is inextricably tied to feelings of self-assurance, self-worth, productivity, and accomplishment. These associations have been seen time and time again. The characteristics of hubristic self-esteem, including arrogance, egotism, and conceit, are inextricably linked to one another (Shi et al, 2015).

In conclusion, the objective of this study is to investigate the effect of employee recognition on performance and Commitment / Organizational Spontaneity. This will contribute to the expansion of the recognition and reward literature by addressing both in-role and out-of-role reactions to recognition and reward. In addition, the sense of self-esteem that is incorporated into the model serves two different tasks due to the dual nature of the sensation. The incorporation of self-esteem into the model framework, with the goal of determining how superior recognition influences performance and Commitment / Organizational Spontaneity, could make a significant contribution to the development of research pertaining to recognition and emotion. In addition, the integrated model is more accurate in portraying the real-world situation of organisational management, which lends

it a great deal of practicality and significance.

### ***Hypothesis and Theory***

It is not unusual for employees to feel a sense of pride and self-esteem in their work. According to Damian et al. (2013), it has been established that employees who have a healthy sense of self-esteem are more likely to deliver excellent results and to be innovative. According to the findings of previously conducted research (Costello et al., 2018), each individual dimension is associated with particular personality traits, performs in a variety of roles, and produces unique results. In the current investigation, we accept the findings of this previous research and proceed on the basis of the presumption that two-dimensional self-esteem functions correspond to two separate duties. According to one interpretation of what it means to have high self-esteem, this feeling emerges when an individual attributes an externally positive or advantageous event to the skills and efforts that they have personally developed. Performance directly displays how well an individual performs their job, whereas organisational spontaneity demonstrates performance outside of the employee's job obligations and responsibilities. Performance is measured in the workplace. These two results make major contributions to the organisation as a whole. An emotional response and ensuing impacts manifest themselves whenever leaders take the time to recognise the contributions of their employees. The purpose of this study is to discover the relationship between leader behaviour and employee emotion by investigating the ways in which employee self-esteem influences employee recognition, performance, and commitment. (see Figure 1).

Figure 1: Proposed research model



Employee appreciation is a leader's constructive feedback based on an employee's performance, investment, and dedication (Brun et al, 2004). Employee appreciation is linked to improved organisational outcomes (Peterson et al, 2006). Leader recognition and performance evaluation are linked to satisfaction, fairness, utility, and correctness (Pichler et al, 2018). When leaders acknowledge employees, they often perceive fair and just leadership, which indicates organisational justice. Leaders or direct managers show respect for employees' performance, worth, and significance, encouraging psychological stability and belonging (Basit et al, 2019). Constructive feedback to employees can boost their confidence, help them realise their full potential, and increase their motivation to grow (Woerkom et al, 2018). Organizational citizenship activities are not expressly and directly guided by the conventional compensation system (Organization spontaneity). Hypothesis:

Firstly (H1). Employee recognition boosts performance and spontaneity.

Pride/Self-esteem can impact later reactions and behaviours, including job satisfaction and overtly observable behaviours. Pride helps individuals to "overcome" unpleasant occurrences at work, improving job performance and helping organisations achieve their goals (Elfenbein et al, 2007). Self-esteem



is vital.

Authentic self-esteem is linked to effort-based control. Recognizing employees' accomplishments enhances their confidence, ambition, and sense of worth. Employee recognition depends on the employees themselves. Recognizing employees means affirming them, their work behaviour, their work results, and their work dedication. Therefore, a leader's compliments might boost employees' self-esteem. Self-esteem motivates people to practise, learn, and achieve their goals (Gilchrist et al, 2017). Treating employees with care and respect may inspire them to recognise the business's virtue, making them proud of their company. In exchange, they're more likely to take out-of-role actions for the company.

When people experience self-esteem, their self-awareness is often positive, they believe in themselves more, and they appreciate their skills and decisions. Self-esteem could improve their motivation to work more and contribute to the organisation.

Secondly (H2). Self-esteem mediates the relationship between employee recognition, performance, and organisation spontaneity.

Hubristic self-esteem involves narcissism, self-aggrandizement, and self-enhancement. Leaders' confirmation, respect, and appraisal generate employee confidence and happiness (Hirak et al, 2014). Hubristic people are arrogant and crave praise and admiration. This criteria validates their positive self-assessment. Self-esteem and behaviour control were linked in the study. Acknowledgement boosts self-esteem and accomplishment. Personal agency evaluations (e.g., "This was my accomplishment, not someone else's") can be used to infer self-regulation growth. They'll be happier with the boss and company now. They'll

double their proficiency, take responsibility for their work, and interact aggressively with coworkers to convey knowledge and exert influence. Proudness increases with social responsibility and deep connection. Pride helps people form positive self-evaluations, which strengthens self-regulation and boosts employee confidence. When performing professional activities, they will be more pro-social to help and encourage coworkers and teams.

Hypothesis #3 (H3). Hubristic self-esteem modifies the relationship between employee recognition and performance and organisation spontaneity.

### **Research Methodology:**

This research used cross-sectional sampling at random. We specifically invited leaders and their volunteer employees to participate in our research. Each boss selected three to five workers at random. Participants must have a full-time work and be a member of their team for a minimum of six months. Leaders assigned each participant a code name, which was written on employee questionnaires. Participants returned the paper questionnaires they received through express mail in sealed envelopes.

Samples were collected from IT firms in the Bangalore area. 400 questionnaires were sent out. After sorting and screening the questionnaires, those that were invalid because of missing items, poor filling quality, or failure to match were eliminated. In the end, 200 valid replies were used for the study.

SPSS and Amos were used for data analysis and hypothesis testing. The scale's reliability and validity were evaluated using Cronbach's alpha and



and factor loadings. The sample data were analysed descriptively. Means, Standard Deviations, and Intercorrelations were computed before hypothesis testing to show variable relationships.

Table 1: Variable statistics

Variable	Code	Std. Estimate	Std. Error	Z Test
Employee Reward Recognition & (0.76, p < 0.001)	Ra	0.89	0.05	11.63
	Rb	0.83	0.06	15.27
	Rc	0.66	0.05	13.77
	Rd	0.83	0.06	8.18
	Re	0.76	0.05	13.12
	Rf	0.48	0.05	16.98
Self Esteem (Authentic & Hubristic self esteem) (0.77, p < 0.001)	Sa	0.71	0.04	11.34
	Sb	0.82	0.06	15.3
	Sc	0.89	0.05	17.47
	Sd	0.83	0.06	15.93
	Se	0.66	0.05	11.63
	Sf	0.83	0.06	15.27
	Sg	0.76	0.05	13.77
	Sh	0.48	0.05	8.18
	Si	0.71	0.04	13.12
	Sj	0.85	0.04	16.98
Performance (0.81, p < 0.001)	Sk	0.93	0.03	19.99
	Sl	0.89	0.05	11.73
	Pa	0.83	0.03	18.49
	Pb	0.66	0.04	18.38
	Pc	0.83	0.06	11.08
	Pd	0.76	0.05	10.44
Commitment / Organizational Spontaneity (0.69, p < 0.001)	Pe	0.48	0.06	15.07
	OSa	0.71	0.05	5.99
	OSb	0.89	0.06	11.63
	OSc	0.83	0.05	15.27
	OSd	0.66	0.05	13.77
	OSe	0.83	0.04	8.18
	OSf	0.76	0.05	11.63
	OSg	0.76	0.06	15.27
	OSh	0.48	0.05	13.77
	OSi	0.71	0.06	8.18

Table 2: Demographic Analysis:

Items	Frequency	Percentage
<b>Gender</b>		
Man	135	67.5
Woman	65	32.5
<b>Age</b>		
21-25 years old	20	10.0
26-30 years old	40	20.0
31-40 years old	125	62.5
41-50 years old	15	7.5
<b>Educational Qualification</b>		
Undergraduate	110	55.0
Master or above	90	45.0
<b>Marital Status</b>		
Unmarried	68	34.0
Married	132	66.0
<b>Experience</b>		
Between 5-8 Years	80	40.0
Between 9-12 Years	72	36.0
Above 12 Years	48	24.0

The sample data that were obtained were statistically examined, and the results of that evaluation may be seen in Table 2's descriptive statistics and demographic analysis. Among the 200 samples,

there were individuals who were male (67.5%), female (32.5%), the average age was 34.62 (SD = 27.72), and the majority were

between the ages of 31 and 40 (62.5%); individuals with the highest level of education had a bachelor's degree (55%); there were individuals who were single (34%) and married (66%). The largest amount of work experience that 40% of workers had was between 9 and 12 years.

Table 3 shows study mean, SD, and intercorrelations.

Variables	Mean	SD	Employee Recognition & Reward	Performance	Organizational Spontaneity	Self Esteem
Employee Recognition & Reward	3.44	0.61	0.14 *			
Performance	3.95	0.66	0.20 **	-0.12		
Organizational Spontaneity	1.62	0.68	0.01	0.23	-0.05	
Self Esteem	5.09	0.83	0.14 *	0.18	-0.04	0.58

Note: N = 200. \*  $p < 0.05$ , \*\*  $p < 0.01$ . \*\*\*  $p < 0.001$ . Table 4. The four-factor model

	$\chi^2/df$	RMSEA	NFI	IFI	TLI	CFI
Four-factor model	1.8	0.1	0.8	0.9	0.9	0.9
Commitment / Organizational Spontaneity	1.8	0.1	0.8	0.9	0.9	0.9
Four-factor model Performance	1.8	0.1	0.8	0.9	0.9	0.9
Three-factor model	2.4	0.1	0.7	0.7	0.7	0.8
Two-factor model	3.6	0.1	0.6	0.6	0.6	0.6
One-factor model	4.0	0.1	0.5	0.6	0.5	0.5

Note: ER is employee recognition & Reward , SE- Self esteem, P is performance, and OS is Commitment / Organizational Spontaneity

Table 5. Hypotheses Testing of Performance.

Performance B	SE	t	B	SE	t
Intercept 4.7	0.25	19.01 ***	3.91	0.35	11.07***
<b>Independent variable</b>					
Employee 0.17					
	0.07	2.38 *	0.12	0.08	1.65
<b>Mediator</b>					
Self esteem			0.25	0.08	3.38 **
R2	0.02			0.06	
ΔR2	0.02			0.03	
F	5.10 *			8.06 ***	
ΔF	5.17 *			10.76 **	

Note: N = 200. \*  $p < 0.05$ , \*\*  $p < 0.01$ . \*\*\*  $p < 0.001$ . According to Hypothesis 1, employee appreciation leads to improved performance as well as increased organisational spontaneity. According to Tables 5 and 6, employee recognition had a good effect on performance ( $B = 0.17$ ,  $p 0.05$ ), as well as on the organization's spontaneity ( $B = 0.18$ ,  $p 0.05$ ). The connection between employee recognition and performance and the organization's ability to be spontaneous is mediated by support for H1 self-esteem. A healthy level of self-esteem is associated with a positive mediated relationship, while a low level of self-esteem is associated with a negative one. The substantial mediation effects of genuine self-esteem on employee recognition, performance, and organisational spontaneity are shown in Tables 4 and 5, and they are found to have a value of  $B = 0.22$  and a significance level of  $p 0.05$ . Support for H2. In accordance with the findings shown in Table 7, the indirect impact of employee recognition on work performance through genuine self-esteem rose with hubristic self-esteem (indirect effect = 0.02;). As shown in Table 8, the indirect impact of employee recognition on the spontaneity of the organisation as measured by self-esteem was greater at levels (indirect effect = 0.02; hypothesis H3 was validated).

**Table 6.** Hypotheses Testing of **Commitment / Organizational Spontaneity**

Commitment / Organizational Spontaneity B	SE	t	B	SE	t
Intercept 4.64					
<b>Independent variable</b>	0.22	20.37 ***	3.81	0.32	12.20 ***
Employee 0.18	0.07	2.64 **	0.14	0.06	2.04 *
<b>Mediator</b>					
Self Esteem			0.22	0.07	3.60 **
R2	0.03			0.06	
ΔR2	0.03			0.03	
F	6.98 **			8.32	
ΔF	6.98 **			9.33	

Note: N = 200. \*  $p < 0.05$ , \*\*  $p < 0.01$ . \*\*\*  $p < 0.001$ .

**Table 7.** Employee Recognition & Rewardand performance.

Performance	Self Esteem	B	Boot SE	Lower Upper (95% Interval Confidence0
Low	0.97	0.02	0.02	-0.011-0.088
Middle	1.62	0.05	0.02	-0.021-0.112
High	2.19	0.07	0.03	-0.023-0.121

Note: N = 200. Booting times = 5000

**Table 8.** Employee recognition & Rewards and **Commitment / Organizational Spontaneity**

Commitment / Organizational Spontaneity	Self Esteem	B	Boot SE	Lower Upper (95% Interval Confidence0
Low	0.97	0.02	0.02	-0.011-0.088
Middle	1.62	0.05	0.02	-0.021-0.112
High	2.19	0.07	0.03	-0.023-0.121

Note: N = 200. Booting times = 5000

**Conclusions/discussion**

Employees are rewarded. Current research suggests that employee recognition lowers retreat and unproductive work behaviours and enhances employee wellbeing, organisational commitment, and job satisfaction. This research shows that employee recognition may boost self-esteem, performance, and organisational citizenship, indicating that recognition is positively connected with in-role and out-role performance. This supports the recognition research.

Theoretically, this article adds. This research found that employee acknowledgment boosts performance and spontaneity. Employee recognition research benefited. Examples include in-role and extra-role performance. Employee appreciation benefits both sides, showing its worth in management. Second, actual and hubristic self-esteem conflict with employee performance and organisation spontaneity. This increases organization-wide emotion research. Emotion research in organisation studies is no longer unusual or new, yet cutting-edge analysis demonstrate emotion is rich and evolving. Mainstream emotion studies arbitrarily divide emotions into positive and negative categories and examine their functions generally, without researching meaning and impact. We study self-esteem.

### Future Implication

When assessing the research's contributions, consider its limitations. Leader - member paired questions caused problems. Participants were asked about their recognising acts and emotional reaction. Memory may change, causing errors. We solved this issue using plain language. This research examined worker moods. Emotions are fleeting yet have far-reaching effects. Another fascinating subject is pride/self-esteem. Creativity, performance, and success are connected to self-esteem. Self-esteem should be studied as an emotion or trait

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## A Study On Validating Ariely's Laws On Organizational Motivation

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### Abstracts

This research study is an attempt to validate Ariely's laws on motivation, by testing financial/non-financial rewards and recognition impact on motivation. Adopted exploratory Research design and the sample size was 116 respondents. Sample was drawn from the upper & middle level managerial categories staff of leading Engineering group in the city of Chennai, using convenience sampling. Questionnaire was used for collection of primary data and applied Independent 't' test for validating hypothesis. On the basis of empirical analysis, the study concluded that non-financial rewards and recognition had a greater impact on creating intrinsic motivation and thus proved motivation laws of Professor Ariely.

**Key words:** Reward, Recognition, Motivation, Financial, Non-Financial

### Introduction

If someone has to repeat a positive behavior, it is necessary that one should be recognized immediately. This one of the basic laws of psychology governing the rewards and recognition. There are several theories making an attempt to explain the concept of motivation but very few countable numbers of empirical research works explained the linkage between Rewards / recognition and motivation. Notwithstanding to content or process theories of motivation, there are handful number of modern theories examine the concept of motivation using inter disciplinary subjects including neuro science. Nevertheless, unresolved inconclusive debates continue among the scholars whether monetary rewards &

recognition triggers extrinsic/ intrinsic motivation or non-monetary does it. Ariely believed strongly on the basis of his longitudinal research works that non-monetary benefits act up on intrinsic motivation. This research paper explores the validity of Ariely's Laws of motivation, keeping the context of other notable theories of human drives.

### Review Of Literature

Review of the limited prior research on motivation beliefs reveals that the organizations do not have clear understanding on what really motivates workforce. Most of organizations operate their financial and Non-financial rewards practices on the basis of intuitive feeling and errored assumptions. What motivates others at work place? More fascinated by the Theories of motivation, the managers are inclined to give un due importance to extrinsic incentives such as compensation (money) and secured jobs. Employees, are actually more interested in intrinsic factors such as meaningful work, and career growth etc. Such misaligned assumption and belief in designing R & R process fail to stimulate desired forms of employee behavior ( motivation) that are considered as key for creation of the competitive advantage for the organization. Therefore, erroneous motivation beliefs may make the organization to incur additional and unnecessary costs and thereby missing an opportunity to achieve intended purpose of higher order performance or production/ productivity.

Before examining the relevance and applications of Ariely's laws on motivation, it is worthwhile to revisit four



broader theories of motivation Viz., Reinforcement Theory (RT), Expectancy theory (ET), Achievement motivation Theory (AMT), and Self Determination Theory (SDT). The referred theories live through ages in the arena of HRM theorizer as well as practioners. In short, from a time perspective, RT, EVT, AMT, and SDT rule the field of motivation science from early in 20th century to present day (Reeve, 2009).

Reinforcement theory is a psychological principle suggesting that behaviors are shaped by their consequences, and that individual behaviors can be changed through reinforcement, punishment and extinction. Behavioral psychologist B.F. Skinner was instrumental in developing modern ideas about reinforcement theory. Reinforcement theory has three primary mechanisms behind it: selective exposure, selective perception, and selective retention.

Expectancy valence theory is otherwise termed as expectancy theory/valence instrumentality expectancy theory, revolves around the principle that how much an individual wants a reward (Valence), the assessment that the likelihood that the effort will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (Instrumentality). Fulfillment of human wants lead to desired performance out come and thereupon rewards are provided for the efforts and results. If these three elements viz Valence, Expectancy and Instruments are at higher levels in the organization, achievement levels for motivation would also be equally higher.

The aim of need Achievement theory is to explain why certain individuals are more motivated to achieve than others. It is based on two psychological principles: the motive of an individual to achieve success and the motive of an individual to avoid failure. Any organization with more

percentage of category one employees would be graded as High performing organization (HPO).

Self-determination theory states that people are motivated to grow and change by three innate (and universal) psychological needs. The concept of intrinsic motivation, or engaging in activities for the inherent reward of the behavior itself, plays an important role in this theory.

Self-determination theory suggests that all humans have three basic psychological needs—autonomy, competence, and relatedness—that underlie growth and development. Autonomy refers to feeling one has choice and is willingly endorsing one's behavior

### **Ariely's Laws of Organizational Motivation**

There are four Laws are put forth by Ariely based on his research works .He challenged the basic managerial notions of monetary based motivation in the Semiconductor factory of Intel, in Israel. In his research work titled ' It's (not) all about the Jacksions: Testing different types of short term bonuses in the field ( 2014) narrated that the employees prefer to be valued and appreciated for their successful performance out come and appreciation by the reporting officers is relatively valued higher over the monetary benefits. He had drawn this conclusion on the basis of study conducted at a semiconductor factory of Intel in Israel.

Ariely's Laws on organizational motivation are narrated below:

Law 1: Meaningful work is the source of employee motivation

Law2: The desire to create is one of the deepest yearnings of human soul

Law 3: Non-monetary rewards are the true motivational rewards

Law4: Nothing lasts forever, not even motivation.

Postulates of Ariely's Laws of motivation



are very much reflected positively/negatively in the research studies of Locke (2004), David & Anderzej(2010) and Badbui (2017) and those studies are briefly reviewed.

Motivation is directly related to organizational productivity. Only financial rewards would create a desire for high performance is myth.

Perfect combination of non-financial R & R with that of financial R & R would bring requisite levels of motivation for employees to put their earnest efforts to achieve organizational goals. It is the responsibility of the Organization to develop R & R practices and then align with applicable theories that are suitable to bring inherent desire to the employees for making more efforts to perform. However, a combination of multiple theories should be used instead any one theory. (Badbui, 2017). His views are partially subscribe to postulates of Ariley.

Locke defined motivation as “a pleasurable or positive emotional state resulting from the appraisal of one's job experiences”. This definition brings out two aspects, namely the emotional affinity of an individuals to their work assignments and performance assessment review of employer. According to David and Anderzej (2010), motivation can be understood as cognitive decision making. The employees develop intentions to perform for achieving set goals on the basis of R & R programs and outcome such as performance is appraised at work place with reference to preset performance standards. The feedback from appraisal process lays the basis for varied emotional connect with work assignments and in turn it triggers desire. In every employee, motivation maybe influenced by outside factors (extrinsic) such as rewards or within an individual (intrinsic), desire to do better. Fore going description lends support for connectivity between levels of motivation and higher achievement

activating motivation through meaningful work appraisal.

**Deci, E. L. (1971).** Effects of externally mediated rewards on intrinsic motivation was investigated. to perform an activity. Study results indicate that (a) when money was used as an external reward, intrinsic motivation tended to decrease; whereas (b) when verbal reinforcement and positive feedback were used, intrinsic motivation tended to increase. This findings are aligned with the laws of Ariley.

**Donata (2011),** states that intrinsic motivation is more of self-motivation at individual levels and extrinsic motivation is achieved through financial R & R. However, he suggests that it should not give way to the assumption that intrinsically motivated employees do not want rewards for their performance nor that extrinsically motivated workers have no job affinity.

By and large above review of literature gives a pointer towards laws of Ariley' s belief.

### **Research Methodology**

The research methods, instruments and the accompanying analytic strategies are discussed. In so doing, this section demonstrates how the principles of sound research design is meticulously applied in this research to yield robust results and contribute to the growth of knowledge in the field of SHRM research.

### **Research Design**

Research design includes plans that guide “the arrangement of condition and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

In the absence of proper guidelines in this stream of research works, exploratory research design was adopted.

### Objectives Of Study

The literature review and statement of problem highlights the relationship that might exist between the Ariely's Laws of motivation and its applications to create intrinsic motivation through non-financial rewards and recognition. In order to understand the levels of impact between these study variables, the present study was conducted with the following objectives:

1. To validate the Laws of motivation proposed by Professor Ariely
2. To understand the impact of financial and Non-financial rewards on motivation.

### Hypothesis

On the basis of objectives formulated for this study, the following hypothesis were proposed for testing.

Hypothesis 1 of the study stated that 'the motivational levels of employees with non-financial R & R will be higher than employees with financial R & R'.

Hypothesis 2 of the study stated that "the persistence in the motivational levels caused by non-financial reward & recognition rather than financial reward & recognition."

### Field Of Study

The study was conducted in a popular manufacturing organization in the city of Chennai. This organization is very well known for modern HRM practices. Having signed confidentiality agreement, the name of the organizations has not been mentioned.

### Sampling Design & Data Collections

The origination employs 325 Managerial staff. Using Convenience sampling, sample of 125 upper/ middle level managerial staff were administered with a standard questionnaire to respond and 121 respondents returned the completed questionnaire. On further scrutiny it was found five of them filled in data partially and hence the sample size was reduced to

116.

### Instrument Development

A brief note on the laws of Ariely was narrated with the examples for the purpose of making respondents to understand the contents of research. Questionnaire covered items like various Financial and non-financial R & R practices in the organization and mostly forced choices like yes or No scaling technique was used. Relevant demographic variables were included.

### Pilot Study

Questionnaire was placed with HR team of study unit for soliciting the views for validating relevance of questionnaire.

### Operational Definitions

**Reward:** A formal, impartial, and equitable exchange of financial / non-financial benefits for achieving of set goals..

**Recognition:** Any form of appreciation for achievement of goals and it is in non-financial nature

**Motivation:** It is desire created by financial / non-financial rewards and recognition and propelling employees to develop motivation to work

### Statistical Design

This study used simple table and Independent't 'test for testing the hypothesis.

### Analysis Of Data

#### Table 1

Means and Standard Deviations for Rewards & Recognition Types

R & R Types	N	Mean	SD
Non-Financial R & R	74	75.39	14.4
Financial R & R	42	61.8	11.38

The scores obtained by administering questionnaire, the participants were grouped as “Non- financial R & R “and “Financial R & R “. Among the 116 participants, 74 participants were higher on the Non- Financial R &R and 42 participants were higher on Financial R & R. The mean obtained for financial R & R was 61.80, SD= 11.38, with N=42. While, the mean obtained for Non- financial R & R was 75.39, SD=14.40, with N=73.

**Testing of Hypothesis**

Hypothesis 1 of the study stated that 'the motivational levels of employees with non-financial R & R will be higher than employees with financial R & R'.

For testing this hypothesis t test was conducted. The mean scores obtained by individuals with non- financial R & R and financial R & R on motivational levels were compared by using t-test for the independent sample. The results of the descriptive statistics of the means, standard deviations and t-test for motivational levels are shown in Table 2.

**Table 2**

Mean, SD and t values for R & R types on motivational levels

R & R Types	Mean	SD	t -	Value P
Non-Financial R & R	84.04	429.35	14.66*	0.00
Financial R & R	28.78	292.80		

\* p < .05 significant at .05 level

The t value obtained on motivational levels for Non- financial R & R is t (116) = 14.66, p < 0.05 is significant at 0.05 level. The mean for work motivation under Non-

financial R & R is, M= 84.04, while for Financial R & R is M=28.78.

Hence, the Hypothesis 1 of the study stated that 'the motivational levels of employees with non-financial R & R will be higher than employees with financial R & R' is accepted.

Hypothesis 2 of the study stated that “the persistence in the motivational levels caused by non-financial reward & recognition rather than financial reward & recognition.”

For testing this hypothesis t test was conducted. The mean scores obtained by individuals with non- financial R & R and financial R & R on persistence in the motivational levels were compared by using t-test for the independent sample. The results of the descriptive statistics of the means, standard deviations and t-test for motivational levels are shown in Table 3.

**Table 3**

Mean, SD and t values for R & R on persistence in the motivational levels

R & R Types	Mean	SD	t	Value p
Non-Financial R & R	53.38	420.78	6.66*	0.00
Financial R & R	28.90	243.69		

\* p < .05 significant at .05 level

The t value obtained on persistence levels of motivation for Non- financial R & R is t (116) = 6.66, p < 0.05 is significant at 0.05 level. The mean for persistence levels on non-financial R & R is M = 53.38 and for Financial R & R is M = 28.90.

Hence, the hypothesis 2, “the persistence in the motivational levels caused by non-financial reward & recognition rather than financial reward & recognition is accepted.

## Discussion

Results of Testing of Hypothesis indicate that non-financial rewards & recognition influences intrinsic motivation and persistence of motivational levels are more long lasting effect. Positive behavior stems from the creation of desire within due to impact of non-financial rewards like work autonomy, optimum acknowledgement of good work by superiors and the like. US based Betterup conducted an extensive research study in the year 2017 and findings of the study strengthen laws of Ariely and established evidence that the levels of employees' motivation at work is directly proportionate to their meaningful work. In another research work conducted by a Software company namely Work human (2019), it was concluded that meaningful work outranks income, bonuses and other criteria in career relevance etc. For the purpose of this study 3500 workmen from US & UK opined their views and major finding of this study confirmed that the employees, with a significant sense of understanding work purpose, enjoy their work four times greater than those who had no sense of significance and purpose in their work. Further reviews and findings of research studies of wool handle (2012), Meiser (2007) and Heyman (2004) concluded that the hidden logic of sharpening our motivation triggered by non-financial R & R.

The present study proved empirically 'the motivational levels of employees with non-financial R & R will be higher than employees with financial R & R'.and levels and further, Motivational persistence levels appear to be better through non-financial R & R.

## Conclusion

In this study, Ariely's first law ('meaningful work is the source of employee motivation') and third law (Non- monetary rewards are true motivational rewards ) are validated by empirical analysis and thus concluded that

non-financial rewards & recognition related HRM practices should be given due attention for sustaining and improving the motivational levels of employees.

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## Notes

Dan Ariely is a professor at Duke University and notable scholar in the areas of psychology and behavioural economics. Authored three bestselling books – "Predictably irrational", "The Honest Truth about Dishonesty", and "The Upside of Irrationality".

## Role of Reward in Job Satisfaction and Motivating Employees' Performance

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### Abstract

Every organization wants productive employees and the only way to do that is to give employees proper rewards to make them satisfied with their jobs and also to motivate them to induce employee's performance. The study highlights the relationship between reward, job satisfaction, employee motivation and employee performance. Responses from 73 employees have been taken using the purposive sampling method. Statistical analysis like reliability statistics, regression analysis etc has been done using SPSS 20.

**Keywords:** *Reward, Intrinsic Reward, Extrinsic Reward, Job Satisfaction, Employees Motivation, Employees Performance*

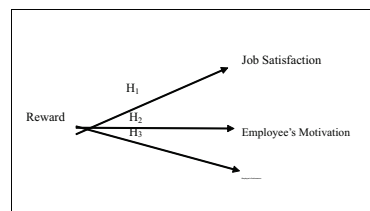
### Introduction

Malhotra et al. (2007) defined rewards as "all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship". Business organizations consider rewards as a way to motivate certain behaviours among employees. It is always perceived that rewards can motivate employees to perform better as it brings commitment and zeal to employees. Also, rewards can bring satisfaction to employees (Shanks 2007, Bessell et al. 2002, Drake et al, 2007). Organizations want their employees to be productive and without being satisfied with the job, employees cannot give their best in the job. In this regard, reward plays an important part in motivating employees to do their tasks efficiently and effectively. Rewards are categorized as extrinsic and intrinsic

rewards. Extrinsic rewards are composed of a healthy relationship, meaningful work, competence, progress, and choice (Manion, 2005) while intrinsic rewards are composed of skill variety, autonomy, etc (Malhotra, et al, 2007). Previous researches suggest that employees are more motivated by intrinsic rewards in comparison to extrinsic rewards (Brief & Aldag, 1983). It is always perceived that human resource is the main asset of an organization. But the main problem lies with the organization is retaining productive employees. Unless and until employees are motivated and satisfied with their job, it is not possible for the organization to retain employees and reap the maximum benefit from them. So a proper and systematic reward system in the organization is in essence to hire quality staff and retain these staff. Every organization senses the problem of conflict and friction; in order to avoid that also proper reward system is important. Because a motivated and satisfied employee will never become a hurdle for the organization.

### Conceptual Framework

Based on the previous literature, one dependent variable and three independent variables are chosen. The dependent variable is reward while the independent variables are job satisfaction, employee motivation and employee performance.



Source: Literature review

**Objectives and Hypotheses Development**

The study aims at finding the relationship among dependent variable (reward) and independent variables (job satisfaction, employees' motivation & employees' performance). The hypotheses have been developed keeping in view of existing literatures which are listed as below.

H<sub>1</sub>: Reward to employees has positive association with job satisfaction.

H<sub>2</sub>: Reward to employees has positive association with employees' motivation

H<sub>3</sub>: Reward to employees has positive association with employees' performance

**Methodology**

Questionnaire consisting of 27 items has been designed focusing on the objectives of the study. For each statement in the questionnaire, 5 point Likert scale has been taken (where 1= strongly agree, 2= agree, 3= neutral, 4= disagree and 5=strongly disagree). The study has one dependent variable i.e., reward which includes 8 items while independent variables such as job satisfaction has 7 items, employees' motivation has 6 items and employees' performance has 6 items. Purposive sampling technique has been adopted for the study by taking responses from 73 employees. Data has been analyzed using the statistical software SPSS 20. Reliability statistics is used to validate internal consistency among statements in the questionnaire while regression analysis is done to test the hypotheses.

**Results of the study**

**Table 1: Reliability Statistics**

Cronbach's Alpha	No. of Items
0.729	27

(Source: Data Analysis)

“The reliability coefficient of 0.70 is

adequate for research instruments” (Whitley, 20002, Robinson, 2009). The Cronbach's alpha coefficient 0.729 suggests that items have high internal consistency.

**Table 2: Descriptive Statistics**

	Mean	Standard Deviation	N
Reward	1.8967	.34836	73
Job Satisfaction	1.5848	.47977	73
Employees' Motivation	1.7321	.60108	73
Employees' Performance	1.8869	.44165	73

(Source: Data analysis)

The above table depicts the mean score and standard deviation of the dependent and independent variables.

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Square Std. The error of The Estimate	Change statistics				
					R square change	F	DF 1	DF 2	Sig. F change
1	.562	.343	.311	.29865	.311	24.164	1	73	0.000
2	.695	.494	.441	.25432	.171	17.153	1	72	0.000
3	.711	.511	.501	.24253	.052	7.632	1	71	0.021

Predictors: (Constant), Job satisfaction, Employees' motivation  
 Predictors: (Constant), Job satisfaction, Employees' motivation, Employees' performance  
 Dependent Variable: Reward  
 (Source: Data analysis)

The value of present adjusted R<sup>2</sup> for the present regression model is .501 which indicates that 50.1% of the variations in employees' reward can be explained by the three-variables.

**Table 4: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	.234	.217		1.082	.284
	Employees' motivation	.251	.079	.347	3.198	.002
	Job satisfaction	.220	.078	.283	2.793	.007
	Employees' performance	.215	.087	.270	2.495	.016

(Source: Data analysis)

The final regression model suggests that employees' motivation (p<.005, β= .251) has come out to be the most statistically



significant variable in predicting reward followed by job satisfaction ( $p < .005$ ,  $\beta = .220$ ) and employees' performance ( $p < .005$ ,  $\beta = .215$ ). The regression equation is formulated based on unstandardized coefficients (B) is as follows:

$$Y = .234 + .251X^1 + .220X^2 + .215X^3$$

**Result of Hypotheses**

H1	Accepted
H2	Accepted
H3	Accepted

(Source: Data analysis)

**Conclusion**

The result of the analysis indicates that all the independent variables i.e., employees' motivation, job satisfaction & employee performance are positively related to the dependent variable i.e., reward. So, we can clearly say that reward motivates employees to perform better because they feel satisfied with their job (Grant, 2008; Sledge et al., 2008). A proper reward system must be implemented to motivate the employees and also to satisfy the employees. Because only a motivated employee can perform to the best of his ability.

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## Effect Of Reward & Recognition On Employee Motivation

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### Introduction

People differ in nature, not only in their ability to perform a specific task but also in their will to do so. People with less ability but stronger will are able to perform better than people with superior ability and lack of will. Hard work is crucial to success and achievement. This belief was underscored by Albert Einstein when he said that “genius is 10% inspiration and 90% perspiration. This “will” to do is known as motivation.

The force of motivation is a dynamic force setting a person into motion or action. The word motivation is derived from motive which is defined as an active form of a desire, craving or need which must be satisfied. All motives are directed towards goal and the needs and desires affect or change your behavior, which becomes goal oriented. If we look around at people who are successful it can be noticed that they are self-motivated and they are full of energy. This energy is positive. It sustains them through good and bad times; through luck and adversity; it draws other people to them like powerful magnet. Finally, it helps them accomplish what they wish to do and lead fulfilling lives. In other words, sustained motivation is the internal battery that keeps us moving towards our goals.

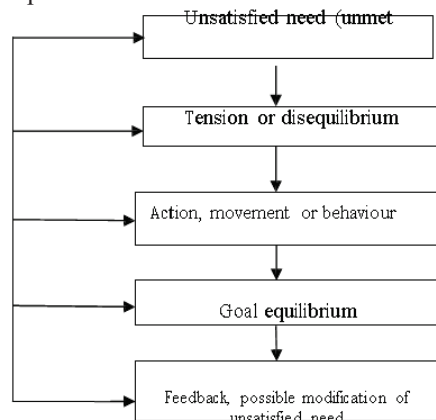
### Motivation – Defined

Viteles defines motivation as follows “Motivation represents an

unsatisfied need which creates a state of tension or disequilibrium carrying the individual to move

in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need.”

Motivated people are in constant state of tension. This tension is relieved by driving towards an activity and outcome that is meant to reduce or relieve such tension. The greater, the tension, the more activity will be needed to bring about relief and hence higher motivation. Thus the basic motivation process can be depicted as follows:



### Challenges In Reward & Recognition

#### Motivation Is From Within:

Most of us assume and wrongly so, that motivation is external. Parents promise their children something the child wants if the child gets a good rank in school.

In the workplace, supervisors and managers tempt with incentives in form of cash awards or holidays if they achieve their targets. The biggest problem with all these action is that they are external. True and sustained motivation is internal. In this regard motivation is similar to happiness. Both need to come from internal resources of the person. External factors can be catalysts at best; they cannot result in motivation or happiness. Because motivation is internal, it is sustainable and can steer a person through good and bad times.

#### **Characteristics of Motivation:**

The concept of motivation has 3 basic characteristics. These are:

- **Effort:**

The amount of effort put into the activity identified the strength of the person's work related to behavior. Hard work usually reflects high motivation. A student who works very hard to get top grades can be referred to as highly motivated. A professor who is engaged in research and published many high quality articles in exerting extensive research relating to his job.

- **Persistence:**

Motivation is a permanent and an integral part of a human being. Its second characteristic is persistence in the efforts

.Motivation is continuously goal-directed so that once a goal is achieved a higher goal is selected and efforts are

exercised towards this higher goal. For e.g., a professor who publishes simply to get a promotion and then stops or reproduces research efforts would not be considered as highly motivated. Accordingly, high motivation requires persistent efforts.

- **Direction:**

Persistent hard work determines the quantity or effort while direction determines the quality of the anticipated output. All efforts are to be directed towards the organizational goal. This would ensure that the persistent effort is actually resulting into accepted organizational growth expected to direct his effort in discovering defects in the produced items so that the organizational goal of high quality output is met

#### **Motivation Process**

The Motivation Process goes through the following steps:

- **Analysis Of Situation:**

The situation that needs motivational inducement must be sized up so as to ascertain the motivational needs. From organizational behavior point of view it must be recognized that since the needs of different employees differ both in nature as well as intensity, a composite view of the collective needs of the group is established with appropriate recognition of differences in individual needs.

### ● **Selecting And Applying Appropriate Motivators:**

A list of all devices of motivation is drawn and a selection of such motivators is made for different types of people under different circumstances. Proper timing and the extent of motivation is also to be considered. The individual goal should be given adequate attention within the framework of goals and the organizational goals.

### ● **Follow Up:**

It is important to know that the motivators selected are indeed providing the desired motivation. This can be accomplished by getting and evaluating the feedback. If these motivators produce the optimum effect, then the alternative motivation should be selected and applied.

### **Source Of Motivation:**

Experts in the organizational behavior field have a divided opinion as to whether workers are motivated by factors in the external environment such as rewards or fear or whether motivation is self-generated without the application of external factors. It is quite well understood that under the same set of external factors all are not equally motivated. Some of the motivational sources are:

● **Positive Motivation:** Positive motivation involves proper recognition of employee efforts and appreciation of

employee contribution towards the organizational goal achievement. Such motivation improves the standards of performance, leads to good team spirit and pride, a sense of cooperation and a feeling of belongingness and happiness. Some of the positive motivations are:

- Praise and credit for work done.
- A sincere interest in the welfare of subordinates
- Delegation of authority and responsibility to subordinates
- Participation of subordinates in the decision making process.

● **Negative Or Fear Motivation:** This motivation is based upon the use of force, power, fear and threats. The fear of punishment and unfavorable consequences affect the behavioral changes. Some examples of negative motivation include the fear of failing in the examination and fear of being fired or demoted. Fear of failure in the examination includes motivation in many students to work harder and pass the course. Similarly, fear of being fired keeps the workers in line with the organizational rules and regulations as well as do a satisfactory job.

● **Extrinsic Motivation:** This type of motivation is induced by external factors which are primarily financial in nature. It is based upon the assumption that the behavior which results are positive rewards tends to be repeated. However, the reward for the

desired behavior should be sufficiently powerful and durable so that it improves the probability of occurrence of desirable behavior. Money is probably the most important incentive for positive behavior since money can be used for a number of other resources.

● **Intrinsic Motivation:** Intrinsic Motivation stems from feeling of achievement and accomplishment and is concerned with the state of self-actualization in which the satisfaction of accomplishing something worthwhile motivates the employee further so that this motivation is self-generated and is independent of financial rewards. Some of the intrinsic motivations are praise, recognition, responsibility, esteem, power, status, challenges and decision-making responsibility.

### **Linkage Of Reward & Recognition On Employee Retention C Approach Towards Incentive Schemes**

#### **Theories Of Motivation:**

Motivational theories can be categorized into two parts; the early theories and the contemporary theories.

#### **Early Theories:**

##### ● **Maslow's Hierarchy Of Needs Theory:**

Abraham Maslow was the first person who tried to develop a theory of motivation. Although his theory had certain drawbacks, it remains one of the

best and most useful theories which help us understand human needs. As per his theory, there exists a hierarchy of five needs in an individual:

- Physiology (hunger, thirst, sex etc.)
- Safety (security and protection from physical and emotional harm)
- Social ( affection , belongingness, acceptance)
- Esteem (self-respect, achievement, status recognition etc.)
- Self-actualization (achieving one's potential and self-fulfillment)

As each of these needs become substantially satisfied the next higher need becomes dominant. However, Maslow maintained that one can only climb up this needs to social needs and so on. Apart from ruling out any backward movement in his theory, Maslow ruled out the existence of more than one need at any point of time in an individual.

##### ● **Theory X And Theory Y:**

DOUGLAS McGregor proposed two distinct views of human beings. Theory X assumes that employees dislike work; are lazy, dislike responsibility and must be coerced to perform.

Theory Y assumes that employees like work, are creative, seek responsibility and can exercise self-direction.

- **Motivation Hygiene Theory :**

As per the theory by Herzberg intrinsic factors like achievement, recognition, responsibility and growth are related to job satisfaction( motivators),extrinsic factors like company policy and administration, supervisor, interpersonal relations and working conditions are related to job satisfaction (Hygiene factors)

Managers seeking to eliminate factors creating job dissatisfaction can bring about peace, but not necessarily motivation, for which the motivators (intrinsic factors) have to be further considered.

### Contemporary Theories:

- **ERG THEORY:** Proposed by Clayton Alderfer, it is derived from Maslow's Hierarchy of needs Theory and identified three groups of core needs.
  - Existence (basic material requirements)
  - Relatedness (interpersonal relationship)
  - Growth(personal development)

The theory maintains that more than one need can exist in an individual at any given point of time. Alderfer even said that there could be forward as well as backward movement in his need theory. Thus Alderfer's effort helped to correct all the drawbacks of the Maslow's need theory.

- **McClelland's THEORY:** According to this theory, achievement, power and

affiliation are the three Important needs that keep people motivated. Managers need to identify the need inherent in their subordinates and responsibilities to complement the needs for achievement, power and affiliation for best results.

- **Cognitive Evaluation:** The major implications of this theory relate to the way in which people are rewarded in organizations. It states that allocating extrinsic rewards for behavior that has been previously intrinsically rewarded tends to decrease the overall level of motivation. For e.g. rewarding honesty in monetary terms may decrease the long run overall motivation levels of a person who is honest for intrinsic relations like self-satisfaction.

- **Goal Setting Theory:** Specific and difficult goals lead to higher performance. Also self-generated feedback where the employee is able to monitor his/her progress, is a greater monitor than externally generated feedback.

- **Reinforcement:** The theory adopts a behavioristic approach, whereby it argues that reinforcement conditions behavior. Reinforces are any consequence that, when immediately following a response, increases the probability that the behavior will be repeated. For e.g. If coming early is rewarded, then the probability of

coming early in future increases, where in the consequence is the reward while the response is coming early.

- **Equity Theory:** Individuals compare their job inputs and outcomes with those of others and then respond so as to eliminate any inequities. The theory recognizes that individuals are concerned not only with the absolute

amount of awards for their efforts but also with the relationship of the amount to what others receive.

- **Expectancy Theory:** as per this theory, an employee is motivated to exert a high level of effort when he believes that his efforts would lead to a good performance thereby leading to organizational rewards and hence satisfying his personal goals and motives.

To understand individual motivation levels one has to take in various aspects of each of the above theories, since human behavior is complex in nature. yet it is a fact that even without any understanding of the above theories one can be a great motivator just by having an honest urge to understand the other person's point of view, for all that these theories basically, tell us is to empathize with others.

### **Employee Friendly compensation benefits**

(Scientific various schemes focusing Reward & Recognition • Performance Management & Rewards & Recognition t schemes. • Employee Friendly compensation benefits).

Labour falls under the Concurrent List of the Constitution. Therefore, both Parliament and state legislatures can make laws regulating labour. The central government has stated that there are over 100 state and 40 central laws regulating various aspects of labour such as resolution of industrial disputes, working conditions, social security and wages. The Second National Commission on Labour (2002) found existing legislation to be complex, with archaic provisions and inconsistent definitions.

To improve ease of compliance and ensure uniformity in labour laws, it recommended the consolidation of central labour laws into broader groups such as: (i) industrial relations, (ii) wages, (iii) social security, (iv) safety, and (v) welfare and working conditions.

In 2019, the Ministry of Labour and Employment introduced four Bills to consolidate 29 central laws. These Codes regulate: (i) Wages, (ii) Industrial Relations, (iii) Social Security, and (iv) Occupational Safety, Health and Working Conditions. While the Code on Wages, 2019 has been passed by Parliament, Bills on the other three areas were referred to the Standing Committee on Labour. The Standing Committee has



submitted its report on all three Bills. The government has replaced these Bills with new ones on September 19, 2020.

In this note, we first compare some significant changes made in the 2020 Bills as compared to the 2019 versions. Then we discuss some of the significant issues to consider regarding the three Bills.

## **Code on Social Security, 2020**

### **Social security entitlements**

- The 2019 Bill mandated social security for certain establishments, based on thresholds, such as the size of the establishment and income ceilings. The 2020 Bill states that the central government may, by notification, apply the Code to any establishment (subject to size-threshold as may be notified).

- Further, under the 2019 Bill, the government could notify schemes for unorganized sector workers (such as home-based and self-employed workers), gig workers, and platform workers. Gig workers refer to workers outside the traditional employer-employee relationship. Platform workers are those who access organizations or individuals through an online platform and provide services or solve specific problems. The 2020 Bill makes the following changes for such workers:

- Social security funds for unorganized workers, gig workers and platform

workers: The 2019 Bill empowered the central government to set up social security funds for unorganized workers, gig workers and platform workers. The 2020 Bill states that the central government will set up such a fund. Further, state governments will also set up and administer separate social security funds for unorganized workers. The 2020 Bill also makes provisions for registration of all three categories of workers - unorganized workers, gig workers and platform workers.

- National Social Security for gig workers and platform workers: The 2019 Bill provided for the establishment of a national and various state-level boards for administering schemes for unorganized sector workers. The 2020 Bill states that in addition to unorganized workers, the National Social Security Board may also act as the Board for the purposes of welfare of gig workers and platform workers and can recommend and monitor schemes for gig workers and platform workers. In such cases, the Board will comprise of a different set of members including: (i) five representatives of aggregators, nominated by the central government, (ii) five representatives of gig workers and platform workers, nominated by the central government, (iii) Director General of the ESIC, and (iv) five representatives of state governments.

• **Role of aggregators:** The 2020 Bill clarifies that schemes for gig workers and platform workers may be funded through a combination of contributions from the central government, state governments, and aggregators. For this purpose, the Bill specifies a list of aggregators in Schedule 7. These mention nine categories including ride sharing services, food and grocery delivery services, content and media services, and e-marketplaces. Any contribution from such an aggregator may be at a rate notified by the government falling between 1-2% of the annual turnover of the aggregators. However, such contribution cannot exceed 5% of the amount paid or payable by an aggregator to gig workers and platform workers.

### **Inter-state migrant workers and unorganized workers**

• **Definition:** The 2019 Bill defined inter-state migrant worker as a person who: (i) has been recruited by an employer or contractor for working in another state, and (ii) draws wages within the maximum amount notified by the central government. The 2020 Bill adds that any person who moves on his own to another state and obtains employment there will also be considered an inter-state migrant worker.

The 2020 Bill also specifies that only those persons will be considered as inter-state migrants who are earning a

maximum of Rs 18,000 per month, or such higher amount which the central government may notify.

• **Benefits for inter-state migrant workers:** The 2020 Bill provides for certain benefits for inter-state migrant workers. These include: (i) option to avail the benefits of the public distribution system either in the native state or the state of employment, (ii) availability of benefits available under the building and other construction cess fund in the state of employment, and (iii) insurance and provident fund benefits available to other workers in the same establishment.

• **Displacement allowance:** The 2019 Bill required contractors to pay a displacement allowance to inter-state migrant workers at the time of their recruitment, which was equivalent to 50% of the monthly wages. The 2020 Bill removes this provision.

• **Database for inter-state migrant workers:** The 2020 Bill requires the central and state governments to maintain or record the details of inter-state migrant workers in a portal. An inter-state migrant worker can register himself on the portal on the basis of self-declaration and Aadhaar.

• **Social Security Fund:** The 2020 Bill provides for the establishment of a Social Security Fund for the welfare of unorganized workers. The amount collected from certain penalties under

the Code (including the amount collected through compounding) will be credited to the Fund. The government may prescribe other sources as well for transferring money to the Fund.

### **Recommendations of the Standing Committee**

The Standing Committee on Labour (2020) had given certain other recommendations on the 2019 Bill. Further, some of the Committee's recommendations on the 2019 Occupational Safety, Health and Working Conditions (OSH) Code, 2019, also applied to the 2019 Bill. We summarise these recommendations below and the extent to which the 2020 Bill incorporates these recommendations:

- **Reduction in term for gratuity:** Under the 2019 Bill, gratuity is payable if the employee has served a continuous period of five years. The Committee recommended reducing this to one year and extending gratuity to all other categories of workers including contract, seasonal, and piece-rate workers. The 2020 Bill only reduced gratuity entitlement for working journalists from five years to three years.
- **Employment Exchanges:** One of the laws replaced by the 2019 Bill governs employment exchanges, where certain employers are required to report vacancies and job seekers may track openings. The Committee noted that

this law is not connected with social security and recommended its removal from the Bill. This recommendation has not been incorporated in the 2020 Bill.

- **Social security for plantation workers:** The OSH Code contains health and safety provisions for workers in plantations measuring at least five hectares. In its report on the OSH Code, the Committee noted an assurance of the Ministry that workers in plantations measuring less than five hectares would be covered in the Code on Social Security. However, the definition of a "plantation" in the 2019 Bill retained the five-hectare threshold. This recommendation has not been incorporated in the 2020 Bill.

The 2020 Bill also defines the term 'employer' to mean a person who employs any persons and specifically includes certain categories of workers. In the case of a factory, employer means the occupier of a factory, i.e., the person with ultimate control over the affairs of the company. However, the remaining three labour codes define the term 'employer' to include occupier as well as the manager of the factory. It is not clear why managers of factories have not been included in the definition. Further, the Bill also does not define certain terms used to define an 'establishment'. These include the terms 'industry', 'trade', 'business', 'manufacture' or 'occupation'.

**Importance Of Self-motivation:**

The potential, the power, and the urge within a person which encourages him or her to move into action is self-motivation. If the aim is sensible, lawful and useful, it is the result of positive motivation and opposite is negative motivation.

Positive motivation leads us to climb the ladders of success despite obstacles. It steers us to reach the point of happiness even though the route is rough and tough. Those who are imbued with the influence of self-motivation can succeed by cashing in on the scarce opportunities appearing before them.

Self-reliance, self-sufficiency, self-development and self-achievement are the expressions originating from the primary source of self-motivation. An organization, a society, which has more number of self-motivated persons develop faster and stronger in all fronts. Self-motivation is something that can produce tangible results and it has a demonstration effect, in fact a multiplier effect.

Self-motivation is self-compulsion, self-awareness and self-discipline. The power within a person gives energy to seek opportunities with confidence and courage in a world of uncertainties and inequalities. Life is a shelf which has two parts. Self-motivation shows the strength to close the one of defeat and sorrow and supplies the stamina to open the other

shelf of success and happiness. Self-motivation is the personal tool for success and contentment.

**Ref:-**

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## The Effect Of Rewards And Recognition On Employee Motivation

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In this paper main focus is given on employees how they get effects by rewards and recognition which help them for employee motivation. The more the employee is motivated in the job. It becomes easy, flexible and very productive in the work he does. The rewards and recognition are monetary and non-monetary aspects of job are studied. IT employees were chosen for the study. Both primary and secondary data were taken in this paper. Hundred convenient samples were taken for the paper. The results show that salary, opportunity to grow in the job, support from manager and higher authority and time flexibility are given to employee in the organization they get motivated.

**Key words:** Motivation, IT employees, salary, Rewards and Recognition.

Most of the organizations are now days have the employee with generation from generation Z. Which is more technology driven. The employees from baby boomer to generation XYZ are asked to connect with more of technology. The young generation celebrates the success stories in social media. The rewards and recognition are completely kept in transparent mode. All the employee has accessibility , ability to know the achievements done by the colleagues. The young employees in the organization as well as the experience employees. All the generation employees have the same factors which motivates the employee to stay in the organization. The generation in which they are born, age, experience, sex, society, culture, government, family, value system etc. are taken to

consideration when we talk about the employee motivation.

The rewards and recognition are very much essential part of employee working environment. The rewards many be in the form of monetary rewards like money, gift, bonus increase, incentives, car, houses, share in the company etc. While recognition is purely based on non-monetary appreciation, recognition, respect, honor, dignity, status, affection , name, fame, admiration, autonomy in work, time flexibility, work flexibility, extra holidays and time off etc.

Every stage in employee life had different type of career stages and employee has different type of motivation connected to job.

- Exploration stage, employee typical age range will be generally 21-25 years
- Establishment. stage ,employee typical age range will be generally 25-35 years
- Mid-career stage, employee typical age range will be generally 35-45 years
- Late-career stage, employee typical age range will be generally 45-55 years
- Decline stage, employee typical age range will be generally 55-65 years

In this paper we focus more on the employee belonging to Exploration and Establishment stage ageing between 21 to 35 years. In this stage the employee have lots of job offer due to young age and impact of LPG.

The employee also has lots of confusion and deviation from the job they are performing. The employees have the different types of motivating factors individually when they are very young. They are ready to take risk, change the job, wants lots of exposure, experience, want to make money. When they join the organization after the training period slowly they try to connect with the organization objective, goals, colleagues, work culture, personal objectives etc. When employee start to connect and perform the work. After few months and years they are been okay with the work they are performing. They are looking out for rewards and recognition in the organization.to keep them motivated.

When the employee has learned something new in the job, he puts all effects to perform the job, the organizational objectives are achieved and he is the part of that team. Employee feels extremely happy to get rewards and recognition. If the rewards and recognition are given to the employee at right time without any discrimination and favourism in the job performance employee feel happy and very much motivated to perform the job in the organization. So keeping this back ground let us study more literature reviews

Factors	Authors	Findings	Year
Compensation	C.O. Trevor, B. Gerhart, J.W. Boudreau.	Voluntary turnover and job performance: curvilinear and the moderating influences of salary growth and promotions	1997
	D.Davies, R. Taylor, C. Savery.	The role of appraisal, remuneration and training in improving staff relations in the Western Australian accommodation industry: A comparative study.	2001
	DG Gardner, L Van Dyne, JL Pierce.	The effects of pay level on organization-based self-esteem and performance: a field study.	2004
	GM Milkovich, JM Newman.	Compensation (8th ed.).	2004
	E Moneraz, J.Zhao, and C.Kay.	An exploratory study on US lodging properties, organizational practices and Employee turnover and retention.	2009
	Dr. Baskar	Individual unique, values, Beliefs and practices are very essential to motivate them apart from compensation	2015
Dr. R. Gopinath	The monetary rewards are very essential to keep employees motivated in the job.	2021	
Reward and Recognition	N.C. Agarwal	Reward Systems: Emerging Trends and Issues	1998
	J.W. Walker	"Perspectives" Human resource planning	2001
	L.T. Silbert	The effect of Tangible Rewards on Perceived Organizational Support.	2005
	Aaron Johnston	Study reveals that rewards that is non-monetary rewards play a vital role in employee motivation	2022
Promotion and opportunity for Growth	M. R. Pergamit, and J. R. Veum.	What is a promotion??"	1999
	Meyer, John, Larissa Topolnysky, Henryk Krajewski and Ian Gellatly.	Best Practices: Employee Retention	2003
	B.J. Prince.	Career-focused employee transfer processes.	2005
	L. Eyster, R. Johnson and E. Todder .	Current strategies to employ & retain older workers.	2008
Participation in Decision Making	P.Hewitt	High Performance Workplaces: The Role of Employee Involvement in a Modern Economy	2002
	Y. Noah	A Study of Worker Participation in Management Decision Making Within Selected Establishments in Lagos, Nigeria	2008

### Problem Statement

Most of the IT organization wants the keep the employee more motivated towards job. To keep them motivated it uses both monetary and non-monetary rewards and recognition. But making right strategies of both monetary and non-monetary rewards and recognition. is a major challenge for all IT organization.

### Objective Of Study

To identify factors motivating employee

### Research Methodology

Descriptive method has been used in this paper.

### Scope Of The Study

The scope of the study is confined to the IT Company located in electronic city Bengaluru only.

### Source Of Data

Data was collected from both primary and secondary sources. Primary data was collected through structured questionnaire methods. The secondary data was extracted from different publishers and websites.

### Sample Design

Non Probability sampling technique was used for the paper. Convenient random sampling has been used.

### SAMPLE SIZE

Hundred convenient samples were taken for the study.

Descriptive Statistics				
Sl.No	Job motivating factors	N	Mean	Std. Deviation
1	Able to get Better Salary	100	3.34	1.318
2	Support from Co-worker	100	1.90	1.098
3	Flexible Work timings	100	3.02	1.432
4	Better Job Opportunities	100	3.09	1.260
5	Support from manager and higher authority	100	3.03	1.107
6	Lots of recognition	100	2.25	1.221
7	Good job security	100	3.00	1.293
8	Do you feel happy in job	100	2.28	1.223
	Valid N (listwise)	100		

Sourced from primary data

Ø Able to get better salary 3.34, employees consider salary packages that are money as the major motivating factors in job. IT professional join the job with lots of handsome salary expectation.

Ø Better job opportunities 3.09, young IT employees look for lots of job opportunity to grow in the in the early stage.

Ø Support from manager and higher authority 3.03, makes employee more support and motivated to work in the organization.

Ø Flexible Work timings 3.02, employee

love to have flexibility in work timings. If the organization is able to provide them with time flexibility they feel comfortable and motivated to work.

When we talk about the role of rewards and recognition they are part of every organization. Directly or indirectly they will motivate the employees. We see that salary (money) is one of the most motivating factors for all age groups. Employee is ready to take the higher risk in job only for the purpose of earning the money. The opportunity to grow in the job is considered to be one of the best sign of non-monetary rewards employees always want the right amount of opportunity to grow in the job. Everywhere employee work he or she need the support within the organization. If the manager and higher authority are showing the supporting hands to the employees. Employee feel completely motivated ready to work hard, innovation, invention, involvement in the job increases, the employee are able to take up any type of responsibility when they have the support from manager and higher authority. The good amount of time flexibility like work from home, hybrid working environment were employee visit office thrice in a week or four time in a week make them feel more secure, flexible in the job they are performing. IT employees go through lots of stress in the job. The fluctuation in the work creates them to have the high amount of pressure. So if the employee is given the flexibility in the working timings they will be more motivated to work according to the convenience of them.

### Conclusion

We see that motivation is a common element found in every organization. But how to motivate, how much to motivate, what make them motivated is a big night mare. Even though many research and theories are been put in the field. The



The concept of motivation get more and more extended its horizon when we start to talk about the motivation. Rewards and recognition are part of monetary and non-monetary aspects. which has huge impact on motivating the employee. One of the major key aspects of motivation are making the employee become more connected, attached and addicted to the job that they are doing. So we can say the rewards and recognition aspects of job helps the employees to be completely motivated to the job.

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## Redesigning the Rewards and Recognition Program: A Scientific Approach

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### Abstract

A systematic, scientifically designed Rewards and Recognition program is crucial for the success of its effective impact. An R & R is just not distributing gifts and certificates but a genuine step towards retention of talent and achieving business goals making it a win-win situation for both the parties. A R&R program shall be designed with a scientific approach considered to build employee relations to business goals through employee expectation & branding.

Employee recognition is as much an organizational management issue as it is one related to the basic needs of individuals.

An analysis reveals that recognition takes four main forms: personal recognition; recognition of results; recognition of work practice; and recognition of job dedication. The R & R program shall also be redesigned periodically so that the employee shall always be excited and enthusiastic to participate and thrive to give the best. To increase the enhancement of R&R, RISE (Regular, Immediate, Specific & Encouraging) model is suggested.

Keywords: Rewards & Recognition, employee engagement, Scientific approach, Effectiveness Model. current trends in R&R.

### (II) Introduction

All organizations have predetermined objectives and goals that are the focus of their efforts and allocation of resources. The workforce of such an organisation is led by its major actors - the employees. The employee needs motivation to  
The Retail industry is the fastest growing

industry and with the entry of FDI in India, various players come up as a competitor to one another. They all have practically comparable products, price, destination reachability, product accessibility and proximate client decisions. The main asset that creates the difference among the retail stores is customer representative or employees or staff. Thus, on account to have competitive advantage over other stores, it is imperative to focus on this precious resource which is Human Resource i.e. Employees. As rightly quoted by *Stephen R. Covey* - "*Always treat your employees exactly as you want them to treat your best customers,*" Management shall focus on employee delight before going for customer delight.

The financial cost related to attrition of talented employees include replacement of the employee, separation of the employee, turnin time, recruiting & selecting, interviewing, onboarding, and training and development of the new hire. The cost of hiring, selecting, and training new personnel often exceeds 100% of the annual CTC for the position and varies from 1.5 and 2.5 times the annual salary paid for a job.

In addition to these evident financial costs, losing an employee can also lead to hampering the work, loss of tacit or strategic knowledge, lessening of productivity and customer service, diminished diversity, even a turnover effect on existing employees. Both the direct and indirect financial costs of employee attrition significantly affect organizational productivity. A Strong correlation between turnover and organizational productivity shows that a

1% rise in turnover results in a 40% reduction in workforce productivity and a 26% loss in financial performance.

With workers constituting about 80% of a company's expenses, it is vital that the workforce be engaged. Engagement is found to correlate with positive organizational outcomes such as lower absenteeism, lower turnover intention, lesser costs and higher growth.

Rewards and recognitions are significant ways that can motivate employees to accomplish organizational goals and play a key role in employee retention. According to [Deloitte](#), companies with employee recognition programs have a 31% lower voluntary turnover.

Rewards and recognition practices are an integral part of HR strategy. Rewards are the material and psychological payoffs given to an employee for performing tasks well in the workplace. Organizations can't merely replicate the rewards and recognition practices of other organizations. Rather, rewards and recognition strategies should be created to support an organization's unique culture. Developing these strategies has typically been more of a science than art.

A system of rewards cannot therefore expect to be successful unless the organization has a thorough understanding of the various needs & expectations of its diverse employees so there is an intricate need of developing a R&R program with scientific approach as per organisational values and mission.

An effective rewards and recognition strategy enables organizations to deliver the right types of rewards and recognition, to the right people, at the right time, for the right reason. *"People will always work harder when they know they are appreciated."*

### (III)Literature Review

**Reward:** Jack Zigon defines rewards as "something that increases the frequency of

an employee action" (1998). **Recognition:** It is constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs, and equipped with their own personal expertise. (Brun & Dugas, 2002). **Motivation:** Abraham Maslow (1954) defines motivation as the Cognitive, Aesthetic and Transcendence aspects, which drives a man towards a developmental change.

### Operational Definition:

**Reward:** A formal, impartial, and equitable exchange. A material or financial expression of appreciation that is conditional on results.

**Recognition:** is a relationship between two or more people. Recognition is a return on an employee's effort and dedication at work, as well as his or her results. **Motivation:** It is the process of boosting the morale of employees to encourage them to willingly give their best in accomplishing assigned tasks.

### The Total Rewards Model



Many organisations that have adopted the practice of non-cash (intrinsic) rewards have the ability to recognise the individual employee as well as groups and teams within the organisation. These intrinsic rewards, whereby employees are recognised for their efforts, accomplishment and quality of work, ensure the commitment, engagement and motivation of employees and team members. It is now more evident that employees have the opportunity to make suggestions on the structure of the reward

system within their own organisations (Allen & Killman, 2001). Sweins, Kalmi and Hulkko-Nyman (2009) propose that organisations should be obligated to explain to their employees how the reward system and structure works. Greater knowledge of the system is crucial in ensuring that employees understand what is expected of them. The question is therefore proposed as to which rewards are the real motivators of work engagement. From a strategic perspective, it is crucial that an effective total reward system is designed to ensure greater employee and organisational outcomes.

Various total rewards models and frameworks have been developed in recent years, offering different reward structures. Many of these programmes offer similar rewards and benefits. The World at Work model (2007) offers five main reward groups: (1) remuneration, (2) benefits, (3) work life, (4) performance and recognition, and (5) development and career opportunities. The Corporate Leadership Council (CLC) Total Reward Framework (2005) includes base pay, health and wellness benefits, leave benefits, retirement benefits, bonus and incentives, and family-friendly benefits in its model. Armstrong and Brown's total rewards model (2006) had a similar structure as that of World at Work, but it added an additional category of work experience. Zingheim and Schuster (2007) grouped their model into three categories: total pay, performance and/or people management and other types of rewards. Their model was especially popular because of their integration with other human resources processes and their attention to retaining critical talent. Nienaber's reward preference model (2010) was based on the integration of the existing models of the majority of reward categories of most of the prominent total rewards models (Armstrong & Thomson, 2002; CLC, 2007; Lawler, 1990;

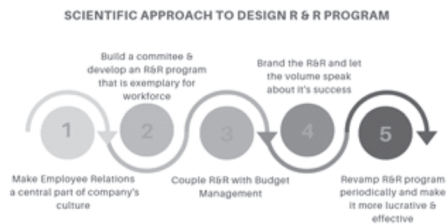
Milkovich & Newman, 1999; WorldatWork, 2007; Zingheim & Schuster, 2007).

Organisations must take cognisance that factors such as performance and career management significantly predicted work engagement and should be considered as part of their total reward offerings. (Hoole C, 2016)

(Barkhuizen 2014) highlighted the importance of remuneration practices in the attraction and development of employees to organisations. Management can use this information and develop reward strategies to ensure effective talent management (attraction, development and retention). This will ensure a talent pool that can contribute to the sustainability and competitiveness of organisations in a developing country.

#### **(IV) Frameworks** **Scientific Approach towards designing R & R program**

##### **Frameworks**



Recognition helps employees see that their company values them and their contributions to the success of their team and the company overall. This is particularly key when organizations grow or change. It helps employees build a sense of security in their value to the company, motivating them to continue great work.

The R&R program is not only about distributing the rewards to the achievers but its roots are sewn long back. The successful implementation of any HR policy is highly proportionate to Employee Relations.

In the retail sector, employees are highly valued as they are the distinguishers. With the boom in retail organisation, floor staff or frontend employees are the ones who create a long term impact on consumers and thrive for excellence.

Employee relations contribute to the quality engagement and feeling of togetherness & affiliation among employees. With focusing on the two sides of the same coin i.e. Employee welfare & Business growth, organisations formulate a Rewards & Recognition program which balance both the verticals equally. The first step to design an effective R&R program is to have strong employee relations which results in trust in management.

Employee recognition also increases trust in the workplace. According to a Deloitte survey, 90% of employees who have received some sort of recognition for their work on a regular basis have higher levels of trust in their boss, compared to those who don't get recognized regularly. Employees like to know if their efforts are making a difference and are not going unnoticed by the management. R&R instills trust, which not only encourages them to stick around but also to work harder towards their given role.

Step 2 of Designing an R&R is about forming a fully devoted R&R committee. Irrespective of size of company, One should form a Committee of few members who will construct a R&R program which will be responsible for effective implementation, management & establishment of a reward program. The committee should list out the objectives to achieve. It can be Sales, Productivity, customer relations, organization's values to be imbibed in employees, ethics which organisations want to encourage etc.

*Rewards & Recognition can be of*

*following 4 forms: Personal Recognition for the best behaviour like Punctuality, store Grooming; Recognition of Results for achieving the said targets ; recognition of work practice as best customer delight & customer service; and recognition of job dedication for desire for career development and talent enhancement.*

There are 4 modes to appreciate employees

- 
- a) Monetary - Monetary employee recognition is a financial incentive, like a bonus. Cash, Gift cards and vouchers, also belong in this category.
- b) Non- Monetary - acts of acknowledgement and appreciation for the employee that don't include explicit monetary value.

Some examples include a social media shoutout, a thank you note, additional time off, and surprise treats or days out.

Research has shown that money isn't always the best motivator, and that employees are more engaged at work when intrinsically motivated.

- c) Personal - Personal employee recognition is private. It happens one-on-one, just between the person giving recognition and the employee receiving it. It can be done face-to-face, over email, or on the phone.

This approach has the benefit of being more personalized, intimate, and confidential. It can help employees feel seen and heard.

- d) Public - Public recognition can happen within a smaller team (for example, In store) or in front of the whole company (for example, all stores of the organization).

Awards, certificates, and any form of public praise demonstrates commitment to employees and the company culture. It celebrates individual contributions and encourages peer-to-peer recognition, too. The set up benchmark target should be SMART. It should be Specific and clear, Measurable, Achievable, Realistic & Time bound but also announced well in advance, communicated & understood by all the employees.

The R&R program shall be conducted regularly & periodically. A calendar should be planned and followed. The R & R program creates a positive environment & sense of belongingness among employees. Delay in appreciation or cluelessness about the event date discourages the employees from performing. **Recognition Delayed is Recognition Denied.**

This committee shall also take care of different award categories, setting up benchmark targets. Identify awards to be distributed. One should ensure that the award/gift/recognition should have value equal to or more than the efforts taken by the employees.

The award eligibility criteria should be declared & displayed on the notice board. The award nominations should be collected from respective departments and one should ensure that the selection process shall be transparent & fair.

Marketing the RNR program & branding the awards also plays a very crucial role. Employees feel proud when they are felicitated in presence of their colleagues & co-workers. Marketing of the program creates hype and thus motivates employees to participate & be productive to win the award.

The execution of this award is significant as the success & impact of this program will lead to the turnover of participation in the next RNR program.

The R&R should always be coupled with the budget management. One should make certain to brand the R&R and let the mass

of employees speak about it. This RNR committee shall also REVAMP the RNR program periodically & make it more lucrative & effective.

Every organization needs a highly engaged, motivated and productive workforce. An effective program does not take a "one size fits all" approach to R & R. Revamping this program is very crucial as it expects the HR to remark on the target, categories and some trending Rewards and recognition ways.

The program should be Remeasured, Revisited & redesigned to make it more dynamic for employee's benefit. With changing business demands and employee needs, it seems unfeasible that your rewards and recognition should stay the same. On the contrary, it must regularly evolve and adapt accordingly to meet the requirements of the advancing workforce.

But the puzzle is how the management can formulate the policies and processes which can help them to be connected to an organization not only rationally but even emotionally? That's a big question for every company. Moreover, the way it looks, people may just want to be "volunteers" when it comes to some specific work/projects, etc.

To manage the above challenge and have a winning rewards strategy, companies need to have their employees choose the rewards which work best for them and which derives the maximum value to them. The Total Rewards offer should link the value it holds for the employee and for the employer who is making that investment for the employee.

Some of the elements which we strongly feel as our Rewards Value Proposition are:

- **Flexibility is Key** – Be it their compensation or benefits, companies are starting to perform conjoint analysis as to what components do employees want. Not only in providing a Flexi-basket pay but



- Differentiation & Segmentation** – Differentiation is key when it comes to bringing up a high performing organization. The motivation for high performers would come in only when they see a differential with respect to other employees. Be it incentives or base pay, differentiation really drives better performance amongst employees. Also, segmenting the benefits and policies based on the age, interest, groups help in the better uptake of the programs and creates traction towards the company. Different plans for different segments help in the retention of talents.
- Use of Data Analytics** – Today, the use of data analytics is extremely important in rewards. Various analytics and dashboards help in driving the right judgment amongst the managers and amongst the rewards community. The correct judgment of any decision is extremely crucial and hence the tools and automation help the organizations to make informed decisions. The above two points related to differentiation, segmentation, and flexibility can be very well analyzed with the help of data analytics tools and systems.
- Communication, Communication & Communication** – This is vital for any organization. As much as the company provides its rewards, employees still need to be communicated effectively across all components of pay and benefits, for them to register it completely in their minds and it also helps them to use it in a meaningful way. Regular communication in a creative way is important for spreading awareness amongst employees and for enhancing the utilization of any benefits program.
- The Wellbeing of Employees** – For any rewards offered, the Wellbeing of employees is vital and unless and

until these aspects are well taken care of, organizations would not be having a happy, healthy and contented set of employees. By Wellbeing, we should focus on all the four aspects of Wellbeing, which are Physical WB, Mental WB, Emotional WB & Social WB. In Schneider Electric, we say that “Wellbeing creates performance and performance generates Wellbeing”. People's expectations are changing, and well-being becomes a key differentiating & attractiveness factor for the future. We need to find energizing ways of working, leading to sustainable engagement. Alongside, Well-being has a strong impact at 3 levels. The first one in terms of People engagement which deals with Health, Stress, Retention issues, Collaboration, and high performance. The second place where it has its impact is in terms of Customer Satisfaction wherein employees may have innovative ideas, are growth-centric and would make their customers happy. The third critical area would be the Company's performance in terms of Brand image, empowerment & trust. Wellbeing helps the company in achieving its objectives in all the above three areas.

**RISE - Enhancing Effectiveness of R & R**



A model is also suggested for enhancing R&R effectiveness i.e. RISE which is an acronym for Regular, Immediate, Specific & Encouraging to employees.



This model suggests that the program should be conducted regularly, timely & periodically.

**Regular** - Recognize colleagues/subordinates on a consistent basis. Consistently offering appreciation for good performance sets up a reliable feedback system

**Immediate** - Recognition should be given in a timely way. It's a basic truism of psychology that people learn fastest when they receive prompt responses as a result of their actions. It should be Immediate or planned at earliest. Survey suggests that when recognition or appreciation is done on the spot, it delights the person & motivates him more instead of motivating him after month end.

**Specific** - Recognitions should name exactly what the person did that impressed you or that reflected company values.

**Encouraging** - Recognitions should provide positive encouragement. Each employee should receive recognition in the form that they find most personally meaningful.

#### **Research Questions:**

- 1) Do the R & R programs meet the employee's expectations?
- 2) What are the ways to make the R & R program more effective so it can motivate the employees to achieve the best.
- 3) How an HR should ensure the business goal & talent management are achieved through R&R program.

#### **Objective:**

- 1) To study the R&R program in a retail organisation and its Impact on Employee engagement.
- 2) To study the effectiveness of the R&R program & to check if it meets employees expectations.

- 3) To study the employees' experience about the R & R program.
- 4) To suggest the scientific approach towards R&R program and its implementation.

#### **Hypothesis:**

H10 - R&R does not have any positive relation with employee engagement.

H1A - R&R does have a positive relation with employee engagement.

H20: R&R program does not have any impact on employee experience

H2A: R&R program have direct impact on employee experience

H30: R&R programs designed in a scientific way will have no significant results.

H3A: R&R programs designed in a scientific way will have significant results.

#### **●Research Methodology**

Employee engagement is the core mission of the HR department and they take many dynamic & conscious steps to have strong employee engagement across the organisation. Few steps for the successful implementation of this policy are taken at head office and many at store level.

The objective of the researcher is to study the various R&R programs organised by retail organisations and its impact on employee experience. This study carves different processes & functionalities that enhances the understanding about relation between rewards & employee experience.

Primary data for this research is collected through the questionnaire method circulated in leading retail stores of Pune region. The target respondents are floor staff, cashiers, customer service desk, team leaders, department manager & support function manager. Questionnaires have been circulated & 85 employees fill up the form.

The R&R happens at store level so that the execution & its effect differ from store to

store. To understand the impact of organisational R&R policy on different stores, 3 stores from Pune region are part of the sample. Secondary data has been obtained from research papers published in journals, Case studies etc.

The questionnaire having 40 items is circulated with 4 different locations in Pune of the same retail organization. The R&R policy is the same across all the stores.

The questionnaire comprises 3 sections. Section 1 has questions regarding employees experience about R&R activity conducted at store level. Section 2 has questions about expectations from the R & R program & Section 3 has questions regarding their suggestions for making the R & R program more employee centric.

With the objective of achieving reliable and valid results, responses from proportionate numbers of employees are recorded from all the departments across all the stores through systematic random sampling.

### ● Interpretation

A questionnaire is circulated through systematic random sampling to employees of 4 stores of the leading retail store.

In order to evaluate the effectiveness of the R&R program & to check if it meets employees expectations questions were asked which covers few items like following -

When asked about the employee's experience about the R&R, 65 % shared that they are satisfied with monetary, non monetary rewards & recognitions and feels that it motivates them to work effectively..

Regarding the moment of recognition, 52% employees believe that on the spot recognition is more impactful and effective but still awarding in public is preferred. Personal or private appreciation by the supervisor could be verbal, an appreciation mail or a special power or authority, makes the employee feel exceptional.

Recognition plays a vital role in establishing the conducive culture for team work, innovation, nurturing employment brands and fostering a positive work environment.

The 58% respondents feel that the current R&R program fosters a positive working environment, increases employee engagement and retains talent.

Employees constituting 71% believe that career development should also be included in the R & R program as an Integral part. Research studies say that One-size-fits-all theory is outmoded. Employees have different likes, dislikes, and preferences. It's a great idea to take the effort of going the extra mile to understand their needs and reward your rockstar employees accordingly. Apart from monetary, non monetary, personal or private rewards & recognition, management should also consider that further career development plans is also a motivating factor.

Regarding the validation of secondary data, following are the research paper referred and validated

Sr no	Proposed Hypothesis	Author	Secondary Data Validation
1	R&R does have a positive relation with employee engagement.	MadhaniP (2020), Baskar P (2015), Rai Alka (2018), Zeb Alam (2018) Aktar & Pangil (2018)	5
2	R&R program have direct impact on employee experience	Adim V (2020), Salbir A (2016) Sarkar Nayan (2018) Mande A (2021) Ho Ngod (2021)	4
3	R&R programs designed in a scientific way will have significant results.	Janine Victor (2021) R., Hareendrakumar, (2020) Barkhuizen, Emmerentia (2014)	3

Comprehending the effect of Intrinsic & extrinsic Motivation on performance is essential. Few employees may get encouraged with extrinsic motivation but few are looking out for Intrinsic motivation like personal development related to job.

Rewarding such employees with job enhancement opportunities, nominating them for technical seminars & workshops, or sending them to training or conferences or sponsoring them for personality development class will generate great impact and will make them satisfied with their job resulting in talent retention. The professional training can also make them more productive resulting in achieving business goals.

### ● Conclusion

**“You Get What You Reward”**- is one of the great management principles of the world coined by Michael LeBoeuf (1985) in a book by the same name. Behavioral psychology asserts that providing positive consequences in the form of appreciation for a job well done is one of the most powerful ways to enhance performance.

Traditional programs that focus on only annual or even monthly awards only reach some of the employees. Strategic recognition is designed to reach as many people as possible. Management should redesign the R & R program annually/periodically to meet employees changing expectations. Management needs to consider the 5 steps to design the R&R program scientifically covering all the steps for an encouraging climate for productivity and best employee experience. Every employee is different so the expectations so designing a conclusive R&R program for organisation is must

### ● Suggestions

After referring to the primary data & secondary data, here are suggestions for few effective & concurrent trends for R&R programs.

- 1) Give an opportunity to the achiever to act like a manager for a day.
- 2) An act to pay back to society - Make a contribution to society/environment with an employee's name. It gives a proud feeling to employees.
- 3) Recognize Punctuality as this attribute is quintessential for every employee and must be encouraged.
- 4) Gamify Rewards and Recognition Program to make it more competitive and exciting.
- 5) One needs to make employee recognition an instantaneous and continuous affair. so keeping the track of rewards and recognition earned by employees must be evident as it will always make them more competitive.
- 6) Create leaderboards, badges, certificates to acknowledge employees in different spheres of their work-life. Competition can be a significant driving force as long as it is healthy.
- 7) Gift them Personalized Rewards, Earn a Badge.
- 8) Acknowledge non-workplace achievements - Sports champion or emerging artists. Employees would love to be known for their hidden talent.
- 9) Award the employees with an OTT subscription as it is the most attractive one.
- 10) Few other performance related recognitions are - Monthly communication sessions with management on business progress, Opportunities to rotate and experience different types of jobs, Growth

1) opportunities, Coaching and mentoring, Formal and informal recognition, Control over own work methods, Career path planning aligned with personal goals and interests, Challenging job that tests abilities, Accountable for job outputs etc.

2) Among non-financial rewards, Quality work environment is also a strong motivator. Few motivating factors are Good relationships with colleagues, Comfortable working environment, On-site fitness centre, restaurant/canteen, medical centre and convenience store, Personal safety and security in the workplace Quality of co-workers in team Management encouraging team performance etc.

To avoid employee burnout and to maintain work-life balance, integration of work-home is a kind of primary reward. Few examples of these are Flexible working hours, Employer provides holiday programmes for children, Subsidy for financially dependent parents, Ability to log into the employer's network from home, Laptop and 3G card are required to perform optimally, Phased in return to work after maternity/paternity leave etc.

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## Overview of Reward and Recognition Policy in Selected Companies

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**Abstract:** Rewards and recognition policy is the policy used by employer to motivate employees for their outstanding performance and contribution to the overall objectives of the organisation. Present study is about the theoretical aspect of reward and recognition policy and the instruments used by twenty successful companies for motivation of employees. It is concluded that the theories studied in this research paper explains reward and recognition as motivational factor, that creates psychological effects on employees. Mostly the intrinsic rewards like felicitation of employees, merit awards, peer to peer recognition program, special thanks and recognition system, stimulus packages, fabulous prizes, global digital rewards, celebration of achievements of employees, flexible timings, study leave, trips etc. Very few companies have used extrinsic reward in the form of gift card, bonuses, and some percentage increase in payrolls.

**Keywords:** Reward, Recognition, Motivation, Intrinsic reward, Extrinsic Reward

● **Introduction:** Rewards and Recognition Policy is designed to encourage employees and field staff who's individual or team performance is outstanding and contribute to the overall objectives of the organization. The system of Rewards and Recognition is present in a work environment where there is appropriate acknowledgement and appreciation of efforts of employees in a fair and timely manner. This includes regular and appropriate financial

compensation, individual or team celebrations, recognition of years served by employees. Award is considered as an initiative planned to develop the high-performance culture. Topic of this research paper is overview of R and R policy in selected companies. The companies for the study include manufacturing, IT, service, Food and Beverage and other reputed companies. Present study also focuses theoretical aspect regarding reward and recognition in motivational theories. As it is clear from the review of literature that reward and recognition leads to motivation and increased productivity, which is an important objective of organisation. This study has following objectives, hypotheses, and limitations.

● **Objectives Of The Study:** The present study has following objectives.

- 1) To study theoretical aspect of reward and recognition policy.
- 2) To study reward and recognition policy in reputed companies.

● **Hypotheses Of The Study:**

- 1) In general reward and recognition policy is used for employee motivation.
- 2) Most of the companies under the study uses intrinsic rewards.

● **Research Methodology:**

This research paper is based on secondary data. Published data like reports of the companies, various research paper and articles etc. are used for the study. The selected companies have redefined workplace culture and enhanced productivity with their extraordinary



employee rewards and recognition programs.

#### ● **Limitations Of The Study:**

Present study is based only on the secondary data. The study is of twenty companies only. It only studies system of reward and types of reward used for motivating the employees.

#### ● **Review Of Literature:**

**Ngwa, Walters** (2019) has studied the effects of reward system on the performance of employees. The study concludes that wages and salaries constitute important part of expenditure by the firm. By considering this as a reward it is an important tool to attract right employee and keep them constantly motivating to achieve a level of performance. Reward system must deliver attractive packages Walters conclude it.

· **Belachew, Kassahun** (2019), in his study identified employee motivation as a very vital issue in every business organization. He concluded that the one and two star rated hotels provide adequate rewards both intrinsic and extrinsic for their staff that includes employee's payment, benefit, work content, work condition, promotion, recognition.

· **Jayawardena, N and Jayawardena, D.** (2020) studied employee motivation and intrinsic and extrinsic rewarding system. The study focused to recognize the employee motivational factors in the companies. The aim of the study was to reduce current labour turnover by finding the factors which can motivate workforce in the companies.

· **Al Darmak, Said Juma** (2017), observed the role of rewards in promoting innovation. The present study focuses various types of rewards has positive impact on different types of innovation.

Researcher has explained that reward plays a significant role in the motivation of employees.

**Abasili, Felista Ngozi and Bambale, Abdu Ja'afaru** (2017), examine the direct relationship between employee performance and reward. It has used independent variables like bonus, salary, promotion, incentive, pension and gratuity, recognition, and performance as dependent variable. They have concluded that employee performance, level of job satisfaction, incentive system and motivational techniques has direct relationship.

#### ● **Linking Motivation To Reward And Recognition: A Theoretical Review**

Motivation is most important and equally challenging area of Human Resource Management. Motivation is a psychological factor defined as 'driving force which leads people to want to act or do something without pressure or undue manipulation.' Motivation is an important element mainly to increase productivity and efficiency of employees in the company or an organisation. Alfie Kohn advocated the use of rewards and incentives as motivation in organizations. Malhotra define rewards as 'all forms of financial return, tangible services and benefits an employee receives as a part of an employment relationship.' The rewards are often based on what a manager can do for or give to employee to motivate them to keep performing to a targeted level or even higher than the targeted level.

The Recognition considered as an emotional type of reward. That focuses relationships or connections with those around us and need for 'esteem' mentioned in the different theories. Recognition plays



an important role in helping us to reach self-actualisation. A lack of recognition could stop people from having the motivation to achieve the potential and do boundless work. Neuroscience studies asserts that both reward and recognition are linked to two controlling forces i. e. the desire to gain pleasure and the need to avoid pain... both drive human behaviour, resulted into motivated. It is observed that a well-designed employee reward and recognition program shows 11.1% increase in average employee performance in an organisation. The cost-effective employee rewards and recognition program is essential to meet organization's goal. Some of the theories of motivation that focuses reward and recognition are discussed below:

**According to McGregor's theory X and theory Y**, people would resistant or inactive to organisational needs without intervention by management, therefore they must control, punished, or rewarded. Further theory advocates that human as a social being needs more than financial rewards at work, the opportunity for self-fulfilment motivates him deeper.

**Maslow's theory of motivation** explains the hierarchy of needs and defined esteem as an important need. Self-esteem, self-respect, and accomplishment is internal motivation whereas recognition, social status and reputation are external motivation.

**Herzberg in his two-factor motivation theories** clearly mention promotion, opportunities for personal growth, recognition, responsibility, achievement as factors directly related to job satisfaction and as a motivational factor to employee.

**David McClelland** consider achievement as a motivation. According to McClelland,

achievement-motivated people have certain unique characteristics which include

- the capacity to set high personal goals that are achievable
- the personal achievement is focused
- the wish for job-relevant feedback only

● **The Objectives Of Reward And Recognition Policy In An Institution:**

- ü To Attract the work force and Retention.
- ü To provide motivation for outstanding performance by the staff by improving the skills and knowledge.
- ü To recognize outstanding value-added contributions of the employees while performing the duties despite various difficulties.
- ü To improve employee productivity and quality of work by setting a system of providing timely recognition to employees.
- ü To create role models for other employees through motivation.
- ü To encourage a team-oriented work culture and team spirit.
- ü To recognize and endorse positive behaviours that supports and helps to achieve individual, team, department, business and organizational goals and objectives.

The policy and schemes of reward and recognition help to maintain psychological contract and contract explains that it is just to recognize the work employees do by giving reward. The above objectives clearly depict this policy influences employees through motivation, which is a psychological factor. The ultimate effect of this policy is better employee satisfaction and enjoyment of work through motivation. Hence this leads to increase in productivity.

**Types of reward:** According to Shanks rewards are categorised as extrinsic and intrinsic rewards. According to him, 'extrinsic rewards are a host of external things that managers can provide that may serve as incentives for employees to increase productivity.' These are concrete rewards in the form of salary, salary raise, bonuses, gifts, different benefits, promotions etc. Whereas intrinsic rewards represent 'how the individual perceives and feels about work and its value.' It tends to give personal satisfaction to an individual. Hence, intrinsic rewards are highly subjective and are internal to the individual and even less tangible. This type of reward includes some motivational features like employee participation in decision making, clarity of their role, information or feedback, skill variety, autonomy etc.

Those who favour extrinsic rewards say that in attending employee motivation, performance and commitment extrinsic rewards are more powerful and effective, whereas those who are in favour of intrinsic rewards argue that extrinsic rewards are less effective. But the institution must find a balance between employees' happiness as intrinsic reward and performance as extrinsic reward. Also reward system that is modified according to the employee's personality is also beneficial to motivate. For instance, a movie fan will be more joyful to get some tickets of his favourite movie.

#### ● **Reward And Recognition Policy Of Different Companies Of India:**

● **NIIT Limited**, an Indian multinational skills and talent development corporation adopted the practice of naming a training room, office, or conference hall after the name of the most extraordinary employee of the year. In a ceremony, all employees assemble for the felicitation and employee's family is also invited for the

event. This is an honoured moment for the employee who feels a concrete bonding with the organisation and motivation increases happiness, enjoyment reflects an increased productivity and qualitative service delivery.

● **Indian companies like Century Enka, HLL, Larsen & Toubro, P&G** use cash rewards system up to junior management level. The rewards given to the employees who suggest the strategy of cost savings, sales increase, improvement of quality and quantity and energy conservation etc. The strategy or suggestions are reviewed periodically. To encourage employees onetime cash rewards based on the savings is generated according to the suggestions of employee.

● **Wipro** through a unique package 'Encore' motivates employees and recognize excellent work provides non-monetary rewards. For example, for most innovative solution or idea in Wipro Mastermind award, Feather-in-My-Cap award for on the spot recognition of project team, The Wipro Hall of Fame recognizes excellent performers in different roles as well as unbeatable team performances. Award like Dear Boss recognizes the positive quality of a good boss, across the technical, managerial, and leadership skills.

● **Johnson & Johnson** has adopted peer-to-peer recognition programs. Under the program, employees submit nominations on behalf of teams, other employees, or oneself. The nominations are evaluated for a Merit Award and all Merit Awards are assessed for the Chairman Award.

● **Taj group** has invented a branded reward programme- Star i.e. Special Thanks and Recognition System. The HR initiative of Taj aimed at creating an

association between its star performers and the Taj. The Star campaign of Taj offers no cash awards. Recognition comes in the system of levels. This program has five recognition levels under which employee must earn certain grade mentioned below in the table.

Levels	Grade	Points Require to Achieve the level	Duration to acquire the points
Level 1	Silver grade	120 points	3 Months
Level 2	Gold grade	130 points	Within three months of reaching the silver level
Level 3	Platinum grade	250 points	Within six months of reaching the gold level
Level 4	Chief Operating Officer's club	510 points and above	--
Level 5	Highest grade at corporate level (MD's Club)	At 760 points	--

The employees earn points for the outstanding work, integrity, teamwork, environmental awareness, useful and practical suggestions that are beneficial for institute. The larger number of employees started working together by the team spirit after launched the program.

● **Reliance power** has performance evaluation system, feedback mechanism, potential assessment module under the reward and recognition policy. To reward the eligible employees, Employee Stock Option Scheme (the Scheme) has been implemented by the Company based on specified criteria.

● **ALKU** is a specialized consulting firm. It has corporate cup program, T-Shirt Program with different hashtags also the ALKU stimulus package to recognizes individuals and teams. The employees can win fabulous prizes in the small wins and celebrations host by the company.

● **Bain and Company** are a leader in the management consulting area. The

company offers flexible working models, performance bonus, paid days off for a job well done. The company also encourages employees to work wherever they feel most productive and satisfied.

● **Hewlett Packard Enterprise (HP Inc):**

The company revamped its employee recognition program during the pandemic and included virtual Michelin-chef-led cooking classes, Saturday dance parties and tutoring and home learning support together with financial bonuses. \$50 Good Card for at least 10 hours volunteer work, paid vacations etc. are also included in the program of company.

● **Cisco:** The company has peer-to-peer reward and recognition program known as 'Connected Recognition' funded at 1% of the payroll. Company implements discount programs for all its employees also give a paid day off on birthdays.

● **Mondelez International:** This is a global food and beverages manufacturer introduced a worldwide rewards program called 'Great Rewards'. Under this product shop for the staff, performance-based bonuses, annual employee benefits awards are provided to employees. It has implemented an employee wellness program called BOOST for encouraging employee healthy living initiatives.

● **Unilever:** This is Best Employers according to Forbes list 2021 due to its positive approach to recognizing, motivating, and rewarding staffs for their hard work and valuable contributions. Under its R and R policy uFlexReward,

global digital reward system, and by keeping employees need in connection some personalized benefits are offered. To recognize the employees who shows excellence, who make a difference, and is committed to organisation and his work is honoured with 'The Unilever Heroes Awards' annually.

●**Southwest Airlines:** This company has its peer-to-peer SWAG- Southwest Airlines Gratitude recognition program. Employees with points recognize and reward each other and further these points can be swapped for travel incentives (known as Rapid Rewards points), Visa debit cards, Guest Passes, gift cards etc.

● **Norton Healthcare:** Under 'N Recognition of You' initiative company celebrates all small or big achievements of employees. They celebrate employees' years of service through annual Employee Service Awards.

●**Typeform:** This is a software company that uses merit-based bonuses known as 'Type coins' mainly to reward excellent performance of the employee. The 'Spontaneous Applause' is an uncommon but pleasant way of employee recognition of company, where the whole office gives a standing ovation to an employee for its excellent job performance. The recipient employee feels happy and renowned for his efforts.

● **Federal Express** company rated as one of the best workplaces. The company initiated two of the most popular methods

of recognizing employees. One is to give gift certificates to employees for small achievements and the good work done, cash rewards and an award for are length of service and exceptional performance. Moreover, employee can get one of Fed Ex 500 aeroplanes named after his or her child under R and R policy.

●**Price-water House** had implemented R and R policy through 'a Thank You Store', where employees select thank, you card and gift cards for their managers, supervisors, office assistants.

●**Gotcha LLC** recognizes top performers in the company and ranks them based on merit. The employee who excels in their targets are given special vacation packages.

●**Eicher Ltd.** under its R and R policy uses a mix of monetary and non-monetary rewards. The company offers different non-financial perks like flexible timings, special training, study leave, trips, challenging project opportunities and based on individual need. The financial package helps in basic needs fulfilment.

●**Zappos** company has engaged peer-to-peer recognition and rewards policy to the next level with three following programs:

●The 'Master of WOW Parking' where any Zapponian can award a covered parking spot to another employee.

●Coworker Bonus Program' where Zapponians can reward each other except

● Under 'Zappos Hero Award,' Zapposians receive a hero cape and a \$150 Zappos gift card.

**Conclusion:** Among the companies mentioned above are got the honour to include in Forbes list in different years as best employer. According to hypothesis one companies used the reward and recognition policy for the motivation of employees and improved performance of employees. From the above theories and different reward and recognition program by different companies whether it is monetary or non-monetary rewards it has motive to honour the employee and motivate them to contribute larger productivity. Second hypothesis is that the companies used mostly intrinsic reward to motivate their employees. It is true as very few rewards are monetary considered as extrinsic rewards. Thus, the overview of policies of different companies suggests that to be a best employer, a company should always adopt the reward and recognition policies that creates sense of self-esteem, self-respect, and self-realisation. This sense would motivate employees towards achievement of goals of the organisation.

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## Effect Of Reward And Recognition On Employee Motivation

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### **Abstract**

Reward and Recognition (R&R) are considered as very sensitive factor in lifecycle of employees. Few professionals feel both are the same. However, infact, there is a lot of difference when we define R&R. Execution of R&R system is very important. Manager dealing with this need to have passion towards their employees. Important is, R&R should be timely declared and it process should be visible. Sustainability of organization largely depends on bringing in effectivity in process and its execution.

### **Keywords**

Productivity, culture, reward and recognition, variable components, achievements, internal influence, process and practice.

### **Introduction**

Rewarding and recognizing employee always leads to greater employee engagement. However, timely reward and appropriate recognition eventually helps in ensuring high level of motivation, which ultimately increases retention and creates more positive environment at respective workplace. Reward and Recognition programme supports in ensuring organizational sustainability, which ultimately leads to bringing in competitive edge amongst the employees. This definitely helps in strengthening the business. Apart from introducing timely Reward and Recognition programmes, execution is most important aspect, which brings in synergy and increase in productivity.

While considering reward to employees, organization definitely needs to consider its affordability by way of cost, prevailing practices in the organization and its impact on culture, Reward and Recognition practices followed in the market particularly with the competitors and deep study of compensation structure, consideration of appropriate fixation of fixed and variable components and method of communicating the Reward and Recognition to employees.

Few organizations believe in analyzing self-developed Reward and Recognition system, whereas few organizations believe in engaging professional consultants to advice on the subject, considering market bench mark for such practices. Organization must consider timings for declaring Reward and Recognition either to individual or to group, keeping in mind its short term and long term impact. Introduction of Reward and Recognition should not be done for the sake of introducing new practice, however it needs to have emotional equilibrium. Emotional attachment is very important than monetary part and many times this itself is considered as a reward. Breakdown in emotional connectivity cannot be compromised by giving high level of Reward and Recognition. Rewarding and recognizing employees leads to greater employee engagement which surely increases retention and helps in creating more positivity at work place, leading many benefits for the company, like shaping employees behavior, bringing in positive work ethics, enabling employee to take more responsibilities,



etc. Reward and Recognition can be exhibited through many ways, like sending simple handwritten letter, make a personalized employee recognition certificate, declare award and employee recognition plaque, give positive feedback in meetings, use employee feedback tools, award of gift card or physical reward, arrange lunch or dinner with employee alongwith senior team members, etc. Reward and Recognition can be either monetary or non-monetary. Monetary can be like increase in compensation, incentive, target achievement bonus, etc. Non-monetary can be in terms of perks other than monetary reward system that may help employee ultimately increase his motivation level. Timely Reward and Recognition is vital to improve organizational values, encourage friendly compensation, improve employee happiness, etc.

Authors of this article have done application based research to study viewpoints like important factors of Reward and Recognition and its value in life cycle of an employee, how Reward and Recognition is considered as important factor in increasing motivation of employee? Is Reward and Recognition same or to be considered differently, what should be the cycle for declaring reward i.e. monthly, quarterly, six monthly, annually or on the spot, what should be the review mechanism for this?. In organization who should be responsible for proper execution of Reward and Recognition system – HR or Top Management? Can Reward and Recognition methodology work without support of top management, the transparency level in managerial approaches leading to employee motivation through Reward and Recognition systems, how timely Reward and Recognition system helps in developing positive culture.

Approach of person communicating Reward and Recognition is very important in entire process. It is said that appreciation should be in public and reprimanding should be in private. Through this article authors have studied all above aspects and arrived to specific conclusion which can be considered as a guideline for all those connected with the subject.

### **Literature Review**

Reward management is probably the most rapidly developing area of human resource management and it is undoubtedly the most demanding also. As per Michael Beer and his colleagues commented in 1984 “The design and management of reward systems constitute one of the most difficult of Human Resource Management. Of all the policy areas in Human Resource Management, Reward and Recognition is one of the area we find most challenging in theory and extremely difficult in implementation.

The reward management is about the development, implementation, maintenance, communication and evaluation of reward processes. These processes deal with the assessment of relative job values, the design and management of pay structure, performance management, competence or skill and the management of reward procedure.

Reward management processes cover both financial and non-financial rewards. The concept of psychological contract is at least importance in understanding and managing motivation as the technical elements of the economy and transactional aspects of reward. The total reward process involves different aspects such as non-financial rewards, employee benefit, business strategy, reward strategy, pay structure, market surveys, and job-evaluation. Everything will relate to



performance management, thereby impacting employee development leading to organizations improved performance.

As per Michael Armstrong and Helen Murlis (Handbook of Reward Management Remuneration Strategy and Practice), reward management aims to achieve following:-

- Support the achievement of organizations strategies to ensure that it has the skilled competent, motivated and committed workforce.
- Help to communicate the organizational values and performance expectations.
- Support culture management and change by matching the structure to organization culture and ensuring the reward management exist or desired to support culture of organization.
- Drive and support desired behavior by indicating what sort of behavior will be rewarded and how it will be done through performance of individual.
- Encourage value added performance by promoting performance pay
- Promote continuous development through competence related and skill based pay scheme, broad-banding an effective performance management.
- Compete in the employment market by paying competitive rates which attract and retain good quality employees.
- Motivate all members of the organization from shop floor to the board room through the judicious use of a combination of financial reward and non-financial recognitions.
- Promote team work through the use of team pay, the encouragement of multi-skilling and by rewarding collaborative behavior.

Michael Armstrong and Helen Murlis have also opined their views as guiding principles which provide the foundation for effective reward management. These are as follows:-

- Align reward strategies with the business strategy.
- Align reward policies with the culture of the organization that helps bringing in change.
- Ensure that reward processes are transparent and that employees are treated as stakeholders.
- Provide Line-Managers with the authority and skills needed to use rewards to help achieve their goals.

In the words of Gilbert and Abosch, “Today's best organizations know that values – not rules – provide the essential guidance employees need to be effective. They know that only empowered employees develop the confidence to act as catalyst for business success.

Reward and Recognition always leads towards personal growth and helps employee to bring in influential power. McClelland's research established that alongside the need for achievement the need for power was a prime motivating force for managers, although the need for affiliation is warm, friendly relationship with others was always present. Structured rewards and recognition system always support in ensuring personal growth of employees in Maslow's hierarchy of needs, self fulfilment or self-actualization is the highest need of all and is therefore the ultimate motivator. He defines self fulfilment as the need to develop potentialities and skills to become what one believes one is capable of becoming.

Non-financial motivators are powerful in themselves but can work even more effectively if integrated with financial rewards in total reward process. These processes need to be customized to meet the needs of both the organization and the people who work there. But this customization will take place even more

effectively if judicious use is made of achieving bonuses, pay increase related to the acquisition of specific skills.

As per Kanter, R M (1989) Simon and Schuster, following are the factors affecting level of rewards:-

- Business aim
- Organization Structure, job / role definition, pay structure.
- Planning, contribution, output, availability of competence, performance management, individual assessment, performance pay, individual pay.
- Internal influence, business performance, leading to reward policies, trade unions.
- External influence, market rate, competitors reward policies, international market, government policies.

The design and operation of reward management process and practice should start from understanding the implication of psychological contract concept, motivation theory, and the factors affecting the pay level.

As rightly stated by Michael Armstrong and Helen Murlis in his book *Reward Management, A Handbook of Remuneration Strategy and Practice – 5<sup>th</sup> Edition*, reward management has deep connectivity with motivation. Motivation theory conveys two important messages. First point, there are no simplistic solutions to increasing motivation. No single lever such as performance related pay exists which is guaranteed to act as an effective motivator. It depends on, individual needs and aspirations, intrinsic and extrinsic motivating factor, expectations about rewards, equity and fairness, self-efficacy and social context, such as organization culture, managers and co-workers can produce a wide variety of motivational forces, etc. The second point, Motivation theory is the significance of expectations, goal setting, feedback and reinforcement

as motivating factors. The implications of these two messages are considered on following points:-

- Creating the right climate
- Flexibility
- Recognizing complexity
- Goal setting feedback and reinforcement.

Non-financial motivators are powerful in themselves, but can work even more effectively if integrated with financial rewards in a total reward processes.

Proper Reward and Recognition system can easily link with individual's personal life, day to day challenges and can support in portraying own success stories. As rightly pointed out by Prakash Iyer in his book "The Habit of Winning" (Stories to Inspire, Motivate and Unleash the Winner Within), Habit of winning is all about bringing out the best in yourself and in the people you work with, about building great teams and winning. It is also about finding balance, being happy, and making a difference to yourself and to the world around you.

In a process of designing proper Reward and Recognition system, there has to be a proper performance management system in the organization. The system should speak about performing and not just appraising. The concept of performance management operation system should not only be accepted by top management, but should also be owned by all stakeholders in the organization, which includes drawing the developmental plans, setting mutual expectations, monitoring and periodical review of performance management system and bringing in changes through performance management system, leading to building and leading high performing teams. As rightly stated by Prem Chadha in his book "Performance Management", Performance Appraisal is a process of learning "How to Learn". Effective

managers do not confuse leadership with their subject matter expert and therefore performance management system can help the manager achieve a patently difficult but obvious aim that at the end of work the manager as well as managees experience reinforcement and reaffirmation of their values and needs. Prem Chadha has very nicely quoted Abraham Lincoln while depicting performance management as follows:-

“I do the best I know how,  
the very best I can;  
and I mean to keep on doing it to the end.  
If the end brings me out at right,  
which is said against me will not amount to  
anything.  
If the end brings me out all wrong,  
then angels swearing I was right would  
make no difference”

Reward and Recognition has deep relevance with aspects of motivation with employees. As rightly mentioned by Blair Sheppard – Michael Canning – Marla Tuchinsky – Cindy Campbell in the book “Inspire Others – What really Motivates People”, if you are leading from the center you have many hats to wear, more walls to juggle and fewer certainties in your work environment. You have to be adaptive yet provide continuity in your leadership. For motivating people you need to be strategy translator, influencer and Collaborator for Rewards. You are expected to be leader of team, coach and motivator, entrepreneur and innovator. What you need to understand the part of your role is to take ownership for designing and building new systems and processes. You need to assess what is no longer relevant and / or is no longer working. Part of your responsibility is to evaluate and decide to re-engineer or remove existing system. In a process if you want to motivate people, you need to understand him + adapt the environment that will help in ensuring

inspired behavior.

In their book, it is also mentioned that researchers and theorists explored many of the same potential motivators such as equity, fairness, safety, security, advancement, esteem, challengers, belonging, recognition, reward and of course the paycheck. Their theories were not necessarily wrong about what can be motivating to people, but our experiences suggest that, while well intentional and useful, they share some inherent flaws about how motivation works and the managers role in the process.

- They begin with central misconception that if some individuals lack motivation then it's possible for you the manager to find ways to create it for you.
- They share a proposition that the job of manager is to foist onto people about the manager or the organizations wants done.
- They view motivation more in terms of single transaction, rather than in terms of sustainable, long terms relationship.
- They were interesting ideas with intuitive appeal, but validating them and applying them was a challenge.

Managers today often lead a diverse set of workers, all with unique combinations of aspirations, skills, talent, experience and goal. What really motivates people is allow them to explore how their talent, skills and energy can be utilized with the vision of the organization. This can be done by better understanding with people working with us, and inspire them, match to work opportunities that best fit their interest and aspirations, create a work environment that respects employees needs and values

And lastly help people sustain their motivation through the rough spots.

## Research Objectives

The present study has following objectives:-

- a) Examine present practices of Reward and Recognition, and its possible impact on Employee Motivation.
- b) Collect relevant data from various organizations, analyse and study the same.
- c) Suggest a way forward on the subject.

Authors have done adequate review of literature. Information is collected from research papers, books and internet.

## Research Methodology

The study is based on qualitative and quantitative research.

Qualitative analysis is done based on literature review. That submits certain limitations to the issue, hence quantitative analysis is also performed for this study.

The study is exploratory in nature. Competitive analysis is done using the descriptive data analysis method. The questionnaire was made to seek the perception of respondents. The data was collected through the questionnaire and 49 participating managers dealing with the subject have responded to our questionnaire. The respondents were informed about the objective of the study. No reference of individual / company is done for the purpose of study.

The data was analysed using excel and charts various figures prepared for better understanding of responses.

## Research Hypothesis

Hypothesis is the formal statement of an unproven proposition i.e. empirically testable.

To establish logically variables in the form of testable statements following hypothesis, null and alternative have been formed.

HO1 : Reward is considered as an important factor in lifecycle of an employee

HA1 : Reward is not considered as an important factor in lifecycle of an employee.

HO2 : Reward and Recognition is considered as important factor in ensuring motivation of an employee

HA2 : Reward and Recognition is not considered as important factor in ensuring motivation of an employee

HO3 : Organization needs a strong team while implementing Reward and Recognition

HA3 : Organization does not need a strong team while implementing Reward and Recognition

HO4 : Reward and Recognition always needs to be in monetary term.

HA4 : Reward and Recognition does not need to be in monetary term.

HO5 : Timely Reward and Recognition always helps in developing positive culture.

HA5 : Timely Reward and Recognition does not help in developing positive culture.

## Sample Design

A sample is simply a subset of population. By studying the sample the researcher draws conclusions i.e. generalizable to the entire population of subject. This article

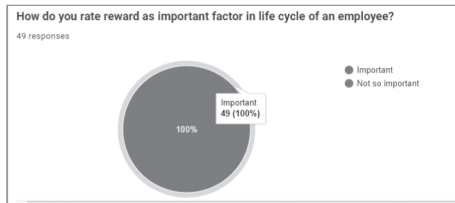
uses sampling method because the desired information is confined to the professionals those who are involved in industries and academia, related to Reward and Recognition and its possible effect on employees motivation.

### **Data Analysis**

A total 49 HR / Business / Academia / Professionals from all India basis took part in this survey. Respondents are from automobile, automotive, technology, consultancy and teaching profession. All respondents considered for this study are having minimum 25 years leadership experience in above segment dealing with Reward and Recognition aspects in their respective organizations.

Based on the data collected through questionnaire, following is the analysis followed by findings:-

a) Reward and Recognition is considered as important factor in the lifecycle of an employee. As stated earlier, any employee would like to get appreciated in presence of his colleagues. Enjoyment of such public appreciation will last long and will create a positive impression not only of superior but of the organization. Employees of organization are considered as brand ambassadors. What they speak at their work place and in society matters with highest importance and that supports the brand image of the organization. Respondents were asked as to how they rate reward as an important factor in the lifecycle of an employee. Interestingly 100% of the respondents opined that reward is important factor in the lifecycle of an employee, which is evident from the following graph :-



b) What makes any place as a great place to work? Credibility, respect, fairness, pride and camaraderie are few of the dimensions to make any place as a great place to work. Credibility includes integrity in carrying out vision and consistency. Whereas respect speaks for caring of employees as individuals with personal lives. Fairness denotes towards equity, impartiality and justice, whereas pride includes individual contributions, teamwork and liking towards organizations products and its standing in the company. Camaraderie speaks for ability to be oneself socially friendly with full of welcoming atmosphere and sense of family environment and team spirit. In the background of this respondents were requested to opine on if they consider recognition as an important factor in motivation of an employee. 81.6% of the respondents are in full agreement that recognition is an important factor in motivation of an employee, 18.4% have expressed their agreement to the statement.



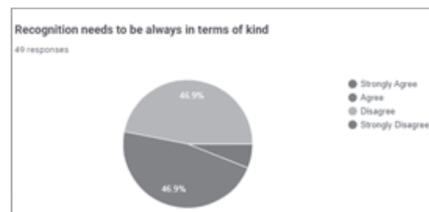
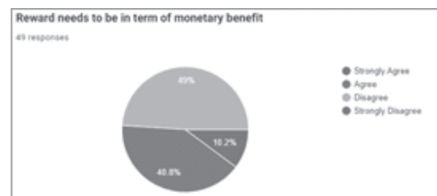
c) Organization needs a strong team while implementing Reward and Recognition. Team management is important for a number of reasons within the workplace. It promotes unified approach to leadership within the organization especially when we are thinking of implementing Reward and Recognition, the subject which is very

sensitive in implementation. It makes it easier to solve problems and ensures proper implementation if you have a strong team working with us. Team management encourages personal growth, increases job satisfaction and reduces stress, because more employees work close to each other. When organization is introducing its new approaches towards Reward and Recognition team management plays a very important role. About 89.8% respondents have opined that for implementing Reward and Recognition we need a strong team, whereas 10.2% respondents have differed with the statement.



d) In any organization employee works for job satisfaction, career growth, social recognition, etc. There are two types of rewards – tangible and intangible. Tangible rewards are connected with money, which includes salary rise, incentives, bonus, etc. Whereas intangible rewards are recognition in the form of allowing vacation at company cost, deputing for high level of training, opportunity to lead the team, representing company in outside forums, etc. Benefits from Reward and Recognition are having direct bearing with increased productivity and engagement, decreased employee turnover, greater employee satisfaction and enjoyment of work, improved team

culture, high loyalty and satisfaction scores from customers, etc. Respondents were asked questions if reward needs to be in terms of monetary benefit (tangible) and rewards need to always in terms of kind (intangible). About 51% employees expressed their opinion that reward needs to be in terms of monetary benefit only, whereas 49% differed from the view. On the other hand 53.1% of respondents have expressed their opinion that recognition needs to be always in terms of kind.



e) Timely recognition of Reward and Recognition reinforces the positive behavior or actions. Behaviors recognized soon after the action occurred, helps reinforce the repetition of the behavior in future. This can lead to greater afterglow effect. Delay in recognition causes lost intrinsic values with the increased length of time from when the action or behavior occurred. Timely recognition always makes a positive difference to the people who are expected to receive it. It is evident that to give timely recognition to people is considered



as an important aspect. Respondents were requested to opine on the question if timely rewards and recognition always helps in developing positive culture. 100% respondents have expressed their opinions that timely Reward and Recognition helps in developing positive culture which is evident from following graph :-



### **Conclusion And Findings:**

On the basis of above discussion, literature survey, data collection, analysis of the data, hypothesis HO1, HO2, HO3 and HO5 are fully proved. HO4 and HA4, both are partly proved.

In view of above, Researchers have arrived at conclusions and findings as follows:-

1. Reward is considered as an important factor in lifecycle of an employee.
2. Reward and Recognition are considered as important factor in ensuring motivation of an employee.
3. There has to be a strong team culture in organization. This helps in implementing Reward and Recognition process seamlessly.
4. Reward and Recognition can also be in monetary and non-monetary terms. Important point arrived at is that monetary and non-monetary approach should always be linked with organization and well as personal development of an employee.
5. 100% respondents have felt that timely

Reward and Recognition is very important in lifecycle of an organization. Delay in giving Reward and Recognition loses its charm, leading to demotivation.

### **Wayforward**

1. Leadership team in any organization needs to be very alert in focusing on timely Reward and Recognition, which is important factor in the lifecycle of an employee.
2. With young generation joining organizations at rapid speed, reward in terms of money is more preferred than reward in terms of kind.
3. As a strong block building process, organization needs to do all the time deep dive study of different new approaches encompassing Reward and Recognition. Continuous market survey will help in asserting if organization has right methodology and approaches.
4. To ensure high level of transparency, in sensitive process like Reward and Recognition there has to be all the time openness in system. Reward and Recognition is round the clock cycle and therefore leadership in any management is expected to be alert at all times.

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7. 49 Responses received from professionals.

## A Study Of Awareness On Key Social Security Provisions - For Sales Representatives At Multi-brand Stores.

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**Abstracts** Manusmriti” Indian Ancient Literature describe codes for the protection and safety of the people. The joint family is the bedrock on which Hindu social organization is built. The concept of Social Security against any misfortune exist in **Joint Hindu Family** or the **Hindu Undivided Family (HUF)** where family takes responsibility of the person. Statutory measures in the form of Organized Social Security are of recent origin. Industrialisation leads to mobility and formation of nuclear family, which demands for Social Security in case of any misfortune or contingencies like disability, sickness, employment injury and unemployment.

To reduce major Social sufferings like Diseases, Poverty, Unemployment, Social Security as a National Programme was launched in India, like Schemes for Provident Fund, Medical Insurance, Maternity Benefit, Compensation and Gratuity. The efficiency, extent of coverage, finding suitable policy and approaches to strengthen the delivery system according to priorities through planned justice for inclusive growth is the need of the day. there is significant association with social security measures and industrial reforms. Massive labor reforms are also required for achieving the ideals of industrial democracy. This paper describes about awareness of Employee Provident Fund Scheme among sales representatives of multi-brand mobile stores in the State of Madhya Pradesh.

### Introduction

The man-days lost on account of sickness and disability also constitute a heavy drain on the slender resources of the worker as well as on the industrial output of the country. Lack of social security hinders production and prevents the formation of a stable and efficient labour force. Social security is, therefore, not a liability, but a wise investment, which yields good dividends in the long run. The Social security provides protection to the working class against contingencies like retirement, illness, maternity, aging, death, disablement and similar conditions.

Assistance provided by the family, community and organizations to individuals in monetary terms covered under Social Security. Country to country concept and nomenclature varies. National Insurance, Industrial Insurance, Family allowance, National Assistance and National Health Service provided by few of the countries. Benefits of Social Assistance and Social Insurance is provided by Indian Government through its institutions funded by the collective contributions of State, Employer and employees. The objective behind such schemes is to create sound industrial relation, safeguarding against occupational risks, meeting legislative requirements, protecting health and securing against social risks such as old age, build qualitative work environment, maternity, unemployment etc. The protection to the employees and their families against contingency through health services, fringe benefits to build employee morale, pension for the post

retirement life, economic support to face widowhood, compensation for industrial accidents and occupational diseases, compensation during unemployment in cases of retrenchment and layoff.

The main objectives of any social security (or social protection - Social protection denotes major branches of social security, such as pensions, health care, work injury and social assistance.) system are consumption smoothing over an individual's lifetime; insurance (particularly against longevity and inflation risks - Longevity risk concerns the probability that accumulated savings and retirement benefits may be inadequate to last until death. Inflation risk concerns the probability that the value of the retirement benefits may not be protected against inflation during the retirement period.) income redistribution for society as a whole; and poverty relief. However, these have to be traded off against economic growth, labour market efficiency and labour market flexibility.

Social security measures for a developing country like India have two-fold significance. They constitute improving the living and working conditions leading towards the goal of a welfare state and guarding people against the uncertainties of the future. Such measures are also important for every industrialisation plan, because not only do they enable workers to become more efficient, but they also reduce wastages arising from industrial disputes.

To provide social security and welfare for the economically vulnerable workforce in India Employees' Provident Fund Organization (EPFO) was created. The first Provident Fund Act passed in 1925 with limited scope to regulate the Provident Fund. In 1929 the Royal Commission of Labour stressed the need for formulating Scheme for Industrial Workers to establish to Provident Fund.

Thirteen years later in the Third Conference of labour ministers, the issue was considered again. The proposal to establish Provident Funds was generally accepted. It was recommended that such fund on basis of voluntary participation should be established. It was further recommended that the Central Government may frame a model set of rules for management of Provident Fund which may in turn be adopted by the employers for establishing Provident Fund. The model rules were circulated to employers in 1945 for adoption in industrial concerns. Some progressive employers took the initiative to establish voluntary Provident Funds for the benefit of about 3 lac workers but the general response was not encouraging.

Workers' income security is also good for the economy, since it makes effective demand more predictable and provides enterprises with a more productive and flexible workforce.

### **Review of Literature**

In the Encyclopaedia of social work, social security has been defined as “the endeavour of the community, as a whole, to afford itself to the utmost extent possible to any individual during periods of physical distress inevitable on illness or injury and from the economic distress consequent on reduction or loss of earnings due to illness, disablement, maternity, unemployment, old age or death of the working member.” (Johri, 1995).

Watkinson (1949) defined social security as, “the securing of an income to take the place of earning when they are interrupted by unemployment, sickness or accident, to provide for retirement through old age, to provide against loss of support by death of another person and to

meet exceptional expenditure connected with birth, death or marriage, The purpose of social security is to provide an income upon a minimum and also medical treatment to bring the interruption of earnings to an end as soon as possible.”

(Chenery, et al., 1974) defined social security as mechanisms to prevent Poverty, Destitution and Uncertainties are essential to safeguard people from the contingencies of life. The social security Programmes implemented in Industrialized countries may not be applicable socially or politically in poor economies.

The **International Labour Organisation (ILO)** defines Social Security are the comprehensive set of measures to protect people from economic distress occurred from sickness, maternity, employment injury, unemployment, invalidity, old age and death by providing medical care and supporting families to bring up young children. Social security as defined The **International Labour Organisation (1942)** “the security that society furnishes, through appropriate organisations, against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means and meagre resources cannot effectively provide by his own ability or foresight alone, or even in private combination with his fellows these risks being sickness, maternity, invalidity, old age and death. It is the characteristic of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency.” Under above definition only such schemes to be considered which designed to provide benefits to the citizen, to support when unable to earn, to prevent or cure diseases, and to restore

him to gainful activity may rightly be regarded as schemes of social security.

Consolidating all definitions, Social security can be defined as a provision to safeguard Individuals, and households, to ensure their health and income, especially in cases of old age, unemployment, work injury, sickness, invalidity, maternity or loss of a sole earning member. Hence, social security can facilitate in reduction of poverty and inequality. Also support inclusive growth through enhancing human capital and productivity. It indirectly facilitates growth of an economy.

One of the forms of social security is provident and pension fund. As defined by Ross (2004) provident and pension fund must perform five core functions with a reasonable degree of competence and efficiency(Ross, 2004) These are:

Reliable collection of contributions, taxes and other receipts (including any loan payments in the security systems);

Payment of benefits for each of the schemes in a timely and correct way;

Securing financial management and productive investment of provident and pension fund assets;

Maintaining an effective communication network, including development of accurate data and record-keeping mechanisms to support collection, payment and financial activities;

Production of financial statements and reports that are tied to providing effective and reliable governance, and to fiduciary responsibility, transparency and accountability.

Contributory provident fund scheme was considered as preferable scheme of pension or gratuity payments in Asian Regional Conference of the International Labour Organisation, 1947 considering

considering financial and administrative conditions in India. As it would not be possible to introduce scheme adopted in other industrially advanced countries. The main difficulty felt in a gratuity scheme was that the amount paid to a worker or his dependents would be small as the worker would not himself be making any contribution to the fund. Taking into account the various difficulties, financial and administrative, the most appropriate course considered to be adopted was the institution of compulsory contributory provident fund, in which both workers and employers would contribute. Such a Scheme would have inter-alia the following benefits: -

It would inculcate a spirit of thrift among workers

It would help in stabilisation of the labour force.

In accordance with the recommendation of the Asian Regional Conference, the matter was discussed at the 10th session of the Indian Labour Conference held in 1948. It was generally agreed that the introduction of a statutory provident fund scheme for industrial workers must be undertaken.

To test such a scheme in a restricted field, the Coal Mines Provident Fund Scheme was launched in 1948. The success of this Scheme led to the demand for its expansion to other industries was well. In 1949, when a non-official Bill for setting up of provident funds for other industrial workers was introduced in the Central Legislature, the then Union Labour Minister gave an undertaking that a comprehensive Bill on the subject would be placed before the House. The subject was exhaustively discussed at the meeting of the Standing Labour Committee held in November, 1950, where there was general agreement, particularly among the representatives of the State Governments, that a Legislation

should be undertaken for instituting provident funds in industrial undertakings. This view was endorsed by the conference of Labour Ministers held in January, 1951.

This led to the promulgation of the Employees' Provident Funds Ordinance, 1951 by the President of India on the 15th November, 1951 with a view to provide for the institution of provident funds for employees in factories and other establishments. The ordinance which came to force at once, was to extend to the whole of India except the State of Jammu and Kashmir. Latter included in 2019.

The State Policy works during retirement, death of the bread winner, expenses on birth, marriage and death by preventing occupational diseases and restore the employee into the employment. (Pradeep, 2016) Welfare and Sustainability of the deprived workforce is possible through the inclusive social, political and economic interventions. Common Development Plans works as a platform to deliver broad based benefits through equal distribution of resources to bring pro-poor growth among the deprived.

Social security schemes are mainly of two types. The first being unfunded and the second being funded. An unfunded scheme is one in which there is no creation of fund specified for the purpose of social security. The benefits are paid directly from the taxes and financed from government budgets. In contrast a funded scheme is based on contributors' payments. The amount of fund collected is invested in markets and returns on the fund are used to pay to the contributor on his exit from the scheme. The conditions of exit from the scheme are decided prior to joining the scheme. The social security benefits are received by respective contributors of the scheme, exclusively.

People wish to secure a decent standard of living, within a context of security and of freedom to express their opinion and to associate. They can achieve this income security not only through productive employment, savings and accumulated assets (such as land and housing), but also through social protection mechanisms. These mechanisms function not only as a protective but also as a productive factor. Workers need income security to make long-term plans for themselves and their families.

The Employees Provident Fund came into existence with the promulgation of the Employees' Provident Funds Ordinance on 15th November, 1951. It was replaced by the Employees' Provident Funds Act, 1952 which extends to the whole of India except Jammu and Kashmir. Further Jammu & Kashmir included in 2019.

The question of providing for the future of industrial workers after their retirement or for their dependents, in the event of their premature death engaged the attention of the Central Government for a long time. The first Provident Fund Act passed in 1925 for regulating the provident funds of some private concerns was limited in scope. In 1929 the Royal Commission on Labour stressed the need for formulating schemes for instituting provident funds for industrial workers. Thirteen years later, the subject was discussed at the 3rd Conference of Labour Ministers where the proposal for instituting provident funds was generally accepted. It was however considered that such funds should be instituted on a voluntary rather than on compulsory basis. A recommendation was made that Central Government might frame model rules and circulate them to employers for adoption. Model rules were accordingly circulated to employers in 1945 for

adoption in industrial concerns. While some progressive employers set a lead and voluntary Provident Funds were established for the benefit of about three lakhs of workers, the general response was disappointing.

In 1947 the question was reviewed at the Asian Regional Conference of the International Labour Organization. It was reiterated that in view of the financial and administrative conditions in India, a contributory provident fund scheme was preferable to a scheme of pension or gratuity payments as it would not be possible to introduce in India, in view of the then prevailing conditions, a scheme of old age pension as adopted in the industrially advanced countries. The main difficulty in a gratuity scheme was felt to be that the amount paid to a worker or his dependents would be small as the worker would not himself be making any contribution to the fund. Taking into account the various difficulties, financial and administrative, the most appropriate course was considered to be the institution of compulsory contributory provident fund, in which both workers and employers would contribute. Such a Scheme would have inter-alia following benefits:- i) It would inculcate a spirit of thrift among workers. ii) It would help in stabilization of the labour force.

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The close of the year 1951 witnessed the promulgation of the Employees' Provident Funds Ordinance. The Ordinance promulgated on the 15th November, 1951 was replaced by the Employees' Provident Funds Act, 1952. The Employees' Provident Funds Scheme, 1952 framed under section 5 of the Act was brought into force by stages and was enforced in its entirety by the 1st November, 1952. The working of the Scheme brought out certain defects in the Act such as:- i) lack of provision for inspection of exempted factories, ii) recovery of dues from such factories, iii) payment of damages etc.

In order to rectify them, an amending Bill was introduced in the Council of States on the 14th September, 1952. As some of the amendments necessitated urgent implementation and because the Employees' Provident Funds (Amendment) Bill could not be passed during that session of Parliament an amending Ordinance was promulgated, which was subsequently replaced by the Employees' Provident Funds (Amendment) Act, 1953 which received the assent of the President on the 12th December, 1953.

The Act has undergone a number of changes over the years in view of the changing industrial environment and requirements.

The following Amendment Acts have been enacted over the years: -

1. The Employees' Provident Funds (Amendment) Act, 1953 (37 of 1953).
2. The Employees' Provident Funds (Amendment) Act, 1956 (94 of 1956).
3. The Repealing and Amending Act, 1957 (36 of 1957).
4. The Employees' Provident Funds (Amendment) Act, 1958 (22 of 1958).
5. The Employees' Provident Funds (Amendment) Act, 1960 (46 of 1960).
6. The Employees' Provident Funds (Amendment) Act, 1963 (28 of 1963).
7. The Employees' Provident Funds (Amendment) Act, 1965 (22 of 1965).
8. The Labour Provident Fund Laws (Amendment) Act, 1971 (16 of 1971).
9. The Employees' Provident Funds and Family Pension Fund (Amendment) Act, 1973
10. The Labour Provident Fund Laws (Amendment) Act, 1976 (Act 99 of 1976).
11. The Delegated Legislation Provisions (Amendment) Act, 1985 (Act 4 of 1986).
12. The Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1988 (Act 33 of 1988).
13. The Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1996 (25 of 1996).
14. The Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1998 (10 of 1998).
15. The Repealing and Amendment Act, 2001 (30 of 2001).



Following three Schemes have been framed under the Act: -

The Employees' Provident Funds Scheme 1952 (EPF) – (w.e.f 1st November, 1952)

The Employees' Pension Scheme 1995 (EPS) (w.e.f 16th November)

The Employees' Deposit Linked Insurance Scheme 1976 (EDLI) – (w.e.f. 1st August)

Brief facts about the employee provident fund

A creation of Employees' Provident Fund and Miscellaneous Provisions Act (EPF & MP Act) 1952 EPF India is one of the world's biggest social security providers in terms of volumes.

The Act applies to defined class of industries employing 20 or more employees

The establishments are required to statutorily comply in respect of all employees drawing wages upto Rs. 15000 per month

Three Core areas are provisioning of Provident Funds, Pension, and Insurance.

Provident Fund is a defined contribution scheme where both the employees and the employers contribute their mandated share.

### **Rationale of the Study**

The literature available on Social security is very limited for India. The available literature, in India, centres on the social security programs for the unorganized and on the Social Assistance programmes designed for poverty alleviation only.

There has not been any scientific research done on social security specially Awareness of Provident Fund among the beneficiaries. However, there are some review papers published on Digital Transformation, Judgments by Court,

Featured Article on Reform of Provident Fund Scheme.

A provident fund (PF) is essentially a savings scheme. While it is primarily used for retirement financing, it can also enable members to obtain withdrawals for housing, education and other purposes.

There is no sufficient data on awareness level on key Social Security Provisions (Special Reference to Employees' Provident Fund & Miscellaneous Provisions Act, 1952). In - general this study endeavors to show case factors contributing to gap in awareness of the scheme. The leaders could use findings of this study for recommendations as a guide and facilitate EPFO in policy making. This study may be useful non-governmental organizations that fight for the rights of workmen. The recommendations may be very useful as it may act as a starting point for reforms in the area of implementation of EPF&MP Act.

Additionally, this study may add on existing knowledge on EPF&MP. Students, researchers and other academicians that seek literature and other learning materials on the research problem may find this study useful.  
Scope of the Study

1. Sales Representatives deployed at Dealers Premises of Multiband Smart Phone outlets
2. Geographical Region – State of Madhya Pradesh

### **Objectives of the Study**

Explore awareness level of the benefits among Sales Representatives deployed at Multiband stores in Madhya Pradesh with respect to Gender, Age, Experience

and Location.

### **Hypotheses**

In line with the objectives, the following hypotheses were framed.

H01: There is no significant difference in the level of awareness and gender of Sales Representatives deployed at Multiband Retail Stores

H02: There is no significant difference in the level of awareness and age of Sales Representatives deployed at Multiband Retail Stores

H03: There is no significant difference in the level of awareness and experience of Sales Representatives deployed at Multiband Retail Stores

H04: There is no significant difference in the level of awareness and location of Sales Representatives deployed at Multiband Retail Stores

### **Research Methodology**

The Study:

The present study undertaken was exploratory in nature that has provided insights into impact of Age, Gender, Experience and work Location on level of awareness.

The Sample:

The sample of 532 Sales Representative from Multiband Retail stores were taken on the random sampling basis from Madhya Pradesh.

**The Tools:**

#### **For Data Collection:**

The research was carried out through survey method. A well-structured, close ended questionnaire was utilized to get clear idea of respondents' awareness level. The respondents were asked to

respond on Dichotomous Scale.

Scale was developed based on Review of available literature and then validated by subject matter experts including regulating authorities. Dichotomous Scale is used as it is easy to comprehend and they are short. As the respondents are Sales Representatives deployed at Multiband Stores so we can simplify the survey experience the user (respondent) wins and this lead to greater survey completion rates.

#### **The Tools for Data Analysis:**

The analysis of collected data was carried out using MS Excel and Statistical Package for Social Science (SPSS 25.0). The final scale was subjected to check reliability before the questionnaire was administered for the final survey.

Kuder-Richardson Formula 20, or KR-20, is a measure reliability for Dichotomous Scale. The scores for KR-20 range from 0 to 1, where 0 is no reliability and 1 is perfect reliability. The closer the score is to 1, the more reliable the test. Just what constitutes an "acceptable" KR-20 score depends on the type of test. In general, a score of above .5 is usually considered reasonable. KR-20 for the scale is .962, hence scale is reliable to use (Table 1)

#### **Chi square Test:**

A chi-square test is a3 statistical test used to compare observed results with expected results. The purpose of this test is to determine if a difference between observed data and expected data is due to chance, or if it is due to a relationship between the variables. Therefore, chi-square test was an excellent choice to better understand and interpret the relationship between our two categorical variables for Hypothesis testing.

## Result and Discussions

The study was administered on 532 respondents and the scores obtained (Table 2)

The Analysis of Case-processing Summary gives us the dataset in terms of the valid, excluded cases and the total cases. It also gives the percentage wise statistics of the valid, excluded and the total cases processed by SPSS.

$H_0(O1)$ : There is no significant difference in the level of awareness and gender of Sales Representatives deployed at Multiband Retail Stores a 42 cells (58.3%) have expected count less than 5. The minimum expected count is .09

It is evident from the above table that there is no significant difference in gender and awareness of Social Security  $\chi^2(532) = 19.138, p=0.987$ ; thus the null hypothesis  $H_0(O1)$  stands accepted at .05 level of significance (Table 3)

$H_0(O2)$ : There is no significant difference in the level of awareness and age of Sales Representatives deployed at Multiband Retail Stores a 117 cells (81.3%) have expected count less than 5. The minimum expected count is .14

It is evident from the above table that there is no significant difference in age group and awareness of Social Security  $\chi^2(532) = 100.815, p=0.597$ ; thus the null hypothesis  $H_0(O2)$  stands accepted at .05 level of significance. (Table 4)

$H_0(O3)$ : There is no significant difference in the level of awareness and experience of Sales Representatives deployed at Multiband Retail Stores

a. 74 cells (68.5%) have expected count less than 5. The minimum expected count is .39.

It is evident from the above that there is

no significant difference in age group and awareness of Social Security  $\chi^2(532) = 84.128, p=0.119$ ; thus the null hypothesis  $H_0(O3)$  stands accepted at .05 level of significance. (Table 5)

$H_0(O4)$ : There is no significant difference in the level of awareness and location of Sales Representatives deployed at Multiband Retail Stores

a. 34 cells (47.2%) have expected count less than 5. The minimum expected count is .85.

There is very strong evidence of a relationship between location (Urban / Rural) and awareness of Social Security  $\chi^2(532) = 60.187, p=0.005$ ; thus the null hypothesis  $H_0(O4)$  is not accepted at .05 level of significance. (Table 6)

## Conclusion

Lack of provident fund scheme knowledge and its utility after the retirement is an issue studied in past. Workers were well aware of the provision of advances. No doubt, this provision is useful but it seems, workers are taking disadvantage of it only due to lack of knowledge. Meaning of this provision is to satisfy their need by their own contributions. But it is learned that the general tendency of the workers is to avail of this provision carefully at the risk of their future. So as to have proper use of the provision of advances, workers must be imparted with proper knowledge and also by proper media to avoid or at least to minimize the tendency of pre-mature withdrawals. (Trivedi, 2015)

Awareness among the members of the scheme is an issue also identified in the Study conducted in Automobile industry at Chennai (Pavithra, et al., 2019)

Social security schemes will contribute towards social protection if carefully designed to meet the local needs, adequately supported with resources, and integrating with the National Policy which is committed to providing social protection to the excluded majority. (Pradeep & Kalicharan, 2016)

Members of Provident Fund Scheme should be imparted with proper knowledge so that provident fund would help them in their last days and even to their near and dear in case of any unhappening. There are many other benefits they can have but who will undertake this task? It is a question of discussion. Voluntary organizations may take responsibility of organizing awareness training of workers Government may have some arrangement of counselling. It is a high time to take quick and necessary action in this regard.

### Scope for Future Research

This study was conducted to gauge the awareness level of Employee Provident Fund Act and Scheme with respect to Age, Gender, Experience and Location for the Sales Executives deployed at Multiband Device Dealer shop in Madhya Pradesh only while the scope and applicability of the Act is wide which covers factories, institutions, hospitals, establishments, etc. to which the provisions of the Act apply. So, it requires large scale research study to gauge the awareness level.

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Table 1 - Reliability Statistic KR 20

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.962	0.962	35

Table 2 - Case-processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * Total Score	532	100.0%	0	0.0%	532	100.0%

Table 3 - Chi-Square Tests for H01

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.138 <sup>a</sup>	35	0.987
Likelihood Ratio	22.199	35	0.951
Linear-by-Linear Association	0.481	1	0.488
N of Valid Cases	532		

Table 4 - Chi square test for H02

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	100.815 <sup>a</sup>	105	0.597
Likelihood Ratio	115.837	105	0.221
Linear-by-Linear Association	0	1	0.994
N of Valid Cases	532		

Table 5 - Chi-Square Tests for H03

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	84.128 <sup>a</sup>	70	0.119
Likelihood Ratio	96.89	70	0.018
Linear-by-Linear Association	0.802	1	0.37
N of Valid Cases	532		

Table 6 - Chi-square test for H04

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.187 <sup>a</sup>	35	0.005
Likelihood Ratio	65.747	35	0.001
Linear3-by-Linear Association	1.049	1	0.306
N of Valid Cases	532		



## Impact of Friendly Compensation Benefits and Schemes for Employee Retention of IT Employees

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**Abstract:** The term Retention of employees means “A systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices that address their diverse needs.” A strong retention strategy, therefore, becomes a powerful recruitment tool. Compensation management plays a vital role in employee retention. This one refers to all forms of monetary and non-monetary benefits employees accept for the interchange of their contribution to job performance. Compensation policies and practices help to motivate employees to perform well in given jobs related to their work and improve organizational performance. The compensation system developed a competitive strategy for attracting and retaining suitable employees as well as maintaining the high performance of the organization. This research paper is based on primary data to support the primary methodology, survey through a questionnaire was conducted respondents are employees of IT companies. A sample of 119 respondents have taken, and their suggestions and opinions were considered and were appropriate to improve and build effective measures, strategies, policies, and procedures for retaining top performers.

**Keywords:** Compensation Management, Employee retention, Employees Satisfaction

### Introduction

Human resources Management is the most important functional activity in the

organization. A factor of creation without HRM no business can survive. An organization's enduring success depends on adoption. Developing, rewarding, and retaining the correct ones. Employee retention implies procedures to prevent beneficial employees inhibit them from leaving their jobs. In what manner to retain employees is one of the biggest challenges to organizations nowadays. Compensation management helps to retain employees.

Compensation Benefits helps to encourage employee that perform well in the given tasks related to their work and enhances the organization's success. It is the outcome of the employee's work performance in the structure of payment like salaries, bonuses, allowances, incentives, etc. It is the recognition for work done by the employees and a transaction between employee and employer. In fact, in the management of, human resources in every organization compensation management is complex and controversial. It creates conflicts between employees and employers. Compensation management was introduced to satisfy and retain the employees.

Compensation is remuneration received by an employee in return for their contribution to the organization. It involves balancing the work-employee relationship by providing monetary and non-monetary benefits to employees. The compensation system is the financial reward structure, organizations use to compensate an individual for the job they perform for an organization (Linda K Stroh)



### **Compensation tools for Employee Retention:**

- Employees should be paid appropriately and fairly for the work they do.
- Organisations should maintain standard compensation benefits and policies for the specific designations accordingly to an existing market.
- Compensation packages vary from industry to industry. So, an attractive compensation package plays a critical role in retaining employees.
- Compensation schemes include various aspects like salary and wages, bonuses, benefits, pre-requisites, stock options, bonuses, vacations, etc. the implementation of a package is required to take place in an amazingly effective and efficient manner.
- Workcation policy is vital in retaining employees in the current scenario.

### **Employee Retention:**

Employee Retention is defined as “an organization's ability to retain its employees.” It can also be called a process, in which the resources are motivated and encouraged to stay in an organization for a longer period for the sustainability of the organization. Employee retention is the organizational goal of keeping talented employees and reducing turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, and providing competitive pay and benefits and a healthy work-life balance.

Three R's of Employee Retention: respect, recognition, and rewards.

**Respect** is esteem, special regard, or

consideration given to people. As the pyramid shows, respect is the foundation of keeping employees.

**Recognition** will have an insignificant effect if organizations do not respect employees. Recognition is defined as “special notice or attention” and “the act of perceiving clearly.” Many problems with retention and morale occur because management is not paying attention to people's needs and reactions.

**Rewards** are the extra benefits an organization offers beyond the basics of respect and recognition that make it worth people's while to work hard, to care, and to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

### **Benefits of Employee Retention:**

- Cost Saving
- Morale progress
- Experienced Employees
- Recruitment and Training Efficacy
- Increased Productivity.
- Better Customer Experience
- Improved Culture
- Better Employee Experience
- Increased Revenue
- Improved Employee Satisfaction

Employee compensation is a major determinant of organizational employee satisfaction and retention. The compensation policy and the reward system of an organization are viewed by the employees as indicators of the management's attitude and concern for them. A good compensation system should be able to attract and retain employees, give them a fair deal, keep the

organization competitive and motivate employees to perform their best.

**Employee Satisfaction:**

Employee satisfaction is a reliable predictor of employee retention. When employers engage in practices that support good working relationships, employee satisfaction improves because workers tend to believe the company is using their skills and appreciating their service and commitment. In turn, higher job satisfaction results in higher levels of employee retention.



**Literature Review:**

Bevan et al (1997) found that people leaving jobs gave dissatisfaction with pay as their main reason and that attitude surveys also found relative differences in terms of pay satisfaction between people who leave and colleagues who stay in the same organization.

A study by Graham, Murray, and Amuso (2002) supports this study where they concluded that compensation and reward schemes signify an organization's appreciation for employee efforts, and this encourages individuals to remain with the firm.

Abeysekera (2007) in a study evaluated the HR practices like realistic information about the jobs, work-life balance and career opportunities, supervisor support, and compensation, and their impact on employees' intentions to leave which resulted that compensation and job

analysis having a positive impact on employee turnover.

**EDUCATIONAL QUALIFICATIONS – Table -2**

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	UG	32	26.9	26.9	26.9
	PG	43	36.1	36.1	63.0
	Masters	44	37.0	37.0	100.0
	Total	119	100.0	100.0	

Christopher Muthusi Nzyoka & Bulah Hannah Orwa (2016), Different organizations adopt different theories to provide compensation to their subordinates. Michigan's model says that depending upon their performance the payment must be provided in the form of compensation. Harward's model says that the best compensation package can be provided in the form of motivation. But managers believe that performance, attitude, and motivation serve as the best characteristics to provide compensation packages.

Charong chow (2019): Employee Retention is the ability of employees to keep employees on their payroll for overcome time. It is an important priority for every organization to retain employees with higher costs of employee turnover, the non-availability of candidates, and a competitive market.

**The objective of the Study:**

- To Explore the role of compensation benefits and programs in employee retention.
- To have further insight into what practices should be integrated to make the compensation schemes and policies more attractive.

For this purpose, the following hypothesis was formulated

H0: Compensation Benefits and Schemes have no significant impact on retaining employees.

### Data Analysis

The data has been collected through a self-structured questionnaire. after checking its reliability and validity based on a five-point Likert scale. It consisted of questions based on compensation schemes, Employee retention, Issues of job dissatisfaction, etc.

The Compensation scheme has been taken as an independent variable and employee retention as a dependent variable

**GENDER – Table-1**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	55	46.2	46.2	46.2
Female	64	53.8	53.8	100.0
Total	119	100.0	100.0	

**AGE Table-3**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 26 years	46	38.7	38.7	38.7
26-35 years	45	37.8	37.8	76.5
36-45 years	23	19.3	19.3	95.8
> 46 years	5	4.2	4.2	100.0
Total	119	100.0	100.0	

**Descriptive Statistics**

	N	Mean	Std. Deviation
1. Often you think about leaving the organization to work somewhere else.	119	2.874	1.0131
2. Considering the expectations, you had joined this organization, were your expectations met & satisfactory	119	3.723	.8628
3. You are fully aware of the policies and procedures of the organization	119	4.017	.7810
4. Do you agree that your organization follows all the required procedures for the satisfaction of employees	119	3.773	.8380
5.1 Which is the most important factor to continuing in the organization? [Aspiration to get this job]	119	4.118	.7385
5.2 Salary & Benefits	119	3.983	.9204
5.3 Organizational Culture	119	4.235	.7214
5.4 Meaningful work & Experience	119	4.294	.7957
5.5 No other option	119	3.008	1.0931
6.1 Which Compensation Benefits gives you more job satisfaction. [Monetary Benefits]	119	4.059	.9233
6.2 Reward & Recognition	119	4.261	.8383
6.3 Flexible Timings	119	4.319	.9649
6.4 Ambience	119	4.109	.6863
6.5 Opportunities for Promotion	119	4.244	.9564
6.6 Career Growth	119	4.353	.9793

6.7 Fringe Benefits	119	3.908	.8635
7.1 Issues that cause Job dissatisfaction in your organization [Policies and Procedures]	119	3.244	1.0493
7.2 Quality of Supervision	119	3.303	1.1166
7.3 Working Conditions	119	3.479	1.1413
7.4 Relationship with Immediate Supervisors	119	3.437	1.1323
7.5 Compensation Benefits	119	3.790	1.0804
8.1 If you want to leave the organization what would be the reason [Career Growth Improvement]	119	4.151	1.0864
8.2 Compensation & other Benefits	119	4.092	.9828
8.3 Timings % Shift System	119	3.756	1.1422
8.4 Relationship with Co-peers Superiors	119	3.429	1.2043
8.5 Other Necessities	119	3.235	1.0553

Table 4 shows Descriptive Analysis was conducted to examine the mean values of every factor with deviation. An Average score of all variables is satisfactory with tolerable deviations..

**Correlations Table-5**

		6.1 Monetary Benefits	6.2 Reward & Recognition	6.3 Flexible Timings	6.4 Ambience	6.5 Opportunities for Promotion	6.6 Career Growth	6.7 Fringe Benefits
. Which Compensation Benefits give you more job satisfaction.	Pearson Correlation	1						
	Sig. (2-tailed)	.538**	.000	.000	.000	.598**	.464**	.581**
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119
6. Monetary Benefits	Pearson Correlation		1					
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119
6. Reward & Recognition	Pearson Correlation			1				
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119
6. Flexible Timings	Pearson Correlation				1			
	Sig. (2-tailed)	.000	.000	.027	.000	.000	.003	.003
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119
6. Ambience	Pearson Correlation					1		
	Sig. (2-tailed)	.000	.000	.027	.000	.024	.000	.000
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119
6. Opportunities for Promotion	Pearson Correlation						1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119
6. Career Growth	Pearson Correlation							1
	Sig. (2-tailed)	.464**	.455**	.633**	.207*	.866**	.460**	.000
	N	119	119	119	119	119	119	119
		119	119	119	119	119	119	119

	Sig. (2-tailed)	.000	.000	.000	.024	.000		.000
	N	119	119	119	119	119	119	119
6. Fringe Benefits	Pearson Correlation	.581**	.467**	.270**	.360**	.448**	.460**	1
	Sig. (2-tailed)	.000	.000	.003	.000	.000	.000	
	N	119	119	119	119	119	119	119

Table 5 The value of the correlation coefficient between Compensation benefits and Employee Retention is 0.916, and it is significant at a 5% level of significance thus, it may be concluded that Compensation policies have a significant role in sustaining talent. Furthermore, since the value of correlation coefficient r suggests a positive correlation

Which is the most important factor in continuing in the organization.		5. Aspirations to get this job	5. Salary & Benefits	5. Organizational Culture	5. Meaningful work & Experience	5. No other option
5. Aspirations to get this job	Pearson Correlation	1	.514**	.377**	.575**	-.054
	Sig. (2-tailed)		.000	.000	.000	.562
	N	119	119	119	119	119
5. Salary & Benefits	Pearson Correlation	.514**	1	.478**	.724**	-.067
	Sig. (2-tailed)	.000		.000	.000	.467
	N	119	119	119	119	119
5. Organizational Culture	Pearson Correlation	.377**	.478**	1	.454**	-.067
	Sig. (2-tailed)	.000	.000		.000	.469
	N	119	119	119	119	119
5. Meaningful work & Experience	Pearson Correlation	.575**	.724**	.454**	1	-.266**
	Sig. (2-tailed)	.000	.000	.000		.003
	N	119	119	119	119	119
5 No other option	Pearson Correlation	-.054	-.067	-.067	-.266**	1
	Sig. (2-tailed)	.562	.467	.469	.003	
	N	119	119	119	119	119

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Findings:** The study contributes towards extending the knowledge base of practices followed about employee retention. It provides practical implications for Compensation practices which are most significant from an organization development perspective and offers a strategic tool for a progressive organization. Results of the study suggest that organizations that design an effective Compensation package may have higher retention of their employees. More

specifically, the findings provide dedicated support for the existence of a positive relationship between Compensation and Employee Retention.

1. Half of the employees agreed for Often they think about leaving the organization to work somewhere else.

2. 76% of the employees agreed that considering the expectations they had joined this organization, were their expectations met & satisfactory

3. 68% of the employees disagreed that they may not fully aware of policies and procedures. Organizations must create a policy awareness program for employees.

4. 71% of the employees agree that their organization follows all the required procedures for the satisfaction of employees

5. Employees agreed that the most crucial factor to continuing in the organization are Aspirations to get this job, Salary & Benefits, Organizational Culture, Meaningful work & Experience.

6. Compensation Benefits like monetary and fringe benefits, Ambience of the work environment, and opportunities for career growth give more job satisfaction to the employees

7. Quality of supervision and relationship with immediate supervisors' main causes for job dissatisfaction. Organizations must improve quality leadership in the organization.

8. Employees who want to leave the organization's main reasons were Career Growth & Improvement, Compensation Benefits & Schemes, Timing & Shift System, and Relationship with Co-peers & Superiors. Organizations must focus on the above reasons.

**Conclusion:** As per the above study can conclude that compensation has a positive impact on employee retention. An attractive compensation package is a motivating factor to retain the employee in their job. Employee appraisal should be encompassing various enrichments. Upward career growth should come with corresponding salary and merit increases. In addition, performance-based bonuses motivate employees in terms of aligning their individual goals with company goals. reward and compensation when company leadership observes an employee performing superior work. Appreciation recognition along with motivational policies are the keys to employee retention, and if compensation is a part of the recognition, then compensation is likely to increase employee retention. Finally, IT companies must improve Compensation policy awareness programs and quality of leadership to motivate employees for employee retention.

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## Employee Retention & Motivation: The Maslow's Hierarchy of Needs Perspective

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### **Abstract**

Employee Retention is vital to the sustenance of health and fitness of any organization; nevertheless it is becoming more and more tough for businesses across the globe to attract, motivate and retain significant talent. Various retention strategies are employed by establishments to ensure they have the right workforce which is motivated to remain with the organization for a maximum duration. Employee Retention is advantageous for the corporate houses as well as the individual employee. Nothing can match the vitality of motivating through intrinsic and extrinsic factors which fulfils the five needs mentioned in the Abraham Maslow's hierarchy of needs pyramid. One of the very important motivator is Reward & recognition which helps in retention of employees. This study was done in Chennai among the HR managers. Descriptive research design was used and 75 samples were chosen using purposive sampling method. Questionnaire was the tool of data collection which was administered through google forms. The objective of the research was to study the motivators based on the Abraham Maslow's hierarchy of needs theory which leads to retention which exist in the organisations. The researcher also wanted to find which level of motivation was more important to remain motivated and thus be retained in an organisation. The main findings have been presented in the full paper.

**Keywords:** Employee Retention, Employee Motivation, Rewards &

Recognition, Abraham Maslow's Hierarchy of Needs

### **Introduction**

Employee Retention is a process by which the employees are inspired to stay with the organization for a longer period of time. Retention of employee is not a matter of numbers on paper but highlights the necessity for understanding the needs of individual employees. Every organization invests time and money to create a new employee, makes him/her a corporate ready material and brings it on par with existing employees. The ultimate tool for retention is motivation and hence the organisation must use different strategies to encourage and motivate employee by fulfilling his/her needs.

Motivation is the reason for people's actions, willingness and goals. Motivation is derived from the word 'motive' which is defined as "a need that requires satisfaction". These needs could be wants or desires that are acquired through influence of culture, society, lifestyle, etc. or generally innate. An individual's motivation may be inspired by others or events (extrinsic motivation) or it may come from within the individual (intrinsic motivation).

Maslow's hierarchy of needs is one of the theories of motivation which propounds that there are five categories of human needs which decree an individual's behavior. They are physiological needs, safety needs, love and belonging needs, esteem needs, and self-actualization needs. The theory is represented in a



pyramid shape in which the hierarchies are placed. The base of the pyramid has the basic needs which are easily achievable and more higher order abstract needs are at the pinnacle of the pyramid. Only when one level is fulfilled will a person be able to move to the next level of the pyramid.

Through this research, the researcher has studied how employee retention depends on the fulfilment of needs in the perspective of the Maslow's Hierarchy of needs theory.

### Review of Literature

Sultana Nazia and Bushra Begum (2013) presented in their paper that employee retention is an attempt by a business to maintain a working environment and make the existing employees stay with the entity. There are many retention policies that intend to meet the needs of the employees by providing job satisfaction and reducing the training cost involved.

Afenyo Sedem (2012) says that the intrinsic nature of job like achievement, rewards & recognition, interesting work, advancement and deciding power are strong predictors of job satisfaction. Employers can use an employee's intrinsic motivations to make him continue his services in an organisation.

Benjamin (2012) has quoted in his research article Padoa's (2000) study of 660 American workers on what would influence them to stay with their present employer. They found pay raise (43.2 %) and (50.5%) non-monetary benefits as motivators. It is central for employees to feel like they are part of a team, need a relationship to the vision and direction of the organization and their co-employees, need ways of functioning better together, rewards & recognition which eventually lead to more teamwork thus leading an employee to stay in an organisation.

Aizza Anwar et al., (2018) in their study elucidate that employee work behavior and

work performance are highly influenced by motivational factors. The study helps to know 'how essential motivation takes a key role in retaining its employees'.

According to Hackett (2021), motivation is an important factor which provides employees satisfaction leading to retention. This can be done by keeping in mind and framing an incentive plan for the benefit of the employees. This could be initiated through monetary and non-monetary incentives, promotion opportunities for employees, disincentive for inefficient employees etc.,. The employee can remain loyal to the organization only when they have a feeling of participation in management. This will lead to a good public image in the market which will attract competent and qualified people into the organization and also help in retention.

Motivation is definitely the most indispensable lever, management has to create for high retention. Once employees are motivated by fulfilling their needs, it is very evident that they will be highly productive and put in their heart & soul without being pushed. Maslow's hierarchy of needs is a basic model that explicates the psychology of human motivation.

Abraham Maslow propounded that individuals are motivated to attain particular needs more than the others. The following are the five levels of needs which Maslow spelled out (Saul McLeod, 2018):

1. Physiological - biological necessities for human survival, e.g. air, food, drink, shelter, clothing, warmth, sex, sleep.
2. Safety Needs - On fulfilment of the physiological needs, the needs for security and safety become relevant. Individuals will want order, predictability and control in their lives and they are fulfilled by their family and the society at large. e.g. police, schools, business and medical care.
3. Love & belongingness needs - Once these two levels are fulfilled, the next level



1. social needs and encompasses feeling of belongingness. Eg. friendship, intimacy, trust, and acceptance, receiving and giving affection, and love.
2. Esteem Needs- The next level includes self-worth, accomplishment and respect. The Esteem needs are classified esteem needs into two categories: (i) esteem for self like dignity, achievement, mastery, independence and (ii) respect from others (e.g., status, prestige).
3. Self-Actualisation Needs- The top most level refers to the realization of a person's potential, self-fulfillment, seeking personal growth and peak experiences.

**Figure 1: Maslow's Hierarchy Of Needs**



**Source: McLeod, S.A.(2022)**

Joko Suyono, Sri Wiwoho Mudjanarko (2017), presented in their research article the inter relatedness of all the levels of motivation mentioned in the Maslow's "need hierarchy" theory. If one level is attained or dominates, people are no longer motivated by that particular need since it is fulfilled. Once a level is achieved, people will want to meet the next level needs.

Darwin Box defines Rewards & Recognitions says 'Rewards are monetary or non monetary compensation apart from their salary which is given to the employees on account of their

performance to motivate them. Recognition is the process of honoring employees for his/her level of service and is meant to encourage repeat actions, through reinforcing the behavior the organisation would like to see repeated'.

According to Michael Page's Talent Trends 2022 The Great X report, 55% of employers who participated in the survey said being grateful, recognition and appreciation is a vital factor for employee retention. In a survey by SurveyMonkey and Bonusly it was found that out of 1,500 respondents, 63 per cent who were 'always' or 'usually' recognized responded that their intention to leave is very low.

Rewards & recognition which motivates an employee can be leveraged to fulfil every level of the five needs of Maslow. Rewards can include coupons & passes which are directed towards purchase of the needs fulfilling the needs of the basic two levels. The psychological needs of the upper three levels can be satiated by recognition in form of prestige attached to role/ designation, feeling of accomplishment, autonomy, freedom in decision making, relationships etc.,

### Research Methodology

The field of study was Chennai and the universe consisted of HR managers from various sectors. Descriptive research design was used and convenient sampling was used to select 75 samples. The objective of the research was to study the motivators based on the Abraham Maslow's hierarchy of needs theory which leads to retention which exist in the organisations. The researcher also wanted to find which level of motivation was more important to remain motivated and thus be retained in an organisation. The tool of data collection was questionnaire and the tool was administered through google form which was shared with the samples.

### Main Findings

The main findings have been listed below by categorising them under each level of need:

#### Demographic details

It is found that 63 per cent of the respondents are between the age group 30-39 years. 75 per cent of the respondents are male. 69 per cent of the respondents were married. 41 per cent of the respondents belong to the IT sector. 51 per cent of the respondent's longest tenure in a company was 3-4 years.

#### Physiological Needs

It is found that 69 per cent of the respondents have strongly agreed that their basic needs are met because of their work. 89 per cent say that they have good drinking water facility at workplace, 76 per cent say that they have facilities for a drink/ snack/ refreshment at their workplace, 62 per cent agreed that their workspaces are not over crowded. 71 per cent agreed that their workspace has pure air and comfortable temperature. 44 per cent strongly agreed that they receive passes & coupons for purchase of food materials or other necessities for a basic living.

#### Safety & Security Needs

49 per cent of the respondents agreed that safety is priority at their organisation. 44 per cent strongly agreed that their organisation has good security levels. 47 per cent of the respondents have agreed that there is no threat and there is freedom from fear at their organisation, 44 per cent of the respondents have strongly agreed that there is lesser anxiety and confusion in the workplace. 45 per cent agreed that there is lesser anxiety & confusion in their roles. 49 per cent of the respondents agreed that they felt safe as their organisation follows fair work practices. 39 per cent of the respondents have strongly agreed that their organisation provides job security. **Social**

### Needs

43 per cent of the respondents have agreed that their organisation provides sense of belonging and acceptance. 35 per cent agreed that there is trust which exists among colleagues. 40 per cent of the respondents agreed that they felt comfortable in expressing/ sharing their feelings with their colleagues at workplace. 48 per cent of the respondents have agreed that their organisation provides beneficial programs for their family members. 38 per cent of the respondents have agreed that their organisation provides occasional stress relievers to make them feel good. 45 per cent of the respondents have strongly agreed that they share a healthy relationship with their colleagues. 44 per cent of the respondents have agreed that their organisation is free from humiliation, gesture, sarcasm, criticism or insults. 51 per cent of the respondents have agreed that their organisation ensures that there is no discrimination or stigma towards the diverse workforce.

#### Self Esteem Needs

52 per cent of the respondents agreed that they are able to maintain high self-esteem at workplace. 59 per cent agreed that they exhibit self-confidence at the workplace. 35 per cent agreed that they can make decisions independently. 68 per cent of the respondents agreed that they get respect from others. 51 per cent agreed that there is prestige attached to his/ her designation. 52 per cent agreed that there is participatory management and 35 per cent agreed that said there is positive feedback programs. 44 per cent of the respondents have agreed that their organisation offers promotion as a motivational factor. 43 per cent of the respondents have agreed that their organisation provides perks. 42 per cent of the respondents agreed that they felt appreciated and recognized for the job done through performance appraisal.

### Self-Actualisation needs

51 per cent of the respondents agreed that they are objective & not emotional. 41 per cent of the respondents agreed that they do not hide their feelings or thoughts or behave artificially. 40 per cent of the respondents agreed that they have a sincere spirit to help others. 65 per cent of the respondents agreed that they are humble and respect others. 51 per cent agreed that they do not have prejudice on people. 74 per cent of the respondents agreed that they follow ethics. 48 per cent agreed that they tolerate the natural weakness of others. 41 per cent agreed that they can receive praise & appreciation but do not solely depend on rewards of others.

### Employee Retention

52 per cent of the respondents strongly agreed that higher the motivation, higher the retention. 61 per cent of the respondents said that recognition would be a greater motivator. 61 per cent of the respondents said that psychological needs fulfil much of their recognition requirement. 12 per cent of the respondents said that the physiological need is the important motivator, 15 per cent of the respondent said safety & security needs, 28 per cent said social needs, 25 per cent said self esteem needs and 20 percent said that self-actualisation needs are the important motivators.

### Suggestion

Every employer should work towards fulfilling the needs of employees, and the right motivator should be identified and provided to retain them. One of the best ways. Organisations should provide rewards programs which fulfils their basic need and safety & security needs. More focus has to be given to improve recognition of employees in the organisation. Employees should be made to feel valuable. Through having a recognition policy & recognizing

employees in a sustained manner, a sense of engagement can be fostered in which employees feel highly motivated to be more productive and do not have an intention to leave.

### Conclusion

The research concludes that motivation level in an organisation helps retention of individuals and the motivation to stay is attributed to recognition which they receive in organisations which satiates the psychological needs in the Maslow's hierarchy of needs pyramid. The theory of hierarchy of needs by Abraham Maslow is a great way to ground management of human resources as per their innate human needs. Management and leadership should keep in mind the hierarchy of needs theory while planning strategically to motivate & retain employees in their organisation very specifically through rewards & recognition.

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## Effect of Reward & Recognition on Employee Motivation

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### Introduction

As organizational behaviour theories state, employees need to be motivated to realise their potential and there are several ways of enabling them and empowering them to do so. When it comes to motivation, we've all heard the saying that the carrot and the stick work best. In other words, by holding a carrot in front of a rabbit's face, you may encourage them to take a certain course with the intention of ultimately obtaining the carrot as a reward. Although a payment serves as the primary motivator for all workers, there are other factors that encourage hard effort and achievement. Programs that recognise and reward employees for their contributions to the company's objectives and for their efforts are essential for a high-performing workplace, contented workers, and lower employee turnover.

Today, there are three to four distinct generations of people in the workforce, which presents HR professionals with unique challenges. Members of each of these generations are expected to seamlessly work together, despite having vastly different work styles, levels of formality and communication styles.

Also, an evaluation of a worker's contribution to the work process, as well as their commitment and motivation, is done through employee recognition. It also entails assessing and appreciating the outcomes of this labour. In essence, it emphasises the value of each worker's specific contribution and emphasises the importance of their professional knowledge and experience. Employee

engagement increases when a culture of appreciation is fostered.

Employees who are engaged are content, devoted, and effective. There are opportunities every day to thank someone just for outstanding service without having to spend a lot of money. The cherry on top that keeps staff members interested, motivated, as well as coming back for something more are informal awards.

But with all the good and bad consequences that appreciations have on both individual and organisational progress, it is also crucial to research and comprehend the level to which the aforementioned aspects have an impact on the workforce.

**Zigon** defines rewards as "something that increases the frequency of an employee action" (1998). It is constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs, and equipped with their own personal expertise. (**Brun & Dugas, 2002**). **Abraham Maslow (1954)** defines motivation as the Cognitive, Aesthetic and Transcendence aspects, which drives a man towards a developmental change.

### Why is there a need for Employee Reward and Recognition policy in an organisation?

Rewarding and recognising the employees leads to greater employee engagement, which in turn increases retention and helps create a more positive overall workplace environment.

There has many plethora of surveys conducted by renowned international bodies, and in most of these surveys the employees cited personal recognition as the most preferred way by which a manager could get them to produce great work.

Surely it is a no brainer that all businesses need to inculcate staff Reward and Recognition into workplace on a regular basis. Undoubtedly many workers will appreciate monetary staff rewards and recognition for good work, but many are simply seeking Reward and Recognition. When you are low on cash and you have more sense of imagination at your disposal, this would be the perfect plan to put in the place when it comes to motivate your employees.

Employee Reward and Recognition has been proven to enhance the organisational values, optimize team efforts, increase customer satisfaction and motivate certain behaviours amongst members of the staff. In order to develop an efficient recognition programme, a business owner or manager needs to separate this from the business reward system. The recognition also needs to be appropriate for the achievement in question so that the best performances receive the best type of praise. So long as you remain flexible in you approach to employee Reward and Recognition, it will always appear genuine rather than coaxed or forced.

Amongst other, understated are a few rationale(s) to initiate and implement employee Reward and Recognition program –

- It would help in offering rewards and recognition for the employees' performance that would boost their motivation so they stay on track and maintain a positive attitude.
- By recognizing the work, you are

sending a direct message that they matter to you and the company as a whole.

- This helps employees feel seen, heard and valued and all these are required for their satisfaction at the workplace.
- Reward programs support feeling of friendly rivalry among worker and this rivalry will help them to strive and work harder and better in comparison to their co-worker/employee.
- With an appropriate Reward and Recognition program at place, employees are more engaged at work when their success is recognized either verbally or with a reward.

It strongly reminds me of my (Mrigashikha Mitra Banerjee) professional experience working with my then Function Leader Vice President (HRM), Tata Steel Ltd., Mr Suresh Dutt Tripathi. It was one regular morning at the Tata Steel Jamshedpur Plant where I was posted and working as BU (HRM) and designated as Manager (HRM) then. That morning, I received a call from the Vice President (HRM)'s Office to meet him at his Office. On my arrival, I was pleasantly surprised to receive a “Thank you card” from VP (HRM) himself and was also invited for a chat over a cup of tea with the Team I had worked to make a quarterly HR event a success.

This instant recognition which was extended to us might look a very simple form of recognition, but it will always be etched in our hearts. The pride it instilled for the work I had done and what I had experienced at that point is still unparallel and fresh in my memory.

Now, when I look back as an HR Professional trying to implement Reward and Recognition initiatives in my present organisation, I understand that this recognition had such a long lasting impact on me is due to the utmost sincerity with which it was done.



The Leader not only spared time despite his busy schedule to meet and appreciate each one of us in person but also handed over a handwritten Thank you Card appreciating our efforts for the project and attributed its success to us individually. This is a clear example of a real-time recognition of any good work done at workplace and events like these translate into a long lasting memory for any working professional. Therefore, initiatives big or small, it strengthens the organisational recognition culture, if the contribution of an individual is timely acknowledged and rewarded. It doesn't always require it to be a flamboyant show, but such timely recognitions with due sincerity go a long way to motivate the individual to work for the organisation with more vigour.

### **Distinction between Reward and Recognition and other related aspects.**

The distinction between rewards and recognition, as they are frequently used interchangeably, is that they are distinct, discernible contrasts between the ideas. Organizations are always under pressure to improve so they can perform better and an understanding that there is a symbiotic link between organisational employee performance and overall performance. Organizations are increasingly discovering that they need to create a fair balance between the contribution of the employee to the organisation and vis-a-viz. Establishing one of the key justifications for rewarding employees is this balance. The three primary elements of a reward system—compensation, perks, and recognition—are the focus of organisations that take a deliberate

approach to achieving this balance.

According to studies on the subject, the most prevalent issue facing businesses today is that they fail to recognise the value of incentive, which is the low-cost, high-return component of a well-balanced reward system. The goal of recognition is to give workers a sense of worth and appreciation. Employees who are acknowledged tend to have stronger self-esteem, more confidence, are more willing to take on new tasks, and are keener to be inventive, according to research.

A key instrument that management may use to direct employee motivation in desirable directions is the reward system. In other words, reward systems are designed to get individuals to join the company, retain them there, and inspire them to give their best work. The reward system is made up of all organisational elements, such as human resources policies and the decision-making procedures that go into deciding how much money and other advantages to provide workers in exchange for their work.

There is a wide range of factors that affect employee motivation and satisfaction. It is also crucial to learn that incentives and recognition are directly and favourably correlated with motivation and work satisfaction. As a result, if the rewards and recognition given to employees were changed, job motivation and satisfaction would also change. This might be directly translated to mean that better incentives and recognition lead to higher levels of motivation and happiness, which may then lead to higher levels of performance and productivity. When there are significant discrepancies, especially when there are emotional confrontations between performers and non-performers, the



organisation should try to re-evaluate and address the issue.

If the organisation does not re-evaluate this scenario, it might have a detrimental effect on minorities' retention as well as work performance and productivity. According to Maslow's hierarchy of requirements, the higher-level demands, which have an influence on motivation, cannot be satisfied until the lower-level needs, such as pay and perks, are satisfied. The data suggested that non-award recipients tended to be less motivated workers. Employees in this group may choose to leave the company given that the organisation, and hence the business unit, is undergoing change. This puts pressure on the business unit to keep these workers. The business unit might profit from developing a retention strategy, which is heavily focused on recognition in itself. As was already said, improving rewards and recognition could boost motivation and satisfaction. According to the research, recognition involves acknowledgment and performance criticism. Thus, managers in the business unit could regularly recognise and provide feedback using the performance management system.

**What are some of the robust Reward and Recognition policies followed by the top conglomerates across the world vis-à-vis 5 companies that have nailed their employee recognition strategy.**

● **HP Inc**

HP has revamped its employee recognition policies several times. The company rewards its employees with employee discounts on its products, paid vacations, etc.

Especially in the pandemic, HP Inc included virtual Saturday dance parties, chef led cooking classes and providing tutoring and home learning support alongside financial bonuses to its employees.

● **Mondelez International**

This global food and beverage manufacturer implemented an employee wellness program called BOOST for encouraging the employee healthy living. They have also opened product shop for the employees, desk drops for all new products, performance-based bonuses, and also hosts a grand annual Employee benefit that shine a spotlight on the teams who actually made a difference.

● **CISCO**

Tech giant Cisco recently gave its employees a day off for mental health in May 2022 followed by another day off in August 2022 just to 'unplug'.

Company also implemented a global peer-to-peer Reward and Recognition program called "Connected Recognition" funded at 1% of the payroll, a paid day off on birthdays, and discount programs to all its employees.

● **AIRBNB**

The companies like AIRBNB who are already renowned for their work culture have also very well accepted recognition policies in place which helps in motivating the employees. Some of these are recognising employee contributions, having pop up work anniversaries and birthdays themed events and creating free annual travel experiences, the company knits its employees into one big team which they refer to as 'Airfam'.

● **Bain and Company**

Bain and Company have a very flexible working model. Being a leader in the consultancy space, it offers its employees paid days off for a job well done, and also a very hefty performance bonus.

Over and above these incentives, it also offers its employees an option to work "whenever they feel most productive".

**Reward and Recognition policy of the PSUs and other Government organisations and the set of limitations faced by such organisations.**

PSUs generally find difficulty in formulating the Reward and Recognition scheme for their employees as such schemes ordinarily do not receive appreciation from the collectives – be it worker's collective i.e. Trade Unions or even officers Associations. Collectives generally brings allegations that such schemes are generally brought about for promoting handful of people close to the management and thus do much harm to the organisation in demoralising the rest of the workforce.

However, many progressive organisations made several attempts to bring about such schemes might not be under the umbrella of rewards and recognition but with the similar objectives. For example at GAIL , few schemes, over a passage of time, have got stabilized and are being enjoyed by the employees at large. To name a few, suggestions scheme, long service award, meritorious award for the wards of the GAIL employees, etc. While the last two schemes are specific to employees in general but the 1<sup>st</sup> scheme is meant for the employees who make valuable suggestions which ultimately help the organisation either in savings or generating profits or bringing efficiency in the operations which directly or indirectly help in improving the top line or bottom-line of the organisation upon implementation of such suggestions besides bringing efficiency and efficacy in the system. In the annual function i.e. on GAIL foundation Day, the first prize is awarded to the employee (by the CMD) for the suggestion which carry a reward of Rupees one lakh coupled with a memento.

The meritorious award is based on the

performance in class 10<sup>th</sup>, 12<sup>th</sup> and professional examinations such as engineering, medical, management, Cost Accounting, Chartered Accounting, etc. The prizes are awarded by the CMD in the presence of other functional Directors on the occasion of GAIL foundation day.

Similarly, long service awards for serving the company for 15 Years, 20 Years, 25 Years, 30 Years, so on and so forth. A suitable award is given to the employees as a part of the retention policy of the company.

Another Maharatna PSU like NTPC Limited has a Reward and recognition Policy which focuses on building organisational culture for people to demonstrate their creativity, initiative and involve in holistic development, through recognition and celebration of achievements. And keeping this in mind, Keeping the above in mind, the Company has developed a bouquet of special Rewards and Recognition Schemes with an objective of reinforcing good work and behavior of employees to achieve Organisational excellence. The Rewards & Recognitions of NTPC range from Peer to Peer recognition like **Thank you slips** to On the spot recognitions like **Applause** for a task well done / target achieved within stipulated time by an individual employee or group of employees in a section/department. They also have awards like **Star of the Month and Employee of the Year** recognition to recognise consistent good work done by the employees and reward exemplary performance for creating role models as well as a performance based culture.

**What are the words of caution while formulating the Reward and Recognition policy vis-à-vis the guidelines?**

Although the task of formulating the Reward and Recognition policy is a tedious and cumbersome but there are certain sets or rules and guidelines which must be kept in mind while formulating a methodical, structured and systematic Reward and Recognition policy.

- Transparency should be maintained so as to make sure that reward is given only to the deserving employees.
- Subjectivity should be kept to the minimum. Rather these policies should be objective based i.e objective-based schemes with proper milestones.
- The underline objective of the scheme should be only to recognize the meritorious contribution of the employee and not to only select a few on flimsy grounds depriving others of their dues.
- Emphasis of the scheme should be more on the recognition at the higher level via various non-monetary like including but not limited to things such as holiday packages, accelerated promotions, awards and accolades in one form or another, etc.
- Also, these programs/policies should be dynamic enough and not rigid.
- The efficiency of the policy in place should be kept under a check and there should be a periodical survey on the milestones that these objective based policies sought to achieve.

**Conclusion :**

Creating an environment of employee recognition empowers everyone in an organization. However, there isn't 'one size

that fits all' formula on what organizations can do or cannot do to motivate the employees.

It should therefore be an endeavour of every organisation to make the Reward and Recognition schemes more robust, user friendly, simpler and adaptable in sync with the time. Accordingly, where there is an existing Reward & Recognition Scheme in Organisations, the objective should be to re-energise the schemes, it should be reviewed in line with the broad terms of reference and seek inputs of the various Strategic Business Units to lend mileage to the applicability and functionality of the Schemes.

## WORDS OF WISDOM

*“If you don’t create a great, rewarding place for people to work, they won’t do great work.”*

*-Ari Weinzweig*

*“Take time to appreciate employees, and they will reciprocate in a thousand ways.”*

*-Bob Nelson*

*It's very inexpensive to give a compliment.*

*- Joyce Meyer*

*“Keep your eyes open and try to catch people in your company doing something right, then praise them for it.”*

*- Tom Hopkins*



## About NIPM

National Institute of Personnel Management (NIPM), is the only all India body of professional managers engaged in the profession of Human Resource Management, Industrial Relations, Labour Welfare, and Training & Development in the country. It came in to existence on 15th March 1980 as a result of merger of two professional institutions, namely the Indian Institute of Personnel Management (IIPM) established in 1948 in Kolkata and the National Institute of Labour Management (NILM) established in 1950 in Bombay, now Mumbai.

With its National Office at Kolkata, NIPM has a total membership of about 10,000 spread over 53 Chapters all over the country.

NIPM is a nonprofit making body devoted to building professional excellence in the field of Human Resource Management through regular activities ranging from Evening Lectures to People Process Quality Certifications. Post Graduate Diploma in Personnel Management (PGDPM), the 2 years flagship academic programme of NIPM is widely recognized by industries in India for a career in HRM. NIPM has set up dedicated wings for Corporate Training & Consulting and Research & Development to leverage its vast experience and expertise. NIPM 4000-2016, the Global Standards for Quality of People Process, is aimed at defining global benchmarks for HR processes in organizations. NIPM 4000-2016 certification is the mark of Excellence of people processes in organizations.

The annual National Conference (NATCON) of NIPM is the greatest learning event in the country attended by eminent business and HR leaders from India and other Asian countries. The HR Excellence Award of the Institute, to be the most valued Award, is set up to track and recognize the HR professionals who make a significant difference. NIPM also organizes regular seminars, workshops, conferences on contemporary themes, and HR technical trainings for technical update through its Chapters across the country. NIPM reaches out to Management Students for their early professional grooming to make them 'Industry Ready'. The Student Chapters of NIPM are taking Root. 'Personnel Today' the professional journal of NIPM, is the most valued publication.

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