THE IMPACT OF MONETARY REWARDS AND OTHER RECOGNITIONS ON EMPLOYEE MORALE

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ABSTRACT

Employee morale is a critical factor in organizational success, influencing job satisfaction, productivity, and overall work culture. This article explores the impact of monetary rewards and other forms of recognition on employee morale, with a focus on their significance in fostering a positive work environment. Drawing upon a comprehensive review of existing literature and case studies, the research delves into the multifaceted nature of employee morale and how various incentive systems contribute to its enhancement.

The findings reveal that while monetary rewards, including bonuses, salary increases, and incentives, hold undeniable appeal for employees, they are not the sole determinants of morale. Equally vital are non-monetary recognition methods such as verbal appreciation, public acknowledgment, and opportunities for professional growth. The study underscores that a balanced approach, combining both financial incentives and non-monetary recognition, is essential for nurturing high levels of employee morale.

KEYWORDS: *Employee morale, monetary rewards, undeniable appeal, balanced approach*

INTRODUCTION

In the realm of modern business, the success of an organization is profoundly intertwined with the contentment, enthusiasm, and dedication of its workforce. Employee morale, a complex amalgamation of attitudes and emotions, stands as a pivotal element in determining the workplace's overall health and effectiveness. High morale drives job satisfaction, increases productivity, and fosters a culture of innovation and collaboration. Conversely, low morale can lead to absenteeism, disengagement, and attrition, jeopardizing an organization's competitiveness and longevity.

Recognizing the critical role of employee morale, organizations continually explore strategies to enhance it. Two primary methods have emerged as central to this pursuit: monetary rewards and non-monetary recognition. Monetary rewards include bonuses, salary increases, and financial incentives. Non-monetary recognition encompasses verbal praise, public acknowledgment, and opportunities for professional growth. Both forms of motivation are vital, but their relative importance and the interplay between them remain subjects of ongoing scrutiny and debate.

This article embarks on an exploration of the intricate relationship between monetary rewards, non-monetary recognition, and employee morale. Through an in-depth investigation, it seeks to elucidate how these two distinct approaches impact employee attitudes, performance, and overall job satisfaction. By delving into the multifaceted nature of morale and the factors influencing it, this research aspires to offer insights that can guide organizations in crafting more effective and holistic strategies for enhancing their workforce's well-being and, in turn, their own success.

REVIEW OF LITERATURE

Roshan levina roberts (2005) The aim of this study is to investigate whether Monetary Rewards and Other recognitions has an impact on employee motivation. A biographical and Work Motivation Questionnaire was administered to respondents (De Beer, 1987). The sample group (N= 184) consists of male and female employees on post-grade levels 5 to 12. The results of the research indicated that there is a positive relationship between Monetary Rewards, Other recognitions and motivation. The results also revealed that women, and employees from non-white racial backgrounds experienced lower levels of Monetary Rewards, Other recognitions and motivation.

Gangapuram Aruna (2018) The general objective of the research was to study the impact of Monetary Rewards and Other recognitions on employee motivation. And the specific objectives were to identify the most effective means of Monetary Rewards and Other recognitions, to study the behavioral differences between appreciated and non-appreciated employees, to understand the extent to which motivation enhances employee's performance, to identify if the motivation has an effect on individual and organizational growth and to study if Monetary Rewards and Other recognitions results in emotional conflicts between employees.

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Usman A (2010) . The present study was an attempt to find out the major factors that motivate employees and it tells what is the relationship among reward, Other recognitions and motivation while working within an organization. The data were collected from employees of diverse type of organizations to gain wide representation of sectoral composition. In all, 250 self administered questionnaires were distributed among the employees of different sectors and they returned 220 completed useable questionnaires for response rate of 88%. The participation in survey was voluntary and confidentiality of responses was ensured. The statistical analysis showed that different dimensions of work motivation and satisfaction are significantly correlated and reward and Other recognitions have great impact on motivation of the employees

Kibet LK(2013) This study aimed at determining the effect of reward on employee performance at KPLC. Specifically the study sought to determine the effect of cash bonus on employee performance. The research adopted correlation research design. 68 management employees responded. Data was collected using questionnaires. Descriptive statistics (frequency tables, percentages) were used to present data. Inferential statistics (chi-square) was used to analyze the relationship between cash bonuses and employee performance. Data was analyzed with the help of the Statistical Package for Social Sciences (SPSS) computer programme. The findings of the study showed that cash bonus have no effect on employee performance ($p=0.8$).

Owais Shah (2015) The aim of this study is to investigate how to employee performance impact on reward in private school. The study also aims to show how to employee improve the performance has in reward system.Design/methodology/approach: Questionnaire is used as instrument and 100 questionnaires were used to check the respondent's opinionFindings: descriptive analysis, correlation and multiple regression tests were applied for data analysis.Conclution:study concludes that there is positive relationship between Monetary Rewards (extrinsic and intrinsic) and employee's job performance.

Abu-Bakr Abdul Hamid (2014) This paper reviews the literature to highlight the prominence of nonfinancial Monetary Rewards for employee's job satisfaction that directly affect the organization success. We have scrutinized the significance of various Monetary Rewards for employee's satisfaction and performance. It has been found that alongside the importance of financial Monetary Rewards i.e. salary, fringe benefits, bonuses and life insurance the employees also anticipate various non-financial Monetary Rewards such as; job Other recognitions, decision making, and appreciation from the organization

Saira Yousaf (2014) The basic aim of this paper is to identify /investigate financial and non financial Monetary Rewards that affect the motivation of employees in organizations. The paper also not only discuss that the employee motivation is imperative for the overall organizational performance, but also talks about how to retain a motivated workforce in the organization (what if this study should include a specific industry or region. E.g education field, or any other sector; generalizes study won't have an impact).

Sze Took Teng (2014) This study was conducted to investigate the relationship between Monetary Rewards and job satisfaction as well as to examine the types of Monetary Rewards that will affect employees' job satisfaction. Base salary raises (financial reward) and Other recognitions (non-financial reward) have been discussed in this research. Frontline employees working as Front Desk Assistants in four-star and five-star hotels in Klang Valley, Malaysia were taken as sample for this study. 150 questionnaires were distributed and 132 were collected for analysis

Muneer R (2017) The study has conducted to measure the effect of Monetary Rewards (Intrinsic & Extrinsic) on employee job performance. The experiences and personal opinions of employees working in

different couriers companies were analyzed through questionnaires in the city of Faisalabad. The key objective of the study was to find that the Monetary Rewards affect the performance of an employee. Statistical package (SPSS) has been used to conduct the analysis of the study. Employees like Field Supervisors, Couriers from selected courier companies (TCS, OCS, Leopard and Express Courier Services) were randomly chosen.

Keerthi DS (2019) Every organization and business entity wants and carves for highest destination in any market place which it serves for its esteemed customers. Being competitive with unique business plans which differ from organization to organization reveals their conduct in enhancing service growth and market focus are facing employee retention challenges. Employees work efficiency takes main stage in being any employee straightforwardly identifying various issues which can be resolved amicably.

Monga, Verma, Monga (2015) in their research paper authors have tried and identified a crucial understanding at ICICI Bank. Himachal Pradesh which examined the level of employee satisfaction at 6 branches in Himachal Pradesh which has 80 employees, results found was from the analysis of data revealed that employee morale can be highlighted only by increasing various employee welfare measurement and appreciate good work from superior which makes employee productivity high

RESEARCH METHODOLOGY

RESEARCH DESIGN

The research is descriptive in nature. This research identifies the impact of monetary rewards and other recognitions on employee productivity and describes the significance each factor have on the employee morale.

SOURCES OF DATA

The research uses both Primary and Secondary data.

Primary Data

Primary data has been collected from 134 respondents using questionnaire (survey method).

Secondary Data

Secondary data was collected from reviewing various literature related to hybrid working conditions and their impact on employee productivity

SAMPLE SIZE & TECHNIQUE

The population size is indefinite as the number of people working in hybrid options is large in number. It is difficult to access the population. The sample size is 134. The respondents are from various locations spread across the City. Sampling technique is the technique used to select the sample size. Convenient sampling technique is used for this research. Employees were taken according to the convenience of the research study. The respondents are from various locations spread across the country.

OBJECTIVES OF THE STUDY

☐ To classify the demographic profile of the respondents.

☐ To determine whether Morale is independent of Compensation

☐ To measure the impact of Monetary Rewards & Other recognitions over Employee Morale

HYPOTHESIS

• H_01: Morale is not independent of Compensation

• H_11: Morale is independent of Compensation

• H_02: There is no significant impact of Monetary Rewards & Other recognitions over Employee Morale

• H_12: There is significant impact of Monetary Rewards & Other recognitions over Employee Morale

DATA ANALYSIS & INTERPRETATION

DEMOGRAPHIC PROFILE

FACTOR	FREQUENCY	PERCENTAGE
AGE 20 - 25 25 - 30 30 – 35 35 – 40 40 and above	14 22 38 29 31	10% 16% 29% 22% 23%
GENDER Male Female	75 59	56% 44%
EDUCATIONAL QUALIFICATION Under graduate Post Graduate Professional Education	30 81 23	23% 60% 17%
DEPARTMENT OF FUNCTION Finance HR General Administration Non Administrative staff Operations	36 21 25 17 35	27% 16% 19% 13% 25%

ANNUAL INCOME		
3.5 lakhs to 6 lakhs PA	36	27%
6 – 10 lakhs PA	24	18%
10- 15 lakhs PA	51	38%
Above 15 lakh rupees	23	17%

Interpretation

56% of the respondents are male, 44% of the respondents are Female. 10% of the respondents belonged to age group of 20- 25, 23% of the respondents belong to age group of 40 years & above . 22% of the respondents are aged between 35 and 40. 16% of respondents are aged between 25 and 30. 60% of the respondents are Post graduates, 23% of the respondents are Graduates, 17% of the respondents are doctorates & above. 27% of the respondents fall under 3.5 – 6 lakhs pa category, 18% of respondents earn up to 6-10 lakhs p.a, 38% of respondents fall under the category of income 10 lakhs to 15 lakhs pa, 17% of the employees earn up to more than 15 lakhs p.a. 27% of the respondents fall under finance category, 19% of the respondents are from the general administration department , 16 % of the respondents are from HR department , 13 % of respondents are from non-administrative category and 25 % of respondents are from the operations department.

Inference

Majority of the Respondents are Male , Majority of the respondents were from the age group of 20-25, Majority of the respondents are qualified Post Graduates , Majority of the respondents fall under 10 lakhs to 15 lakhs pa income category , Majority of the respondents fall under the finance category.

CHI SQUARE ANALYSIS BETWEEN COMPENSATION & MORALE

Chi square analysis has been utilized for studying the independency of Compensation & Morale

H0: Morale is not independent of Compensation

H1: Morale is independent of Compensation

Table of Chi square analysis Between Compensation and Morale

GENDER	MORALE			
	χ^2	Df	P vaue	Significance
	572	9	0.015	Significant**

**Significant at 0.05 level

Interpretation

From the table it is noted that the P value is less than 0.05, Hence is noted that employee morale does not depend on Compensation Hence Reject H0

Inference

Morale is independent of compensation

REGRESSION ANALYSIS OF HYBRID WORKING AND CAREER GROWTH

Regression analysis has been utilized for showing of Monetary Rewards & Other recognitions and Employee Morale

H0: There is no significant impact of Monetary Rewards & Other recognitions over Employee Morale

H1: There is significant impact of Monetary Rewards & Other recognitions over Employee Morale

Table of Regression Analysis between Monetary Rewards & Other recognitions over Employee Morale

MONETARY REWARDS & OTHER RECOGNITIONSS	EMPLOYEE MORALE					
	R	R Square	Adjusted R Square	F Value	P Value	Significance Level
	0.357	0.165	0.027	13.159	0.002	Significant**

Significant at 0.05 level

Interpretation

From the table it is noted that the P value is less than 0.05, hence impact of Monetary Rewards & Other recognitions over Employee Morale is significant. Hence Reject H0.

Inference

Monetary Rewards & Other recognitions has 16.5% impact over Employee Morale in the organization

CONCLUSION

In the dynamic landscape of today's organizations, where the pursuit of productivity and innovation is relentless, employee morale emerges as a foundational pillar upon which success is built. This article has delved into the nuanced relationship between monetary rewards, non-monetary recognition, and employee morale, shedding light on the multifaceted nature of motivation in the workplace. In conclusion, the impact of monetary rewards and non-monetary recognition on employee morale is a dynamic and ever-evolving subject. The most successful organizations are those that acknowledge this complexity and adapt their practices accordingly. By valuing the holistic well-being of their workforce, fostering a culture of appreciation and growth, and creating opportunities for financial and personal advancement, they craft an environment where high morale becomes a natural outcome.

In such environments, employees are not just contributors; they are partners in the organization's journey. High morale transforms them from passive participants into active advocates, driving the organization forward with a vigor that transcends monetary considerations. In doing so, they create a powerful synergy that benefits not only the employees themselves but also the organization as a whole, propelling it to new heights of success and innovation.

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