Impact Of Reward And Recognition On Employees Performance

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ABSTRACT:
The general objective of the research was to study the impact of rewards and recognition on employee performance. The specific objectives were to identify the most effective means of rewards and recognition, to study the behavioral differences between appreciated and non-appreciated employees, to understand the extent to which motivation enhances employee performance, to identify conflicts between employees. The descriptive research design was adopted for this study. Various employees from the companies were the respondents. It was also significant to discover that there is a direct and positive relationship between rewards and recognition and job satisfaction and motivation. Hence, if rewards and recognition offered to employees were to be altered, then there would be corresponding change in work motivation and satisfaction. The direct translation of this could be that the better the rewards and recognition, the higher the levels of motivation and satisfaction, and possibly, therefore, the greater the levels of performance and productivity. In the event of major inconsistencies, especially for emotional conflicts between performers and nonperformers, the organization should make an effort to re-assess and rectify this situation. In the event that the organization does not re-assess this situation, it could have a resultant negative impact on job performance and productivity as well as on the retention of minorities. In accordance with Maslow’s hierarchy of needs, the lower level needs such as salary and benefits must first be met before the higher level needs, which impacts motivation can be satisfied. The research study has shown that managers can employ different strategies would have a different motivational impact on different people. To get optimum results from a motivational strategy, the managers has to realize and understand issues, which requires recognition of each individual unique values, beliefs, and practices.

KEYWORDS:
Rewards, Recognition, Employee, Motivation, Performance
INTRODUCTION:

Employee recognition is a judgement on a worker’s contribution, in terms of the work process as well as dedication and motivation. It also involves evaluating and acknowledging the results of this work. In short, it looks at the unique contribution of each worker and stress the value of his or her professional expertise and experience. By creating a culture of recognition, employees become more engaged. Engaged employees are happy, loyal, and productive. Every day there is an opportunity to recognize someone for their service without spending a lot of money. Informal rewards are the icing on the cake that keeps employees motivated, engaged, and coming back for more. But it is also essential to study and understand the extent to which the above mentioned factors have an impact their and organisations growth. The primary need of the study is to introduce innovative methods of appreciations for employees. The study would help companies frame newer employee engagement programs. It would help researchers in future to analyze trends in employee engagement.

As manpower constitute the core of any business and ultimately employees are the main focus of human resource management, with the constant occurring in the world today, especially with regards to technology and innovation, there is a need for companies to reassess the manner in which they communicate to their employees, which would increase their morale and will acts as a driving force toward an integrated workforce. Thus, apart from financial compensation, there are other means to reward employees, some of which include the praise that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention which helps them climbs Maslow’s pyramid of needs to attain motivation for better performance.

2. LITERATURE REVIEW:

Masood Asim (2013) presented the impact of motivation level amongst the worker’s performance with the mediating of the training needed in Pakistan Universities. The problem targeted at the research is the relationship between rewards, promotion on the employees motivation with special effects from the worker’s performance more specially on education sector. The research was carried out from 118 respondents. In this research correlation and regression methods were used to consider the data. The findings of the study explain that the universities of Pakistan should improve the salary and reward system in order to get the desired performance from the university employees.

Chukwuma Edwin Maduka presented that organization without motivating its human resources cannot achieve its objectives and cannot run efficiently. The problem stated in research is to learn the ways and effects of motivating the workers in an organization. The research was carried out from 400 staff of the manufacturing firms in Nnewi. The methodology used is being survey method. The findings of research show that salaries paid to junior staff were very below hence poor motivated which leads to poor performance. Junior staff prefers financial incentives than no financial. Management of the manufacturing firms in Nnewi does not tend of their employee benefits, thus the study recommends that an increase in salary via promotion and other benefits should be used as motivational factors.

1. REWARDS AND RECOGNITIONS IMPACT ON EMPLOYEE MOTIVATION

The focus of this heading is to provide insights to the theories that have shaped the understanding of the motivation, by focusing on the content theories of motivation. The chapter proceeds with an in depth presentation of a total rewards management programmer and the support that a performance management process can provide to such a programmer. Given the focus of this research study, it is important to have a sound understanding of the meaning of rewards and recognition, as they are often used interchangeably, but the literature indicates that there are unique, tangible differences between these concepts. Organisations are under constant pressure to enhance and improve their performance and are realizing that interdependent relationship exits between organizational performance and employee performance. The focus will be on the motivational theories and the impact that these theories
have to establish an equitable balance between the employees contribution to the organization and the organization contribution to the employee. Establishing this balance is one of the main reasons to reward employees.

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward system seek to attract people to join the organization to keep coming to work and motivate them to perform at high levels. The reward system consists of all organization them components – including people processes rules regulations and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization. In this chapter, we can find the basic conceptual understanding of rewards and recognition and also the citations of various researchers on the same.

Organization that follow a strategic approach to creating this balance focus on the three main components of a reward system, which includes, compensation, benefits and recognition. Studies that have been conducted on the topic indicates that the most common problem in organization today is that they miss the important component of reward, which is the low cost, high return ingredient to a well balanced reward system. A key focus of recognition is to make employees feel appreciated and valued. Research has proven that employees who get recognized tend to have higher self esteem more confidence more willingness to take on new challenges and more eagerness to be innovative.

Workplace recognition motivates, provides a sense of accomplishment and make employees feel valued for their work. Recognition not only boosts individual employee engagement, but it also has been found to increase productivity and loyalty to the company, leading to higher retention.

Recognition and rewards are critical to enhancing employee engagement and performance. Research shows that employers with good recognition and career development programs scored significantly higher in terms of productivity, revenue, customer retention, and employee retention than those that didn’t.

Appreciation and recognition are major factors that motivate employees to work harder and aim higher. By applauding employees for their achievements in front of colleagues, it stimulates everyone to work harder.

NEGATIVE EFFECTS OF COMPETITION IN RECOGNITION:

- Lower self esteem. Most recognition can incentive programs, including competitions, only rewards the high performers.
- Focus on the wrong things. Competition can create an environment where employees are focused more on their competitors than on their own work.
- Work/life imbalance.

DIFFERENCE BETWEEN REWARDS AND RECOGNITION:

Rewards are gifts and awards that are given to employees, where as recognition is praising an employee and calling out their accomplishments, without a tangible transaction. Rewards and recognition are components that contribution to employee retention and engagement efforts.

IMPORTANT DISTINCTIONS:

Recognition is highly a kind to the concept of consideration and reward. We must, therefore, draw a distinction between these concepts in order to clearly identify what qualifies as recognition. To this end, we will use the indifference / compensation continuum levels.
INDIFFERENCE:
A contractual tie between an individual and an organization.

CONSIDERATION:
A social tie between a human being and an organization. Employees are perceived as thinking and dignified human beings.

RECOGNITION:
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.

REWARD:
A formal, impartial, and equitable exchange. A material or financial expression of appreciation that is conditional on results.

COMPENSATION:
The most formal expression of interest: a regular monetary reward.

3. RESEARCH METHODOLOGY:

OBJECTIVES OF RESEARCH METHODOLOGY:
It is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. Since there have been various researches conducted on rewards and recognition by various researchers, the description design was adopted as the researcher intended only to project the scenario and describe the phenomenon.

The general objective of the research was to study the impact of rewards and recognition on employee motivation and performance. And the specific objectives were to identify the most effective means of rewards and recognition to study the behavioral differences between appreciated and non-appreciated employees, to understand the extent to which motivation enhances employees’ performances, to identify if the motivation has an effect on individual and organizational growth and to study if rewards and recognition results in emotional conflicts between employees.

RESEARCH DESIGN:
The descriptive research design was adopted for this study. It describes data and characteristics about the phenomenon being studied.

OBJECTIVE OF STUDY:
- To examine the impact of motivation and organizational performance.
- To examine the impact of motivation and organization and organizational performance.

RESEARCH QUESTIONS:
1. What is the major factor that increases motivation of employee?
2. What is the impact of motivation on organizational performance?
3. What is the connection between employee motivation and organizational performance?
SIGNIFICANCE OF STUDY:

The findings of the research will be beneficial to the organizational of oil and gas sector but also to the other organizations as well in understanding the importance of employee motivation.

Sample size & Sample Design: 50 employees were taken as the sample size by using “convenience sampling” design was adopted as the respondents were selected by the researcher on the base of ease of access with which he was comfortable.

TOOLS OF DATA COLLECTION:

A questionnaire was prepared to collect data from the employees on the various aspects of rewards and recognition desired by the researcher.

UNIVERSE:

Various employees from the different firms in the company were respondents.

4. SOURCES OF DATA COLLECTION:

Primary data:

A primary data source is an original data source, that is, one in which the data are collected first hand by the researcher for a specific research purpose or project. Primary data can be collected in a number of ways. Primary data collection is quite expensive and time consuming compared to secondary data collection.

Types of primary data:

- Sensors
- Measurements
- Observations
- Interviews
- Surveys
- Experiments
- User input
- Transactions

Secondary data:

Secondary data is a data, which cannot be track back to the level of individual cases of statistical units. In contrast to primary data it does not allow for mathematical calculations such as determining an arithmetic mean, a correlation, etc.

Types of secondary data:

- Books
- Personal sources
- Journal
- Newspaper
- Website
- Government Record
5. PRE TESTING:
The researcher gave a tentative questionnaire with a limited number of questions to 10 respondents and studied the authenticity of the data collected to make further changes if required. It was done before the dates of data collection and there were no changes done.

6. TOOLS USED:
Tabular column, Percentage method, Chi-square test, Correlation etc.

7. FINDINGS:
The data collected by the researcher on the study on the rewards and recognition on employees motivation. The data were collected from employees of the study area. The data were analyzed after the formulation of a codebook and a code sheet in a systematic representation. The followings were the findings.

8. METHODS OF REWARD POLICIES:

- 52% of the respondents organizations follow both formal and informal methods of reward policies.
- 42% of the respondents organizations give employee of the month reward.
- 26% of the respondents organizations carried out praising staff publicly at staff and other public meetings as informal rewards and recognition.
- 60% of the respondents organizations had rewards and recognition program on a monthly basis.
- 38% of the respondents feel that promotion based on performance is the most effective way of rewarding an employees.
- 56% of rewards and recognition are based on a combination of innovative and creative ideas, increased productivity and customer satisfaction.
- 42% of the respondents companies use group vote, a decision from top officials and a decision from the single manager as the mode of judgement for rewards and recognition.

10. TREATMENT OF NON-PERFORMERS:

- 28% of the respondents said that non performers who did not show improvement where terminated from their respective jobs.
- 44% of the respondents said that training for skill development was given for non performers.

11. VARIOUS IMPACTS OF REWARDS AND RECOGNITION:

- 42% of the respondents agree that non appreciated employees are isolated from appreciated employees.
- 46% of the respondents strongly agree that employees performance increases after rewards and recognition.
- 38% of the respondents were neutral on the fact that rewards and recognition employees are isolated from appreciated employees.
- 46% of the respondents agree that job satisfaction increases motivation.
- 48% of the respondents agree that an employee puts extra effort in order to attain rewards and recognition.
- 52% of the respondents strongly agree that an employee puts rewards and recognition to increase motivation.
• 38% of the respondents agree that rewards and recognition collide individual and organizational growth.
• 52% of the respondents felt that rewards and recognition should be given by their immediate manager or supervisor.
• 48% of the employees agree that rewards and recognition result in emotional conflicts between performance and non-performers.
• 36% of the respondents felt that the major benefit a company receives out of rewards and recognition is increased level of motivation.
• 36% of the respondents agree that rewards and recognition increase employee loyalty towards the organization.
• 48% of the respondents agree that rewarded employees show high performance consistency.
• 58% of the respondents felt that rewards and recognition should be given by their respondents.

1.1 Table showing relationship between after recognition and sense of achievement case processing summary

<table>
<thead>
<tr>
<th>cases</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>After recognition</td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>drastic improvement * motivated by sense of achievement</td>
<td>50</td>
<td>100.00%</td>
<td>0</td>
</tr>
</tbody>
</table>
1.2 After recognition drastic improvement * motivated by sense of achievement cross tabulation:

<table>
<thead>
<tr>
<th>count</th>
<th>Motivated by sense of achievement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>10</td>
<td>28</td>
</tr>
</tbody>
</table>
### 1.2 CHI-SQUARE TESTS:

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<thead>
<tr>
<th>Test Description</th>
<th>Values</th>
<th>Df</th>
<th>A symp sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson chi-square</td>
<td>9.626</td>
<td>6</td>
<td>0.141</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>12.334</td>
<td>6</td>
<td>0.055</td>
</tr>
<tr>
<td>Linear by linear association</td>
<td>3.537</td>
<td>1</td>
<td>0.06</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INTERPRETATION:**

Rewards and Recognition is a system where people are acknowledged for their performance in intrinsic and extrinsic ways. Reward and Recognition is present in a work environment where there is appropriate acknowledgement and appreciation of employees efforts in a fair and timely manner.

**IMPORTANCE:**

Employee reward and recognition has been proven to improve organizational values, enhance team efforts, increase customer satisfaction and motivation certain behaviours amongst members of staff.
USE:

1. Make it personal
2. Provide opportunities
3. Magnify recognition
4. Offer beyond the call of duty perks
5. Motivate with financial incentives
6. Give holiday rewards and bonuses
7. Facilitate peer to peer recognition

TYPES OF EMPLOYEE RECOGNITION AND REWARDS:

- Bonuses
- Written praise
- Verbal praise
- Employee Appreciation Day
- Birthdays
- Employee First day
- Work Anniversaries
- Project Completion

CONCLUSION:

It is evident from the study that a variety of factors influence employee motivation and satisfaction. It was also significant to discover that there is a direct and positive relationship between rewards and recognition and job satisfaction and motivation. Hence, if rewards and recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The direct translation of this could be that the better the rewards and recognition, the higher the levels of motivation and satisfaction, and possibly therefore, the greater the levels of performance and productivity. In the event of major inconsistencies especially for conflicts between performers and non-performers, the organization should make an effort to re-assess and rectify this situation. It could have a resultant negative impact on job performance and productivity as well as on the retention of minorities.

In accordance with Maslow’s hierarchy of needs, the lower level needs such as salary and benefits must first be met before the higher level needs, which impacts motivation can be satisfied.

The research study has shown that managers can employ different strategies to motivate employees, but that it is important that managers keep in mind that different strategies would have a different motivational impact on different people. To get optimum results from a motivational strategy, the manager has to realize and understand issues, which requires recognition of each individual unique values, beliefs, and practices. Important to consider is that different motivation strategies may affect an employee in different ways at different points in time because conditions, needs, and personal objectives are not static but in a constant state of fluctuation.

The findings alluded to the fact that employees with no awards tended to be less motivated. Given the fact that the organization and thus the business unit is in a state of transformation, employees in this category may want to quit the organization. This places the business unit under pressure to retain these employees. The business unit could benefit from implementing a retention strategy, which in itself has a strong focus on recognition. As mentioned previously, reward and recognition if improved could have a
positive effect on motivation and satisfaction. The business unit could thus use the performance management system to provide regular acknowledgement and feedback.

SUGGESTIONS:

- Many different things motivate people.
- Rewards and recognition, organization should adopt more financial incentives for rewarding the employees.
- All levels of managers should be trained on the art of making all the employees feel comfortable in the working environment which does not result in emotional conflicts between performers and non-performers. It can be done by, people, and that which motivates one person may not necessarily motivate another. Thus companies should take into account the interests of all the employees.
- If the above mentioned suggestion hinders the budget, innovative ways of low cost recognition programmers can be organized. Which can be,
  1. Post on recognition board bulletin board, newsletters, website.
  2. Hall of fame – pictures of employees
  3. Submitting article to intranet for agency viewing
  4. Submitting an article to local/national newspaper regarding employees' achievement.
  5. Senior manager attending a staff meeting when employees are recognized for their achievements.
  6. Scrapbook with pictures of achievements throughout the year.
- Since most of the employees demand monetary benefit in rewards
  1. Providing employees an understanding of how they can impact the organization goals and drive the business to success.
  2. Discussing the approach for managing and rewarding both individual and team performance.
  3. Explaining how the program works and how employees can receive recognition.
  4. Learning ways to motivate and inspire others.
  5. Learning how to communicate needs, expectations and goals clearly.
- All the levels of managers should be trained on the art of making all the employees are recognized for their achievements, working environment which does not result in emotional conflicts between performers and non-performers.

ADVANTAGES:

- Increase Employee Productivity.
- Increase Profitability.
- Retain Top Talent.
- Build a Positive

LIMITATIONS:

- Addiction
- Devaluation
- Race against the clock
- Control and manipulate
- Increased pressure
- Bribes
- The researcher was given a very limited time to conduct the study on the employees. The researcher also faced difficulty in getting the respondents as many of them were not present in their workplace. The researcher felt that getting the respondents was time-consuming. The cost
involved to do the research was more. The shift timings were another barrier to get the respondents. It may be a prerequisite to approach various organisations may show discomfort in filling the questionnaires.

REFERENCES:


7. Karl Heslop (2005), The relationship between rewards, recognition and motivation at an insurance company in the Western Cape.

