



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

A Study On Impact Of Employee Reward And Recognition On Employee Engagement In The IT Sector

Dr. Jayashree Sapra

FOMC, PES University, Bangalore, India

Mr. Darshan M

PES University, Bangalore, India

Ms. Arshiya F

PES University, Bangalore, India

ABSTRACT

Recognition of employees for the work is a tool used by organisations to motivate their employees to perform better, which would eventually lead to the overall growth of the organisation. Today, the IT sector is rapidly growing and is constantly evolving. Employees who belong to the IT sector need to constantly evolve and develop new skills to stay relevant in the industry. Engagement of the IT sector employees can be a challenging task for organisations, as there is high chances of IT employees to undergo stress and dissatisfaction at work. This study aims at identifying of employee reward and recognition have any impact on the employee engagement in the IT sector.

Key words-Information Technology(IT), Rewards and Recognition, Employee engagement.

INTRODUCTION

Employee engagement is an area in the Human Resource domain where which is now being viewed in a wider organisational context because of its positive impact on the performance of the organisation. It is a combination of emotional and rational factors like passion, satisfaction, confidence, empowerment and attitude. Employee engagement is a positive and proactive behaviour which is a result of several factors like motivated employees, enlightened people management activities, empathetic managers and clearly communicated business objectives(**Turner, P,2020**).Employee engagement today has become an increasingly important aspect in organizational competitiveness. Even though employee engagement is an extensively researched topic, the role of new and innovative ways of employee engagement factors are still not exploited to the fullest(**Duque, L,2020**). Employee performance is not only dependent on pay, work methods discipline rules, peers, supervision or promotion. Employee engagement is one aspect which is important to enhance the performance of employees. Organizational policies should be framed in a way where employee circumstances and expectations are to be addressed by the organisation(**Arifin, Z,2019**). Organisations still measure employee engagement on long basis using certain tradition techniques like surveys. Organisations today can make use of technology to measure employee engagement(**Burnett, J. R,2019**). Employee engagement is a paradoxical balance between co-creational as well as functional approaches, which offers an alternate and a more theoretical understanding of how employees make some meaning out of the employee engagement experiences(**Lemon, L,**

L,2019). Employee engagement is also one way to retain employees in an organisation. Employee engagement which consists of a vigorous, dedicated and absorbing dimension are known to have a positive impact on the employee productivity in an organisation. On the other hand, employee disengagement is one aspect of any organisation which will destruct the organisation. One important tool to improve the engagement of employees is the work-life balance(**Larasati, D. P,2019**).

REVIEW OF LITERATURE

The research paper is performed to figure out the factors which would inspire employees and understand if there is the association from the variable motivation, recognition and reward within a business(**Danish, 2010**). This paper explores how employee engagement can strengthened though monetary and non-monetary rewards to employees. As a result, it revealed that these factors will increase the level of employee engagement for betterment of company's performance(**Waqas, 2014**). The paper is done to analyze the effect of reward on employee commitment in faith-based health organizations. This is for Kakamega County, Kenya. It is seen that there is a strong relationship between reward practices and employee commitment(**Okinyi, 2015**). This paper was to evaluate the role of employee engagement between recognition, rewards and normative commitment. In findings it says that these are positively correlated. And it is partial support to the mediation hypothesis considered in the study(**Ghosh, 2016**). This study is being conducted to understand if salary and respect of the employees or workers is a major factor for employee involvement. This study was conducted only for PT. BANK SULUTGO. As a result, it was seen that reward and recognition does provide motivation for better performance(**Mesep, 2016**). This purpose of this research is to find out the possibility that rewards and recognition are important instruments for both in-role as well as extra-role performances. As a result, it is found that these instruments are in fully mediate(**Rai, 2018**). The study analyses effect of reward system on employee performance in certain manufacturing firms of The Litoral region of Cameroon. It concludes by saying there is positive link between them(**Ngwa, 2019**). The research paper is performed to figure out the factors which would inspire employees and understand if there is the association from the variable motivation, recognition and reward within a business(**Danish, 2010**). The research aimed to identify if there was any impact of recognition and reward on job satisfaction and motivation of employees in the private banks of the city named Tirunelveli. Overall, it was found that reward and recognition as huge impact(**Vijayakumar, 2013**). This study was to understand role of employee engagement in improvising internal organization structure and also its development in the Information Technology sector. As it's the emerging factor in all kinds of sector and organizations(**Garg, 2014**). This paper explores how employee engagement can strengthened though monetary and non-monetary rewards to employees. As a result, it revealed that these factors will increase the level of employee engagement for betterment of company's performance(**Waqas, 2014**). research paper was conducted to know how would reward as well as leadership lead to employee engagement for the conventional banking sector. In order to pertain the results, they collected data from 5 different banks (50 employees) of Southern Punjab. As they found an encouraging influence of reward and leadership on employee engagement(**Iqbal, 2015**). The paper studies how direct as well as indirect financial benefits on commitment as well as engagement of employees at Rift Valley Bottles, Kenya. As a result, it is found that several factors affect the employee engagement in the organization(**Koskey, 2015**). The research was to understand if employee engagement is influenced by extrinsic and intrinsic rewards. The study was conducted in Uganda. Through questionnaire 184 samples were collected and analyzed with the help of SPSS ver.17 software. Finally, it's found that both extrinsic and intrinsic reward has good impact on employee engagement. And also, further research was being discussed in this paper(**Obicci, 2015**). The paper is done to analyze the effect of reward on employee commitment in faith-based health organizations. This is for Kakamega County, Kenya. It is seen that there is a strong relationship between reward practices and employee commitment(**Okinyi, 2015**). This research was all about finding out relationship between the three variables (employee engagement, organizational performance and reduced attrition), especially in the manufacturing sector. In this paper both white- and blue-collar employees were taken into consideration for analysis(**Saxena,2015**). This paper aimed to provide clarity regarding employee engagement and how it helps in retention as well as performance. Overall various factors were discussed which influences employee engagement. And also approaches for better employee engagement is being suggested in this paper. This study can be utilized by different organizations(**Chandani, 2016**). This paper was to evaluate the role of employee engagement between recognition, rewards and normative commitment. In findings it says that these are positively correlated. And it is partial support to the mediation hypothesis considered in the study. (Ghosh, 2016) This study is being conducted to understand if salary and respect of the employees or workers is a major factor for employee involvement. This study was conducted

only for PT. BANK SULUTGO. As a result, it was seen that reward and recognition does provide motivation for better performance(Mesepy,2016).This study was done to understand how age and gender (demographic variables) impacts the IT companies' employee engagement. This was for the geographical location South Chennai. Through the statistical study it was figured out, age has an impact but gender does not have any impact on employee engagement(Marcus, 2017). The objective of this paper was to know how reward scheme influences employee turnover purpose. In this study five factors were included such as (work-life balance, recognition, compensation, currency incentives and controller support). Results convey both monetary and non-monetary rewards impact employee turnover intentions strongly(Mendis, 2017). This purpose of this research is to find out the possibility that rewards and recognition are important instruments for both in-role as well as extra-role performances. As a result, it is found that these instruments are in fully mediate(Rai, 2018). This research was conducted to know if employee engagement is affected by work satisfaction. This research was conducted with 100 samples collected from the sector, telecommunication network, Indonesia. And it was processed with Structured Equation Modeling method. And it was found that employee engagement is due to employee satisfaction in this industry(Djoemadi, 2019).The study was to identify if reward and employee engagement influences employee performance. To identify this, path analysis was conducted to the collected data. And findings were positive. Hence both rewards and also the non-financial reward form were influencing employee performance(Dwiyanti, 2019). The study analyses effect of reward system on employee performance in certain manufacturing firms of The Litoral region of Cameroon. It concludes by saying there is positive link between them(Ngwa, 2019).The study is to inspect the effect of reward and recognition and professed superior support on employee being engaged. To analyze this the data was collected from Muslim Commercial Bank and National Bank of Pakistan. (Baqir, 2020)The research aims to understand the relationship between employee appreciation, pleasure of the salary, and employee engagement with prominence on the role of salary satisfaction in the banking structure of Ghanaian. And also, to contribute further, the new information(Ewool, 2021). The paper aimed to progress a model for the private sector staffs in Melaka, Malaysia regarding engagement of employee. There were several factors (Job security, Feedback of performance, participation of employees, recognition as well as reward) analyzed in this research and found that all of the factors have positive impact on employee engagement(Quay,2022). The paper aimed to understand how would adopting the team – based recognition; help in development of employee engagement as well as efforts. The analysis was completed and found that this adoption would affect in a positive way towards employee engagement and the efforts(Presslee,2023).

RESEARCH METHODOLOGY

In the research , both qualitative and quantitative research has been conducted. Under the Qualitative research focus group interview had been conducted in order to understand the important variables , and research papers , reports were also referred in order to derive the variables. Questionnaire was designed and tested for Cronbach Alpha for the reliability i.e more than 0.7. Google form and offline survey was conducted in order to collect responses from 249 respondents across various industries. Cross Tabulation and Descriptive Statistics was used to understand the relationships among the variables using SPSS statistics software.

OBJECTIVE OF THE STUDY

The primary objective of the study is to investigate if there is any impact of employee reward and recognition programs on employee engagement of the IT workforce. The aims to identify and analyze if there is any relationship between the various types of rewards and recognition initiatives of the IT organizations and the level of employee engagement in these organizations.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	172	69.1	69.1	69.1
	31-40	58	23.3	23.3	92.4
	41-50	14	5.6	5.6	98.0
	Above 50	5	2.0	2.0	100.0
	Total	249	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	38	15.3	15.3	15.3
	Male	211	84.7	84.7	100.0
	Total	249	100.0	100.0	

Age * Are you currently working in any of the IT organisation ? Crosstabulation

		Are you currently working in any of the IT organisation ?		
		No	Yes	Total
Age	20-30	18	154	172
	31-40	12	46	58
	41-50	2	12	14
	Above 50	0	5	5
Total		32	217	249

Among the respondents majority of them are the Male candidates and between the 20 - 30 years of age.

Age * How do you feel when you get reward and recognition at your workplace Crosstabulation

		How do you feel when you get reward and recognition at your workplace				
		Dis-satisfied	Does not make any difference	Motivated	Satisfied	Total
Age	20-30	11	8	126	27	172
	31-40	4	2	40	12	58
	41-50	0	0	8	6	14
	Above 50	3	0	2	0	5
Total		18	10	176	45	249

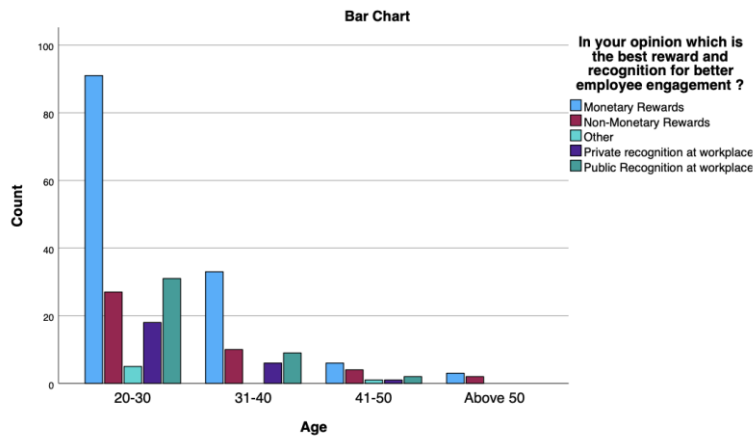
Majority of the respondents are the IT professionals in the age group of 20 - 30 years.

There is a relationship between the reward and recognition at the workplace will act as the motivating factor among the respondents in the Age group of 20-30 years and even for the respondents from other group also be motivated or satisfied for the rewards . Few of them feel it will not make any difference in their life. As the significance value is less than 0.05 indicates that there is relationship between the Age factor and reward and recognition. This will help them to get motivated and work productivity and efficiently.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	29.063 ^a	9	<.001
Likelihood Ratio	18.729	9	.028
N of Valid Cases	249		

a. 9 cells (56.3%) have expected count less than 5. The minimum expected count is .20.



Age * In your opinion which is the best reward and recognition for better employee engagement ? Crosstabulation

Count

		In your opinion which is the best reward and recognition for better employee engagement ?				
		Monetary Rewards	Non-Monetary Rewards	Other	Private recognition at workplace	Public Recognition at workplace
Age	20-30	91	27	5	18	31
	31-40	33	10	0	6	9
	41-50	6	4	1	1	2
	Above 50	3	2	0	0	0
Total		133	43	6	25	42

It indicates that out of all the rewards and recognition, Monetary rewards is liked and accepted by most of the respondents under all the age group. During their earlier career i.e 20-30 years of age group, are interested in Non-Monetary, public and private recognition along with the Monetary benefits. As the significance value is less than 0.05 indicates that there is relationship between the Age factor and reward and recognition.

Age * On a scale of 1 to 5, how well would reward and recognition impact your level of engagement in workplace ? Crosstabulation

Count

		On a scale of 1 to 5, how well would reward and recognition impact your level of engagement in workplace ?				
		Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree
Age	20-30	38	6	5	119	4
	31-40	13	3	3	35	4
	41-50	2	0	0	9	3
	Above 50	1	0	1	3	0
Total		54	9	9	166	11

Reward and recognition impacts the employee engagement in the workplace , as 220 respondents among the 249 respondents strongly agree.

Experience (in years) * How do you feel when you get reward and recognition at your workplace Crosstabulation

Count

		How do you feel when you get reward and recognition at your workplace			
		Dis-satisfied	Does not make any difference	Motivated	Satisfied
Experience (in years)	0 - 2	16	9	140	30
	2 - 5	2	1	14	8
	5 - 8	0	0	21	7
	Above 8	0	0	1	0
Total		18	10	176	45

How do you feel when you get reward and recognition at your workplace * In your opinion which is the best reward and recognition for better employee engagement ? Crosstabulation

Count

		In your opinion which is the best reward and recognition for better ...	
		Monetary Rewards	Non-Monetary Rewards
How do you feel when you get reward and recognition at your workplace	Dis-satisfied	9	2
	Does not make any difference	3	4
	Motivated	101	27
	Satisfied	20	10
Total		133	43

How do you feel when you get reward and recognition at your workplace * In your opinion which is the best reward and recognition for better employee engagement ? Crosstabulation

Count

		In your opinion which is the best reward and recognition for better ...	
		Other	Private recognition at workplace
How do you feel when you get reward and recognition at your workplace	Dis-satisfied	1	1
	Does not make any difference	1	1
	Motivated	4	16
	Satisfied	0	7
Total		6	25

Reward and recognition impacts the employee engagement in the workplace , 0-2 years experienced respondents feel motivated and satisfied.

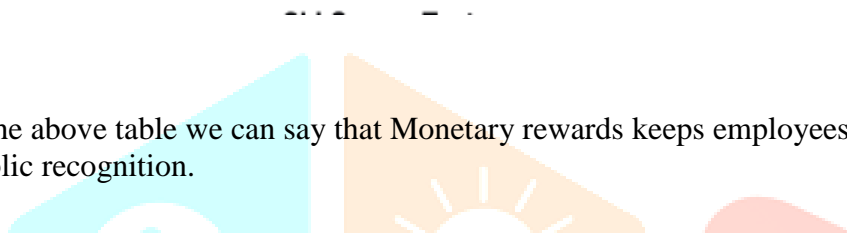
How do you feel when you get reward and recognition at your workplace * In your opinion which is the best reward and recognition for better employee engagement ?

Crosstabulation

Count

		In your opinion which is the best ...	
		Public Recognition at workplace	Total
How do you feel when you get reward and recognition at your workplace	Dis-satisfied	5	18
	Does not make any difference	1	10
	Motivated	28	176
	Satisfied	8	45
Total		42	249

From the above table we can say that Monetary rewards keeps employees motivated and satisfied , followed by the public recognition.



On a scale of 1 to 5 , how well would reward and recognition impact your level of engagement in workplace ? * In your opinion which is the best reward and recognition for better employee engagement ? Crosstabulation

Count

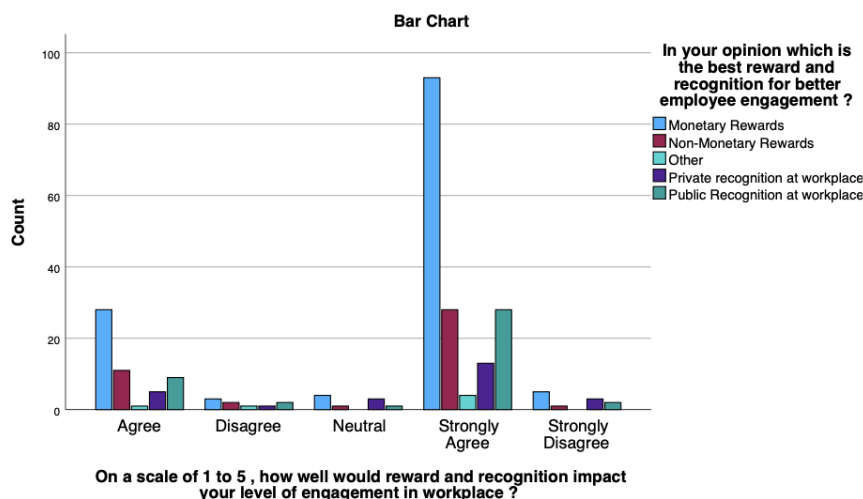
		In your opinion which is the best reward and recognition for better employee engagement ?		
		Monetary Rewards	Non-Monetary Rewards	Other
On a scale of 1 to 5 , how well would reward and recognition impact your level of engagement in workplace ?	Agree	28	11	1
	Disagree	3	2	1
	Neutral	4	1	0
	Strongly Agree	93	28	4
	Strongly Disagree	5	1	0
Total		133	43	6

On a scale of 1 to 5 , how well would reward and recognition impact your level of engagement in workplace ? * In your opinion which is the best reward and recognition for better employee engagement ? Crosstabulation

Count

		In your opinion which is the best reward and recognition for better ...		
		Private recognition at workplace	Public Recognition at workplace	Total
On a scale of 1 to 5 , how well would reward and recognition impact your level of engagement in workplace ?	Agree	5	9	54
	Disagree	1	2	9
	Neutral	3	1	9
	Strongly Agree	13	28	166
	Strongly Disagree	3	2	11
Total		25	42	249

From the above table and chart we can say that majority of the employees agree that the monetary rewards motivates them along with the public recognition given at work.



FINDINGS

Among the respondents , majority of the respondents were Male and were between the age group of 20-30 years. Majority of them are working in IT organisations with 0-2 years of work experience. They feel that the Rewards and Recognition encourage and motivate them to do work . Both the Monetary and Non-Monetary benefits help them to get motivated in their work. Monetary benefits gives them additional boost to work more with productivity and effectively , thereby they will get the monetary benefits. Non- Monetary benefits make them feel satisfied , with Public recognition at workplace they feel that their work is recognised and appreciated by their seniors and management , and gives them the push to work on time with reduce errors and improved quality in the output. With the Private recognition , they are able to get good feedbacks on their work , and also helps them to work in the right direction and give better outputs. It will make them feel that their efforts and work has been noticed by their management . Respondents also highlighted the significance of Monetary benefits like performance-based bonuses , incentives to be best and create the sense of appreciation. Study from the qualitative research shows that these rewards and recognition needs to be standardised for the tasks assigned and also should be personalised according to the deliverability of the output. The study reveals a connection between workplace reward and recognition as a motivating factor for respondents in the age group of 20-30 years. However, this relationship also extends to respondents from other age groups, who express satisfaction and motivation towards receiving rewards. While some respondents believe that rewards do not significantly impact their lives, monetary rewards are generally favored and accepted by the majority of respondents across all age groups. Interestingly, individuals in the 20-30 years age group, during the earlier stages of their careers, show interest in both non-monetary recognition (public and private) and monetary benefits as motivating factors.

RECOMMENDATIONS

A substantial number of employees highlighted the significance of monetary rewards, such as performance-based bonuses, incentives, and salary increments. The tangible nature of these rewards was noted to create a sense of appreciation and acknowledgment for their efforts, driving them to perform at their best. Equally impactful, public recognition emerged as a powerful motivator. Employees highly value acknowledgment in front of their peers and superiors for their accomplishments and contributions. Such recognition fosters a positive work culture and strengthens their emotional connection to the organization.

Implications and Recommendations:

Based on the compelling evidence presented in this research .

- Performance based reward system should be implemented : Organizations should consider designing and implementing a structured rewards system that links employee performance with monetary incentives. This can create a clear path for employees to strive for excellence and achieve specific objectives.
- Establishment of Culture of Recognition: Encouragement should be given for a culture of appreciation and acknowledgment within the workplace. Implementation of the regular recognition programs or platforms where employees can praise their colleagues' achievements, fostering a positive and supportive work environment.

- Personalization of the Rewards and Recognition: Recognize that different employees may have distinct preferences for rewards and recognition and personalise the rewards and recognition according to their needs and requirements. Human Resource Personal should tailor the incentives and acknowledgment to cater to individual preferences, thus maximizing their impact on motivation.
- Monitor and Review Motivational Initiatives: Continuously assess the effectiveness of motivational strategies by monitoring key performance indicators and conducting regular feedback sessions. Based on these data , motivational initiatives can be designed.

CONCLUSION

Employee recognition plays an important role in the performance of an employee. When an employee is recognized for the work he/she does, the productivity of the employee eventually increases. When employees do not feel valued for the work they do in the organization they are working for, it leads to dissatisfaction and will eventually lead to low productivity and attrition. Thus, it is important for organizations to recognize employees for the work they do. Today, the IT sector is growing rapidly. The IT employees are stressed with the rapidly changing dynamics of the industry. Thus, the employers in the IT industry must come up with innovative ways to recognize their employees. This study concludes that the recognition of the IT employees is necessary for the overall growth of the employee and the organization.

REFERENCE

1. Duque, L., Costa, R., Dias, Á., Pereira, L., Santos, J., & António, N. (2020). New ways of working and the physical environment to improve employee engagement. *Sustainability*, 12(17), 6759.
2. Arifin, Z., Nirwanto, N., & Manan, A. (2019). Improving the effect of work satisfaction on job performance through employee engagement. *International Journal of Multi-Discipline Science (IJ-MDS)*, 2(1), 1-9.
3. Burnett, J. R., & Lisk, T. C. (2019). The future of employee engagement: Real-time monitoring and digital tools for engaging a workforce. *International Studies of Management & Organization*, 49(1), 108-119.
4. Turner, P., & Turner, P. (2020). *What Is Employee Engagement?* (pp. 27-56). Springer International Publishing.
5. Lemon, L. L. (2019). The employee experience: How employees make meaning of employee engagement. *Journal of Public Relations Research*, 31(5-6), 176-199.
6. Larasati, D. P., & Hasanati, N. (2019, March). The effects of work-life balance towards employee engagement in millennial generation. In 4th ASEAN Conference on Psychology, Counselling, and Humanities (ACPOCH 2018) (pp. 390-394). Atlantis Press.
7. Danish, R. Q. (2010). Impact of reward and recognition on job satisfaction and motivation: An empirical study from Pakistan. *International journal of business and management*, 5(2), 159.
8. Vijayakumar, V. T. (2013). Impact of rewards and recognition on employees job satisfaction and motivation in private banks of Tirunelveli City. *International Research Journal of Business and Management*, 62(3), 20-17.
9. Garg, P. (2014). Impact of employee engagement on it sector. *International Journal of Management Research and Reviews*, 4(1), 62.
10. Waqas, Z. &. (2014). The effect of monetary and non-monetary rewards on employee engagement and firm performance. *European Journal of Business and Management*, 6(31), 73-82.
11. Iqbal, N. (2015). Impact of rewards and leadership on the employee engagement in conventional banking sector of Southern Punjab. *International Letters of Social and Humanistic Sciences*, 57, 30-34.
12. Koskey, A. K. (2015). Effect of reward on employee engagement and commitment at Rift Valley Bottlers Company. *International Academic Journal of Human Resource and Business Administration*, 1(5), 36-54.
13. Obicci, P. A. (2015). Influence of extrinsic and intrinsic rewards on employee engagement: Empirical study in public sector of Uganda. *Management Studies and Economic Systems*, 54(2518), 1-12.

14. Okinyi, O. M. (2015). Effect of reward practices on employee commitment in faith based health organizations in Kakamega County, Kenya. *International Journal of Management Research and Reviews*, 5(10), 729.
15. Saxena, V. &. (2015). Impact of employee engagement on employee performance—Case of manufacturing sectors. *International Journal of Management Research and Business Strategy*, 4(2), 139-174.
16. Chandani, A. M. (2016). Employee engagement: A review paper on factors affecting employee engagement. . *Indian Journal of Science and Technology*, 9(15), 1-7.
17. Ghosh, P. R. (2016). Rewards and recognition to engage private bank employees: Exploring the “obligation dimension”. . *Management Research Review*, 39(12), 1738-1751.
18. Mesepey, S. S. (2016). The impact of reward and recognition on employee engagement at pt. Bank Sulutgo, Manado. *Jurnal Berkala Ilmiah Efisiensi*, 16(1).
19. Marcus, A. &. (2017). Impact of the demographic variables on the employee engagement-an analysis. . *Ictact Journal on Management Studies*, 3(2), 502-510.
20. Mendis, M. V. (2017). The impact of reward system on employee turnover intention: A study on logistics industry of Sri Lanka. . *International journal of scientific & technology research*, 6(9), 67-72.
21. Rai, A. G. (2018). Improving in-role and extra-role performances with rewards and recognition: does engagement mediate the process?. *Management Research Review*.
22. Djoemadi, F. R. (2019). The effect of work satisfaction on employee engagement. . *Polish Journal of Management Studies*, 19.
23. Dwiyantri, N. &. (2019). The effect of rewards on employee performance with employee engagement as an intervening variable in Indonesian pharmaceutical companies. In *Journal of International Conference Proceedings (JICP)* (Vol. 2, No. 3).
24. Ngwa, W. T. (2019). Effect of reward system on employee performance among selected manufacturing firms in the Litoral region of Cameroon. . *Academy of Strategic Management Journal*, 18(3), 1-16.
25. Baqir, M. H. (2020). Impact of reward and recognition, supervisor support on employee engagement. . *American International Journal of Business and Management Studies*, 2(3), 8-21.
26. Ewool, E. M. (2021). The Influence of Employee Recognition on Employee Engagement: The Moderating Role of Salary Satisfaction. . *International Journal of Academic Research in Accounting, Finance and Management Science*, 11(3), 433-456.
27. Quay, C. C. (2022). The influence of employee participation, rewards and recognition, job security, and performance feedback on employee engagement. . *Issues and Perspectives in Business and Social Sciences*, 2(1), 20-30.
28. Presslee, A. R. (2023). Small sample field study: The effects of team-based recognition on employee engagement and effort. . *Management Accounting Research*, 100829.