

A STUDY ON EFFECTIVENESS OF REWARD SYSTEM ON THE MOTIVATIONAL LEVEL OF EMPLOYEES IN IT SECTOR AT BANGALORE

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Abstract—The general objective of the research was to study the effectiveness of reward system on motivational level of employees. And the specific objectives were to identify the most effective means of rewards, to study the behavioural differences between appreciated differences between appreciated and non-appreciated employees, to understand the extent to which enhance employee's performance, to identify if the motivation has an effect on individual and organizational growth and to study if reward system results in emotional conflicts between employees. For this study various employees from the companies were the respondents. It is evident from the study that variety of factors influence employee motivation and satisfaction. 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 job satisfaction and motivation. Hence, if rewards offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. In accordance with Maslow's hierarchy of needs, the lower level needs such as salary and benefits must first be met before the higher-level needs, which impacts motivation can be satisfied.

Keywords—Bonus, Commission, Employees, Motivation, Reward Schemes.

INTRODUCTION

In IT sectors at Bangalore, rewards are given to employees as an individually and as well as team based. Personal rewards stimulate the behaviour of team members, motivate them to focus on their tasks, and risk ignoring team interests. Personal rewards are usually a good way for organizations to formulate clear plans for employees, and they are also ways to define expectations for employees. In the IT department door, the main reason is that individual wages employers think it helps them to motivate employees to perform better. Examples of these types of rewards include performance pay, bonuses, commission plans and profit sharing. Team rewards are monetary rewards that reward individuals for collective team achievements. Team-based incentive plans are very effective in improving individual and team performance. They can also be very effective in making employee performance more in line with company values and goals. The reward system consists of all organizations involved in the distribution of compensation. Compensation should also be a fair reward for individual contributions to the organization, although in most cases, these contributions are difficult to measure, if not impossible. The apparent value of the reward system to employees is its objective meaning or value.

REVIEW OF LITERATURE

This study was designed reference of national and the international journals, articles, newspapers, periodicals. This article attempts to enter the line a lot of attempts to Jane to get back to certain aspects related research.

HAX, AMOLDO, C., a new competitive weapon; "human resources strategy, training and development magazine," 1985 Nian 5 months, the first 39 volumes (5), the first 76-82 pages. This study believes that due to recent competitive pressures and changes in the value of labour, the importance of human resources in enterprises has been confirmed. Research shows that this strategy can be applied to selection and promotion, evaluation, rewards, management development and labor relations. A method to enable managers to translate the basic principles of human resources strategy into a pragmatic and concrete action programmer is proposed.

ROBACK, Thomas, h., "Personal Research Perspectives on Human Resource Management and Development", "Public Personnel Management", 1989, No. 1. 18 (2), pages 138-161. The author reviewed the literature on human resources management and development systems, management, and disciplines. It focuses on the analysis of special research models focusing on the perspective of public officials.

NEED FOR THE STUDY

- Each company needs a diplomatic reward system for employees that destination of these 4 areas: compensation, benefits, recognition, and appreciation
- Contribute to an employee into a new career can be a magnificent or marvelous motivator or same what of a risk
- An interesting or charming reward package helps to motivates employees to accomplish well and hearten them to stay in your employee
- Employee rewards programs are one method of inspiration to change work habits and key bearing to benefit a business.

STATEMENT OF THE PROBLEM

Research reports that highly satisfied employees tend to have better mental and physical health. There are reasons to believe that the theoretical approach to the study of job satisfaction is a necessity. The first, and of course, the most straightforward reason rests on the fact that strong correlation between absenteeism and satisfaction that appeared in various correlation studies. Accordingly, job satisfaction would seem to be an important focus of organizations which wish to reduce absenteeism and turn over.

OBJECTIVES OF THE STDY

- To study the effectiveness of reward system on the motivational level of employees in IT sector at Bangalore
- To understand the factors implementing reward system on the motivational level of employees in IT sectors at Bangalore
- To provide few measures to improve the reward system on motivational level of employees in IT sector at Bangalore

SCOPE OF THE STUDY

Employee attitude in the corporate sector greatly influences performance, productivity, and motivation. There exists a need to conduct research to explore and improve employee attitude. Hence this study focuses on labour sector and various issues confronting it. One of them is attrition. The problem is extremely high in education sector, with Employees facing problems related to recognition by the IT sector at Bangalore. They prefer changing jobs in return for better non-monetary rewards such as recognition.

SAMPLING

It is the type of selecting a sample of responders out of the available samples for the research, as there are various sampling designs available for the research, for this project I have chosen simple random design for the selection of responders from the available samples.

TOOLS FOR DATA COLLECTION

The data collection instrument used in this survey is Questionnaire. The method of data collection is through:

- Surveys
- Interview
- Observation

DATA ANALYSIS

The information for the investigation fills in as the base for examination without examination of genuine information on specific induction can't be drawn on the inquiry in the examination, accumulated and information to be specific primary information and secondary information. Without significant information it is not workable for a scientist to get the correct discoveries of an investigation, with the end goal of present examination from the two sources have

PRIMARY INFORMATION

The primary information is that information which has been collected by researcher for the first time, though the primary data is considered as the fresh data.

Primary data are original data collected for the purpose of a study. Primary data have been collected by personal interview and questionnaires

SECONDARY DATA

The secondary information contains information in which has been as of now gathered and consented for reason by alternate analysis, this is the information which is promptly accessible material and as of now deciphered factual proclamations and reports whose information might for his/her investigation.

LIMITATIONS OF THE STUDY

- Generalization could not be made as information collected was very specific
- Responders may not have been open and honest in their responses.
- Responders may have marked the answers in the questionnaire, which was socially desirable irrespective of their actual feelings.
- The study is only in Bangalore city and does not cover other areas.

DATA ANALYSIS AND INTERPRETATION

TABLE 1: GENDER OF RESPONDERS

Gender	<i>No. of Respondents</i>	<i>Percentage</i>
Male	66	57%
Female	50	43%
Other	0	0%
Total	116	100%

Interpretation

From the above it can be understood that the 57% are male responders and 43% of female responders. the male responders are more because they are only giving more importance to reward system in the organizations and female are less responders because of female employees are not given that much preference to rewards.

TABLE 2: EDUCATIONAL QUALIFICATION

<i>Educational Qualification</i>	<i>No. of Respondents</i>	<i>Percentage</i>
SSLC	0	0
PUC	7	6%
UG	38	33%
PG	61	52%
Others	10	9%
Total	116	100%

Interpretation

The above table indicates that the majority of employee's qualification is post graduates, and after 33% employees are degree holders, and very little percentage of employees are PUC holders, and no one employees are in the below the PUC, and some employees are the other qualification. Most of all employees in the organization their qualification should be UG or PG because IT sectors wants qualified more skilled employees to work so they hire majority of PG and UG qualified peoples.

TABLE 3: INCOME STATUS OF RESPONDERS

<i>Income status</i>	<i>No. of Respondents</i>	<i>Percentage</i>
15000-25000	85	73%
25000-35000	21	18%
35000-50000	7	6%
50000 above	3	3%
Total	116	100%

Interpretation

The above table indicates that first majority of responders earning 15000-25000 per month, these employees are the fresher to company so starting salary will be the below 35000 and the 5-10 years experienced employees only getting 35000-50000 and managers and other high position employees only able to get 50000 above per month.

TABLE 4: EXPERIENCE OF RESPONDERS IN PRESENT ORGANIZATION

<i>Experience in present organization</i>	<i>No. of Respondents</i>	<i>Percentage</i>
0-5 years	101	88%
5-10 years	11	9%
10-15 years	4	3%
15 years and above	0	0%
Total	116	100%

Interpretation

The above table indicates the first majority of responders have 0-5 years of experience in our organization, and only 9% of responders are have 5-10 years' experience actually this years of experience shows these percentage of responders are having a god experience of reward system, and only 3% of responders are only have 10-15 years of good experience because these percentage of responders are clearly knowing the rewards schemes in organization.

TABLE 5: IS REWARD SYSTEM IS FALLOWED IN YOUR ORGANIZATION?

<i>Fallowed</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Yes	99	85%
No	17	15%
Total	116	100%

Interpretation

In this above table majority of responder's organizations fallowed the reward system, but only 15% of responders are marked as no, so these 15% of responders are not aware about the reward system because only qualified and skilled and hardworking people only able to get rewards.

TABLE 6: MENTION THE FALLOWING REWARD SYSTEM FALLOWED IN YOUR COMPANY?

<i>Fallowed</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Monetary	84	72%
Non-monetary	32	28%
Total	116	100%

Interpretation

From this above table showing the majority of responders are getting the monetary benefits in our organization but only 28% of responders are getting non-monetary benefits, these benefits not improving the employee financial position directly but it increases the status of the person in the organization.

TABLE 7: HOW, OFTEN ARE THE EMPLOYEES REWARDED?

<i>Employees rewarded</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Monthly	43	38%
Quarterly	19	17%
Half yearly	18	15%
Yearly	18	15%
Vocationally based on extraordinary accomplishments	18	15%
Total	116	100%

Interpretation

From this above table showing the majority of responders are getting the rewards monthly basis by our hard working and achievements, and 17% of responders are getting quarterly basis rewards because some organizations rules is framed about the employees reward schemes, and 15% of responders are getting the half year rewards, and 15% of responders are getting the rewards yearly basis and remain 15% of responders are getting the rewards based on vocationally on extraordinary accomplishments these responders organizations only give much preference to special events only.

TABLE 8: IN YOUR ORGANIZATION EMPLOYEES ARE CONSIDERED FOR REWARD MOSTLY FOR

<i>Employees rewarded mostly for</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Innovative & creative ideas	39	34%
Outcome	6	5%
Customer satisfaction	20	17%
All the above	45	39%
Others	6	5%
Total	116	100%

Interpretation

From this above table showing the majority of organizations giving much preference to innovative and creative ideas for reward the employees, and only 5% of responders are mostly rewarded for outcomes, and 17% of responders are mostly rewarded for customer satisfaction and 39% of responders are rewarded for considering innovative and creative ideas, outcome, customer satisfaction, and only 5% of responders are rewarded for other reasons may be these 5% of responders are rewarded mostly for our achievements.

TABLE 9: HOW IS AN EMPLOYEE ARE CONSIDERED FOR REWARD MOSTLY FOR

<i>Employees rewarded mostly considered</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Group vote	35	30%
Decisions from top officials	33	28%
Decision from single managers	22	19%
None of the above	26	22%
Total	116	100%

Interpretation

From the above table majority of responders are rewarded by group vote of employees and 28% of the responders are rewarded by the top official’s decision and less 19% of responders are rewarded by the single manager and remaining 22% of responders are rewarded by the others. Each company reward system owns a separate rules and regulations, so employees are rewarded by the different sources.

TABLE 10: HOW FREQUENTLY DO YOU BRING CHANGES IN THE REWARD SYSTEM PRACTICES IN THE ORGANIZATION?

<i>Reward system change practices</i>	<i>No. of Respondents</i>	<i>Percentage</i>
For every 2-3 years	15	30%
For everyone month	37	32%
For every 6 months	28	24%
None of the above	16	14%
Total	116	100%

Interpretation

From this above table majority of responders are brings the changes in reward system practices in the organization is for every 2-3 years because some reward system fixed to the certain period of times and 32% of responders are brings the changes in for every one year because of motivates the employees and 24% of responders brings the changes for every six months because of to attract the employees and to do work effectively and only 14% of responders are not brings the changes.

TABLE 11: DOES YOUR COMPANY REWARD SYSTEM OFFER ADEQUATE OPPORTUNITY FOR PROMOTIONS AND CAREER DEVELOPMENT?

<i>Promotions and career development</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Yes	104	90%
No	12	10%
Total	116	100%

Interpretation

From the above table majority 90% of responders responded as a reward system offer adequate opportunities for promotions and career development because of in our organization provides or adopted the good reward schemes for employees, and 10% of responders only don’t have an opportunity, because of some companies have a different rules and regulations.

SUMMARIES OF FINDINGS

- Out of 116 sample responders, 57% of responders are male and 43% are female and 0% is others.
- Out of 116 samples 0% of respondent’s educational qualification is SSLC, 6% of responder’s qualification is PUC, and 33% of responder’s qualification is UG, and 52% of responder’s qualification is PG, and 9% of responder’s qualification is others.
- Out of 116 samples 73% of responder’s income status is 15000-25000, and 18% of responders are getting 25000-35000 income, and only 6% of responders are getting 35000-50000, and very little bit 3% of responders are getting 50000 above.
- Out of 116 sample responders, 88% of responders are have 0-5 years of experience, and 9% of responders are have 5-10 years of experience, and only 3% of responders are have 10-15 years’ experience, and 0% of responders are 15 years and above experienced.
- Out of 116 sample responders, 85% of responder’s organizations followed the reward system, remaining 15% of responders answered in our organizations did not fallow the reward system.

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- Out of 116 sample responders, 72% of responder's organizations followed the monetary rewards, and only 28% of responder's organizations followed the non-monetary reward system.
- Out of 116 sample responders, 38% of responders are getting the monthly rewards and 17% of responders are getting the quarterly basis rewards, and 15% of responders getting rewards half yearly and 15% of responders are getting rewards yearly basis, and 15% of responders are getting the rewards based on vocationally and extraordinary accomplishments.
- Out of 116 sample responders, 34% of responders are mostly rewarded for innovative and creative ideas, and 5% of responders are mostly rewarded for outcome, and 17% of responders are mostly rewarded for customer satisfaction, and 39% of responders are mostly rewarded for innovative and creative ideas, outcome, customer satisfaction, and only 5% of responders are mostly rewarded for other reasons.
- Out of 116 sample responders, 30% of responders rewarded by group vote, and 28% of responders are rewarded by decision from top officials, and 19% of responders are rewarded by decision from single managers and 22% of responders are rewarded by none of the above I mentioned.
- Out of 116 sample responders, 30% of responders are brings the changes in the reward system practices in the organization is for every 2-3 years and 32% of responders are brings the changes in the reward system practices in the organization is for every one year and 24% of responders are brings the changes in the reward system practices in the organization is for every six months and 14% of responders are brings the changes in the reward system practices in the organization is for none of the above I mentioned.
- Out of 116 sample responders, 90% of responders have an opportunity for promotions and career development through the reward system and only 10% of responders are they do not have an opportunity of promotions and career development through reward system.

SUGGESTIONS

- In organization increase the higher compensation, and extra better benefits, and career development opportunities and corporate culture.
- Celebrate what employees achieve in their downtime
- Upgrade communications with low level to top level employees
- Revamp rewards and recognition
- Encourage work life balance
- Empower line managers to own employee engagement
- Offer a two-way mentorship program across departments
- Avoid politics in reward system
- Provide quality management or supervision
- Make staff members feel appreciated with great rewards.

CONCLUSION

A good reward system aims to motivate employees to work harder and align their goals with those of the organization they work for. The current trend towards performance-related reward systems is designed to lead to greater rewards and motivation for those who contribute the most. However, designing such reward systems is complex, as they aim to influence human behavior. As the human resources director of Flow Pack Engineering said (quoted in Bratton) 'There is no such thing as a good pay system; there is only a series of bad ones. The trick is to choose the least bad one.' Thus, it can be said that reward system is an essential element in every company to motivate the employees so that they will work for the success of the company. Further, recognition is also an important system under which the employees are provided with appreciation for their work. Both reward and recognition are essential and the decision about selecting one of them depends upon the desire and want of the employees in return of their efforts for achievement of objectives.

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