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Reward & Recognition Program: A Case of Consumer Electrical Equipment Manufacturing Company in India

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Abstract:

The study examines the impact of Reward and Recognition program introduced by an Indian consumer electrical equipment manufacturing company. To gain employee satisfaction in today's competitive era, company has newly introduced a mechanism of Reward and Recognition apart from its existing performance incentive schemes. The research was exploratory. The sample size was 272 and sampling procedure used was purposive and convenience. The responses were captured electronically. Descriptive statistics was used to explore the data.

The study findings indicate that the employees feel the current Reward and Recognition program is impactful and it may help the organization to further engage their employees leading to job satisfaction.

Keywords: Rewards, recognition, job satisfaction, job engagement, organizational commitment

1. Introduction to the Study

Worldwide Reward and Recognition programs have been introduced and implemented by organizations to gain a competitive edge to attract and retain employees. Efficient functioning of any organization depends on the hard work of its employees and their motivation. To keep employees motivated, to change work habits and key behaviors R&R is one of the ways. Organizations success is guaranteed if the employees find a driving force towards working in a better way and the management can reciprocate with Rewards and Recognition.

Mumbai head quarter, consumer electrical equipment manufacturing company has newly implement a Reward and Recognition program. This was the result of representation from Line managers at various internal forums to have a reward and recognition program to reinforce the desired behaviours amongst employees. The organization already has an incentive scheme in place to motivate their employees.

There was need to carry out a study to understand the impact of the newly introduced R&R program. Researchers carried out a survey to understand the impact of the R&R and also captured the opinion data related to various R&R programs. Respondents were randomly selected out of the employee base across all 7 locations in India where the organization has its offices/plants, where some of them have received some kind of R&R and some have not received any kind of R&R.

2. Review of Literature

Many of the studies focus on impact of R&R on motivation. For behaviors that are intrinsically motivated task itself is the reward. However, extrinsically motivated behaviors occur when an activity is rewarded by incentives for accomplishment of the task. (Deci, 1971).

"Organizational behaviour theory suggests that recognizing good performance motivates and reinforces behaviours that are viewed positively by the organization and contribute to achieving business objectives." (Mercer. HR Consulting. 2002).

"Rewards and recognition programs keep high spirits among employees, boosts up their morale and create a linkage between performance and motivation of the employees." (Flynn, 1998)

Deeproose (1994), argued that "the motivation of employees and their productivity can be enhanced through providing them effective recognition which ultimately results in improved performance of organizations."

3. Problem Statement

It was necessary to evaluate the newly introduced reward and recognition program, hence the problem statement is:
Is the current Reward and Recognition program implemented in the organization impactful?

4. Hypothesis

To evaluate the newly introduced reward and recognition program, the following hypotheses were framed.

- Ho1: Employees believe that the organization should not have a structured R&R program
- Ha1: Employees believe that the organization should have a structured R&R program
- Ho2: There is no significant impact of R&R on employee motivation
- Ha2: There is an impact of R&R on employee motivation
- Ho3: Employees are not satisfied in their current job
- Ho3: Employees are satisfied in their current job
- Ho4: There is no fairness in allocation of R&R award allotment
- Ha4: There is some fairness in allocation of R&R award allotment
- Ho5: The procedure followed for R&R nomination was biased and not consistent
- Ha5: The procedure followed for R&R nomination was free from bias and consistent
- Ho6: There is no employee commitment towards the organization
- Ha6: Employees are to some extent committed towards the organization
- Ho7: Employees of the organization are not engaged to their jobs
- Ha7: Employees of the organization are to some extent engaged to their jobs
- Ho8: There is no employee engagement towards the organization
- Ha8: Employees are to some extent engaged towards the organization

5. Research Methodology

A study was carried out across the organization during Feb – Mar, 2016.

- Non probability purposive and convenient sampling was used
- Primary data was collected through a questionnaire
- A five point Likert scale is used to get the responses

6. Demographic Profile of the Respondents

- 254 (93%) of respondents are male and 18 (7%) of the respondents are female
- 52 (19%) respondents have received some form of Reward & Recognition and 220 (81%) respondents have not received any form of Reward & Recognition
- Work experience of the respondents range between 1 to 6 years
- Majority of respondents (nos.106 – 39%) have an overall experience of 4 years
- 201 (74%) of the respondents are in the junior level

7. Scope for Further Research

Further study focusing on the factors that are impacting behaviors through the R&R program may be taken up in order to identify the crucial R&R items. This will allow the organization to fine tune R&R needs as per the individual employees and teams.

8. Data Analysis and Results Discussion

Scale	Below 3	3 and above	Interpretation
Belief Scale	3	269	99% of the respondents believe in R&R program
Motivational	3	269	99% of the respondents feel that R&R motivates them
Job Satisfaction	5	267	98% of the respondents feel that R&R leads to Job satisfaction
Distributive J	20	252	93% of the respondents feel that R&R program was administered with Fairness
Procedural J	30	242	89% of the respondents feel that procedure followed for R&R program was consistent across the organization and unbiased
Org Commit	142	130	Only 48% of the respondents are committed towards the organization
Job engg	4	268	99% of the respondents feel that they are engaged to their Job
Org Engg	2	270	99% of the respondents feel that they are engaged towards the organization

Table 1: Table showing frequencies of responses for various scales

Scale	Statements	MEAN	Mean of Mean	Standard Deviation
Belief	1. I believe that company should have a structured R& R program	4.4816	4.2868	0.6011
Belief	2. I believe in reward & recognition of employees based on their relative performance	4.1434		0.9593
Belief	3. To me, reward means respect amongst people I work with	4.2353		0.8035
Motivation	1. Public recognition motivates me.	4.3456	4.3088	0.6641
Motivation	2. I think public recognition creates healthy competitive environment in the organization	4.3309		0.6770
Motivation	3. I think public recognition would inspire other employees to do a better job in their work areas.	4.3088		0.6874
Motivation	4. According to me, reward shall also include praise from the reporting Manager.	4.2500		0.7162
Job Satisfaction	1. I am satisfied with my current job	4.1360	4.1961	0.8194
Job Satisfaction	2. In general, I do not like my job profile	4.0221		0.9525
Job Satisfaction	3. In general, I like working here.	4.4301		0.5784
Distributive Justice	1. Do the outcomes reflect the effort you have put into your work?	4.0625	3.9559	0.7825
Distributive Justice	2. Are the outcomes appropriate for the work you have completed?	3.9449		0.7971
Distributive Justice	3. Are the outcomes in consonance with your contribution to the organization?	3.9449		0.7493
Distributive Justice	4. Are the outcomes justified given your performance?	3.8713		0.8340
Procedural Justice	1. Have you been able to express your views and feelings during Rewards & Recognition nomination procedures?	3.6397	3.7127	0.9502
Procedural Justice	2. Have you had influence over the outcomes arrived at by Rewards & Recognition procedures?	3.3235		1.0583
Procedural Justice	3. Rewards & Recognition procedures have been applied consistently?	3.7574		0.8633
Procedural Justice	4. Rewards & Recognition procedures have been free from bias?	3.9412		0.8397
Procedural Justice	5. Rewards & Recognition procedures have been based on accurate information?	3.9963		0.8697
Procedural Justice	6. Have you been able to appeal the outcomes arrived at by Reward & Recognition process?	3.4265		0.8730
Procedural Justice	7. Have these procedures upheld ethical and moral standards?	3.9044		0.7477
Org Commitment	1. I would be happy to work at my organization until I retire.	3.8713	4.2706	0.9381
Org Commitment	2. Working at my organization has a great deal of personal meaning to me.	4.1691		0.7193
Org Commitment	3. I really feel that problems faced by my organization are also my problems.	4.3235		0.7072
Org Commitment	4. I feel personally attached to my work organization.	4.3199		0.6796
Org Commitment	5. I am proud to tell others I work at my organization.	4.6691		0.4792
Job Engagement	1. I feel a strong sense of belonging to my organization.	4.4485	4.0196	0.6173
Job Engagement	2. I really "throw" myself into my job.	4.2169		0.8378
Job Engagement	3. Sometimes I am so into my job that I lose track of time.	3.8272		0.9811
Job Engagement	4. This job is all consuming; I am totally into it.	3.7610		0.8834
Job Engagement	5. My mind often wanders and I think of other things when doing my job (R).	3.5882		1.0624
Job Engagement	6. I am highly engaged in this job.	4.2757		0.6264
Org Engagement	1. Being a member of this organization is very captivating (attracting).	4.2426	3.9013	0.6194
Org Engagement	2. One of the most exciting things for me is getting involved with things happening in this organization.	4.0919		0.6506
Org Engagement	3. I am really not into the "goings-on" in this organization (R).	2.9853		1.0091
Org Engagement	4. Being a member of this organization make me come "alive."	4.0184		0.6789
Org Engagement	5. Being a member of this organization is exhilarating for me.	3.8382		0.8567
Org Engagement	6. I am highly engaged in this organization.	4.2316		0.6497

Table 2: Table showing Mean and Standard Deviation for Various scales

95% confidence level										
Table Value	Degrees of Freedom	Chi Square	Belief	Motivational	Job Satisfaction	Distributive J	Procedural J	Org Commit	Job Engg	Org Engg
3.84	1	Gender	2.229	0.111	2.975	8.544	5.676	7.485	1.237	0.83
12.59	6	Region	2.313	9.935	5.262	19.363	23.955	10.92	5.291	9.956
7.82	3	Level	8.116	2.854	1.773	1.08	6.558	1.231	1.973	1.19
11.07	5	Total Work Exp	5.171	5.631	6.046	5.36	3.344	3.823	1.621	3.079

Table 3: Table showing Chi square statistics

	Belief	Motivational	Job Satisfaction	Distributive J	Procedural J	Org Commit	Job Engg	Org Engg
Gender	Accept H0	Accept H0	Accept H0	Reject H0	Reject H0	Reject H0	Accept H0	Accept H0
Region	Accept H0	Accept H0	Accept H0	Reject H0	Reject H0	Accept H0	Accept H0	Accept H0
Level	Reject H0	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0
Total Work Exp	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0	Accept H0

Table 4: Table showing status of Hypothesis testing

9. Interpretations and Conclusions

From the above table it is seen that the employees at different levels have different belief for the reward and recognition program. As level changes the belief about reward and recognition program changes. Distributive Justice and procedural Justice The procedure followed for R&R nomination was free from bias and consistent. This perception depends upon gender and region. Organizational commitment is dependent on gender.

There is a need to communicate across about the R&R program. Overall the R&R program is perceived positively by the employees.

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