Impact of Rewards and Recognition on Employees Job Satisfaction and Motivation in Private Banks of Tirunelveli City

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Abstract

This study aims to analyze the impact of rewards and recognition on employees job satisfaction and motivation in private banks of Tirunelveli city. In this study data were collected from employees of private banks. Human resources are the asset of any organization. Motivated employees work more efficiently thus help to provide more profit to the organization. The present study is an attempt to find out whether there is a relationship between rewards and recognition on employees motivation and satisfaction. The statistical analysis showed that different dimensions of work motivation and satisfaction are significantly correlated and reward and recognition have great impact on motivation and satisfaction of the employees.

Key words: Rewards, Recognition, work motivation and satisfaction

Introduction

According to Baron (1983, p.123) motivation is an accumulation of different processes which influence and direct our behaviour to achieve some specific goal. It is such a dynamic in today’s environment that explicitly creates and encompasses a positive impact on job. Within an organization the best performance is feasible with most committed employees that can only be achieved through employee motivation. Human resources are now seen as the primary source of company’s competitive advantage. Therefore the way people are treated increasingly determines whether an organization will prosper or even survive (Lawler, 2003). To ensure that people are treated fairly, organizations are acknowledging that they need to establish an equitable balance between employee contribution to the organization and the organizations contribution to the employee. Establishing this balance and meeting this need is one of the first reasons, according to Deeprose (1994), to reward and recognize employees.
Review of literature

Rewards

The Word rewards state the benefits that workers receive from their jobs (Kalleberg 1977, Mottaz 1988), and Significant elements of employee job attitudes such as organizational commitment, motivation and job satisfaction (Steers and Porter 1991). In any organization, rewards play an important role in building and sustaining the commitment among employees that ensures a high standard of performance and workforce constancy (Wang 2004). According to the individual–organization exchange theme, individuals enter organizations with specific set of skills, desires and goals, and expect in return a decent working environment where they can use their skills, satisfy desires, and attain their goals (Mottaz 1988). Mostly organizations have increased the substantial improvement by entirely complying with the organizational strategy by a well-balanced reward and recognition programs for employee. Reward refers to all categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the organization (Bratton and Gold 1994). Lawler (2003) described that there are two aspects that decide how much a reward is attractive, the quantity of reward which is provided and the weight age an employee gives to a specific reward. Employees are certainly closer to their organizations and perform better job, while they receive healthier reward and recognition in their organizations. Rewards increase the level of efficiency and performance of the employees on their jobs and in the result thereof increase the success of the organization. Generally employees’ job description and job specification determines rewards to maintain fairness among employees within an organization and competitive in the marketplace (Zaini et al. 2009). Organizational rewards means all the benefits i.e. financial and non-financial that an employee receives through their employment relationship with an organization (Bratton and Gold 1994, Malhotra et al. 2007). According to the literature the rewards distinguishes into three main types that individuals seek from their organization i.e. extrinsic, intrinsic and social rewards (Williamson et al. 2009). Extrinsic rewards are the physical benefits provided by the organization such as pay, bonus, fringe benefits and career development opportunities. Intrinsic rewards refer to the rewards that come from the content of the job itself, and encompass motivational characteristics of the job such as autonomy, role clarity and training (Hackman and Oldham 1976). Social rewards arise from the interaction with other people on the job and may include having supportive relationships with supervisor and co-workers. Ali and Ahmed (2009) established that there is a substantial affiliation between reward and recognition, and similarly in employee motivation and job satisfaction. Study exposed that if rewards and recognition offered to employees then there would be a substantial modification in work motivation and satisfaction.

Motivation

The most practical definition proposed by social scientist that, motivation is a psychological processes that origin the stimulation, direction, and persistence of behaviour (Luthans 2005). Many authors add a voluntary component or goal directed emphasis to that definition (Hellriegel and Slocum 1976). Thus motivation becomes those psychological procedures that cause the arousal, direction, and persistence of voluntary actions that are goal directed. The features such as incentives and rewards are the most favoured factors for employee motivation programs. However, the performance of employee job satisfaction is an

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imperative motivator and an arrangement of psychological and environment circumstances (Spector 1985, Milne 2007). Motivation programs are the key component of incentives, rewards and recognition as different organizations correlate success factor with employee performance. Employees are completely motivated when they achieved their needs. Kiviniemi et al. (2002) described that job satisfaction of the employees’ increase by the rewards they receive from the organizations. Pay and promotion dependents on performance and provide strong motivation for employees to work harder in order to be promoted (Lepak and Snell 1999). In any organization, the exceptional performance is possible with great committed employees that can merely achieved by employee motivation. Chiu et al. (2002) highlighted that organization implements merit pay system to reward employees for meeting specific goals, which can affect employee motivation levels. However most of the organizations gained the immense progress by fully complying with their business strategy through a well-balanced reward and motivation programs for the employee. In the existing vibrant environment the extremely motivated employees provide their services as a synergy for achievement of organizational goals, business strategies, high proficiency, growth and performance. Motivation is similarly compulsory when the employee of an organization has not a good relationship pattern.

Recognition

According to Balzar et al. (1997) job satisfaction is a sensation that employees have about their work environment and their expectations towards work. Thus, job satisfaction can be recognized as what one wants or values from a job (Brief and Weiss 2002). Different kinds of satisfaction lead to diverse objectives and behaviours that ascend from different types of motivation in getting different types of rewards (Luthans et al. 2005). Rewards with their aftermath relationship were expected to establish on satisfaction of the employee with their organization (Milne 2007). Amabile et al. (1994) concluded that employee who reveals high job satisfaction is motivated by rewards, and rewards supported work engagement (Vandenberghe and Trembley 2008). According to Zaini’s (2009) satisfaction of rewards in public and private sector employee has been established certainly associated with job satisfaction. Furthermore, Zaini et al. (2009) and Chew (2005) preceding research found that job satisfaction is associated with the monetary compensation (pay, promotion, and bonus) and non-monetary compensation is one of the most important explanatory variables in both sectors (A. Furham et al. 2009).

Organizations like banking sector have determined a balance between the performance of the employees and their commitment to the work which in result of job satisfaction. Reward and motivation are the two main factors that have an effect on the job satisfaction and motivation of employees. In reference to statistics, there is a significant relationship between reward and recognition, and between motivation and job satisfaction (Ali and Ahmed, 2009). Providing the financial benefit to employees without any prominent expression also loses its importance. Rewards have a direct link with the motivation and job satisfaction of the employees. Variations in rewards and recognition can bring a positive change in work motivation and job satisfaction of the employee (Ali and Ahmed, 2009). Smith et al. (1969) defined the job satisfaction as the level to which an individual has a positive attitude towards his job, either in general or towards a specific dimension. The attitudinal type of job satisfaction suggests that an individual would attempt to stay with a satisfying job and quit a dissatisfying job (Spector 1985). Different studies treated job satisfaction as a predictor of
significant behavioural outcomes, such as determined to leave, turnover, and absenteeism (Elangovan 2001). The considering role of job satisfaction has also been inspected by several researchers (Lok and Crawford 2001). It has been an utmost researched topic and thousands of studies have been conducted on this single topic to measure the job satisfaction of industrial workers, teachers, bank officers, administrators, and managers in a variety of undertakings the world over (Sweeney, Hohenshil and Fortune 2002)

Methodology

The present study aims to determine the impact of rewards and recognition on employees motivation and job satisfaction of private banks in Tirunelveli city. The reason for including this sector is because there is a trend of fast development in private banks in Tirunelveli city. For this purpose a non probability sampling, i.e., convenience sampling technique is used for recording the responses of 184 respondents. The convenience sampling is used because the information gathered from those employees who were accessed quite easily and conveniently. The procedure used to gather data is the hypotheses and the statistical techniques used to analyze the data. The obtained data is analyzed through statistical package for social science (SPSS) Version 16. The statistical methods involved those of descriptive (Mean and standard deviation) and inferential statistics (Pearson correlation) for the predictors of motivation and satisfaction of employees.

Objectives

1) To determine the impact of rewards on motivation
2) To determine the impact of rewards on satisfaction
3) To determine the impact of recognition on motivation.
4) To determine the impact of recognition on satisfaction.

Hypothesis

H1: There is significant relationship between work content and work motivation and satisfaction.
H2: There is significant relationship between payment and work motivation and satisfaction.
H3: There is significant relationship between promotion and work motivation and satisfaction.
H4: There is significant relationship between recognition and work motivation and satisfaction.
H5: There is significant relationship between working conditions and work motivation and satisfaction.
H6: There is significant relationship between benefits and work motivation and satisfaction.
H7: There is significant relationship between personal and work motivation and satisfaction.
H8: There is significant relationship between leader and work motivation and satisfaction.
H9: There is significant relationship between general and work motivation and satisfaction.
H10: There is significant relationship between rewards and work motivation and satisfaction.
Data collection instrument

For the purpose of this study a quantitative methodology was followed and a questionnaire was used as the measuring instrument. The data gathering techniques used included, the work satisfaction and motivation questionnaire as set out by De Beer (1987). The nine dimensions of the questionnaire that impact employee satisfaction and motivation of De Beer (1987) are as follows.

1. **Work content** probed the respondents feeling about the type of work they do.
2. **Payment** probed respondents satisfaction with their salary.
3. **Promotion** probed for the opportunity that the organization offers for promotion.
4. **Recognition** probed whether the respondent was receiving the recognition and feedback for the job they perform.
5. **Working conditions** were probed as the fifth factor and looked at opportunity to mix with colleagues and interpersonal relationships.
6. **Benefits** looked at whether the benefits such as pensions, medical scheme and leave were satisfactory.
7. **Personal** probed the respondents feeling towards their job.
8. **Leadership** or supervision probed the level of satisfaction with the manager.
9. **General** probed if the respondents has considered alternative employment, and hence their level of satisfaction with the organization.

**Results**

**Table 1**

Descriptive statistics for the dimensions of work motivation and satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work content</td>
<td>1.49</td>
<td>.64</td>
</tr>
<tr>
<td>Payment</td>
<td>2.50</td>
<td>.67</td>
</tr>
<tr>
<td>Promotion</td>
<td>2.12</td>
<td>.62</td>
</tr>
<tr>
<td>Recognition</td>
<td>2.98</td>
<td>.63</td>
</tr>
<tr>
<td>Working conditions</td>
<td>1.36</td>
<td>.72</td>
</tr>
<tr>
<td>Benefits</td>
<td>1.82</td>
<td>.65</td>
</tr>
<tr>
<td>Personal</td>
<td>1.21</td>
<td>.69</td>
</tr>
<tr>
<td>Leader/supervisor</td>
<td>1.46</td>
<td>.67</td>
</tr>
<tr>
<td>General</td>
<td>1.34</td>
<td>.54</td>
</tr>
</tbody>
</table>

*where high variables correspond to low motivation*
With respect to the dimensions of work motivation assessed by the work motivation and satisfaction questionnaire, Table 1, indicates that the means for the work content, payment, promotion, recognition, working conditions, benefits, personal, leader and general ranged from a low 1.21 to a high of 2.98. Hence it is clear that employees in the study are motivated, however the mean values for payment, promotion, recognitions and benefits indicates that employees are demotivated and dissatisfied with that area. However employees were highly motivated towards working conditions, personal and general dimensions.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pearson correlation</th>
<th>Significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work content</td>
<td>.63**</td>
<td>0.000</td>
</tr>
<tr>
<td>Payment</td>
<td>.82**</td>
<td>0.000</td>
</tr>
<tr>
<td>Promotion</td>
<td>.76**</td>
<td>0.000</td>
</tr>
<tr>
<td>Recognition</td>
<td>.93**</td>
<td>0.000</td>
</tr>
<tr>
<td>Working conditions</td>
<td>.60**</td>
<td>0.000</td>
</tr>
<tr>
<td>Benefits</td>
<td>.65**</td>
<td>0.000</td>
</tr>
<tr>
<td>Personal</td>
<td>.38*</td>
<td>0.000</td>
</tr>
<tr>
<td>Leader</td>
<td>.39*</td>
<td>0.000</td>
</tr>
<tr>
<td>General</td>
<td>.37*</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2 tailed)
** Correlation is significant at the 0.01 level (2 tailed)

The results indicates that work content correlates significantly with work motivation and satisfaction (r=0.63, p<0.01). This supports the hypothesis that there is significant relationship between work content and work motivation and satisfaction.

A significant correlation is shown to exist between payment and work motivation and satisfaction (r = 0.82, p < 0.01), supporting the hypothesis that there is a significant relationship between payment and work motivation and satisfaction. There was also a significant relationship between promotion and work motivation and satisfaction (r = 0.76, p < 0.01). Hence, this supports the hypothesis that promotion opportunities are significantly related to work motivation and satisfaction.

A significant correlation also exists between recognition and work motivation and satisfaction (r = 0.93, p < 0.01), supporting that recognition is significant in explaining the variance in work motivation and satisfaction. There was a significant relationship between working conditions and work motivation and satisfaction (r = 0.60, p < 0.01). Hence, the hypothesis that there is a relationship between working conditions and work motivation and satisfaction.
satisfaction is supported. There was a significant relationship between benefits and work motivation and satisfaction \((r = 0.65, p < 0.01)\), supporting the hypothesis that benefits are significant in explaining work motivation and satisfaction. A significant correlation was found to exist between the dimension of personal and work motivation and satisfaction \((r = 0.38, p < 0.05)\). There was a significant relationship between leader/supervisor and work motivation and satisfaction \((r = 0.39, p < 0.05)\) as well as between general and work motivation and satisfaction \((r = 0.37, p < 0.05)\)

### Table 3

<table>
<thead>
<tr>
<th>The relationship between rewards, recognition and work motivation and satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards</td>
</tr>
<tr>
<td>Recognition</td>
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</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

There is a statistically significant, direct and positive relationship between rewards and work satisfaction and motivation \((r = 0.82, p < 0.01)\). Hence, if rewards offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The results indicate that there is a statistically significant, direct and positive relationship between recognition and work satisfaction and motivation \((r = 0.93, p < 0.01)\). This implies that if the recognition accorded to employees were to change, there would be a change in work motivation and satisfaction.

### Conclusion

The study concludes that rewards and recognition if improved could have positive effect on motivation and satisfaction. Thus reward plan plays vital role in enhancing the value delivered to the employees. Although many dimensions of work and job motivation are related to motivation and satisfaction, the mean values of payment, promotion, benefits and recognitions, shows that employees are less motivated with those aspects. Hence rewards and recognition plans programmes given to the employees of private banks in Tirunelveli city has to be revised, in such a way that it has to motivate and satisfy them.

### References:


