



## Implications of Employee Welfare and Rewards on Job Satisfaction and Productivity – An Insight

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### ABSTRACT

*Amongst all resources required for an organization Human Resource is the most important resource. To retain efficient and experienced workforce in an organization is very crucial in overall performance of an organization. Motivated employees can help make an organization competitively more value added and profitable. Many motivating factors, monetary as well as non – monetary influence the employee and the organization. The present study is an attempt to find out the major factors that motivate employees considering Employee welfare, rewards and incentives as motivating factors within an organization that influence Job Satisfaction and Productivity of the organization. The data were collected from employees of diverse type of organizations to gain wide representation of sectoral composition. In all, 250 self administered questionnaires were distributed among the employees of different sectors and they returned 220 completed useable questionnaires thereby the response rate was 88%. Data revealed general awareness about welfare facilities among the employees and ability to identify the elements of welfare. The participation in survey was voluntary and confidentiality of responses was ensured. The statistical analysis showed that different dimensions of Satisfaction and Productivity are significantly correlated and welfare, reward and recognition have great impact on motivation of the employees that implies to productivity. Pragmatic efforts should be made to enhance employee's job capabilities through training; to improve working conditions of the employees and their general welfare in order to elicit job satisfaction and motivation for increased productivity. Limitations and guidelines for future research are also provided.*

**KEYWORDS:** Employee Welfare, Reward, Job satisfaction, Productivity.

### 1. INTRODUCTION

Motivation is such a factor that exerts a driving force on our actions and work. According to Baron (1983, p. 123), motivation is an accumulation of different processes which influence and direct our behavior to achieve some specific goal. Incentives, rewards and welfare aspects are the prime factors that impact on employee motivation that leads to Job Satisfaction and Productivity to the organization. Employees are motivated fully when their needs are met. In today's dynamic environment the highly motivated employees serve as a synergy for accomplishment of company's goals, business plans, high efficiency, growth and performance. The study relates how the impact of incentives, rewards and welfare programs drives employee motivation.

### 2. LITERATURE REVIEW

Incentives, rewards and recognition are the key parameters of today's motivation programs according to most of the Organisations. Employee welfare is a comprehensive term including various services benefits and facilities offered to employees by employer. Specifically, Coventry and Barker (1988) assert that employee welfare includes providing staff and workers' canteens, providing savings schemes; pension funds and leave grants, making loans on hardship cases; providing assistance to staff transferred to another area and providing fringe benefits. Job satisfaction is generally recognized as a multifaceted construct that includes employee feelings about a variety of both intrinsic and extrinsic job elements. It encompasses specific aspects of satisfaction related to pay, benefits, promotion, work conditions, supervision, organizational practices and relationships with co-workers (Misener et al., 1996). Productivity, on the other hand, means goods and services produced in a specified period of time in relation to the resources utilized (Singh, 2009). Thereby, factors like incentives, rewards and welfare are the most preferred factors for employee motivation programs. This paper is an attempt that focuses on how incentives, rewards and employee welfare influence employee job satisfaction and productivity.

### 3. METHODOLOGY

The present research aims to determine the impact of rewards and welfare facilities on employees of financial services, telecommunication, education, health, manufacturing and other industries of both government and private sectors. Population of the study comprises of employees from all of these sectors in both private and public divisions in major industrial cities of Tamil Nadu. These sectors are favorable for this study because they contain a) line and middle level employees; b) the employees from each sector shares common characteristics. For this purpose a non probability sampling, i.e. convenience sampling technique is used for recording the responses of 220 respondents. The convenience sampling is used because the information was gathered from those employees who were accessed quite easily and conveniently.

### 4. CONCEPTUAL FRAMEWORK

Promotional Opportunities, Work Environment, Operating Procedures, Recognition, Recreational facilities, Satisfaction with compensation, Satisfaction with security, Satisfaction with incentives, Satisfaction with growth and Sense of achievement was measured through promotion satisfaction items of Job Satisfaction Survey which was developed by Specter (1985) ranging from the strongly disagree (1) to strongly agree (2) and from Job Diagnostic Survey by Hackman and Oldham (1974) which were on Likert scale ranged from 1 (extremely dissatisfied) to 5 (extremely satisfied).

### 5. RESULTS

Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed for the multiple dimensions that have been assessed through the questionnaire are presented in Table 4.1 indicates that the means for the promotional opportunities, work environment, operating procedures, satisfaction with security, satisfaction with incentives, satisfaction with growth, satisfaction with compensation and sense of achievement ranged from a low of 3.02 to a high of 3.67. In order to delineate the relationship between the various facets of motivational aspects on satisfaction and Productivity, the sub-dimensions were correlated by Pearson's Product Moment Correlation and are presented in Table 4.2. It shows that there is statistically strong positive relationship between all the variables of Job satisfaction and Productivity, except highlighted ones. The results presented in Table 4.3 indicate that there is a statistically direct significance, and positive relationship between rewards and motivation ( $r = 0.37, p < 0.01$ ). This implies that if the change in welfare aspects accorded to employees is experienced, then there would be a corresponding change in Satisfaction and Productivity.

### 6. DISCUSSION

The purpose of study was to investigate the relationship between Employee welfare, rewards and incentives on Job Satisfaction and Productivity. Although many dimensions of reward and employee welfare are related to motivation and satisfaction but recognition, work environment and operating procedures have many low mean values as compared to other dimensions. This shows that employees are less motivated with their work contents, difficulties of operating procedures. The results of this investigation are quite beneficial for managers and policy makers. The managers can provide free work environment to employees by having informal talks, spending time with them in form of a Get - together or else in other activities like asking about their families and other crucial aspects related to their personal life. Secondly, increments in pay, allowances, compensations and fringe benefits both on periodic basis as well as on special occasions should be provided to the employees for keeping them motivated. Thirdly operating procedures should be fairly implemented, as procedural justice is quite important for good productivity. Fourthly, HR managers should make work contents inter-

esting, so that employees don't consider their job boring, meaningless and dull.

**7. SCOPE FOR FUTURE RESEARCH**

The future study must focus on collecting the data from different managerial level i.e. top, middle and low level of management so that a true picture may be depicted what motivates employees at different managerial levels. Needs and requirements at different managerial levels may differ significantly. Different professions demand different motivational levels, like teachers, persons at defense, employees at different financial institutions and employees of certain marketing professions vary at individual levels. Economic factor must also be considered while making generalization about the result of study, like inflation rate, unemployment level. The study must be replicated in different cultural contexts so that its wide generalization could be possible.

**8. CONCLUSION**

The aim of the study was to explore the influence of reward and welfare on job satisfaction and Productivity. Employee's participation in the decision making process will make them more courageous and enthusiastic towards working in the organization. The working environment was fair in terms of office accommodation and furniture, working materials, and reliable health and safety facilities. On the other side the periodically salary increments, allowances, bonuses, fringe benefits and other compensations on regular and specific periods keeps their morale high

and makes them more productive. In recommendation, pragmatic efforts should be made to enhance employee job capabilities through training; to improve working conditions of the employees and their general welfare in order to elicit job satisfaction and motivation for increased productivity (performance).

**9. TABLES AND FIGURES**

**Table 9.1. Descriptive statistics for the dimensions of Job Satisfaction and Productivity.**

Variables	Mean	Std. Dev.
1. Promotional Opportunities	3.31	.78
2. Work environment	3.15	.76
3. Operating Procedures	3.30	.86
4. Recognition	3.02	.71
5. Recreational facility	3.47	.73
6. Satisfaction with Compensation	3.58	.98
7. Satisfaction with Security	3.64	.93
8. Satisfaction with incentives	3.62	.87
9. Satisfaction with Growth	3.62	.83
10. Sense of Achievement	3.67	1.16

**Table 9.2. Dimension Correlations with Job Satisfaction and Productivity (N=220)**

Variables	1	2	3	4	5	6	7	8	9
Promotional Opportunities									
Work environment	.519**								
Operating Procedures	.658**	.382**							
Recognition	.156*	.128	.140*						
Recreational facility	.594**	.385**	.649**	.144*					
Satisfaction with Compensation	.457**	.269**	.387**	.091	.499**				
Satisfaction with Security	.405**	.259**	.414**	.015	.415**	.512**			
Satisfaction with incentives	.422**	.324**	.452**	.057	.466**	.485**	.431**		
Satisfaction with Growth	.482**	.390**	.459**	.105	.510**	.501**	.509**	.648**	
Sense of Achievement	.424**	.317**	.329**	.104	.292**	.306**	.397**	.410**	.478**

\*. Correlation is significant at the 0.05 level (2-tailed).

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

**Table 9.3. The relationship between different dimensions of Job Satisfaction and Productivity**

Variables	Pearson's Correlation	p - values
Promotional Opportunities	.316**	.000
Work environment	.343**	.000
Operating Procedures	.372**	.000
Recognition	.133**	.048
Recreational facility	.373**	.000
Satisfaction with Compensation	.359**	.000
Satisfaction with Security	.321**	.000
Satisfaction with incentives	.406**	.000
Satisfaction with Growth	.445**	.000
Sense of Achievement	.330**	.000

\*. Correlation is significant at the 0.05 level (2-tailed).

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

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