



## IMPACT OF REWARDS AND RECOGNITION ON EMPLOYEE PERFORMANCE WITH REFERENCE TO PHARMACEUTICAL INDUSTRY – A SELECT STUDY

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### ABSTRACT

Human resources are the most important among all the resources an organization owns. 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. The present study is an attempt to find out the major factors that motivate employees and it tells what is the relationship among reward, recognition, job satisfaction and motivation while working within an organization. The variables considered for this study are employee motivation and job satisfaction. Implications of the study for managers and policy makers in the context of human resource practices have been discussed. Limitations and guidelines for future research are also provided.

**KEYWORDS :** Motivation, performance, human resource, job satisfaction

### 1. INTRODUCTION

Rewards and Recognition can be powerful tools for employees' motivation and performance improvement. Reward means something given for performance. Recognition is an important feature in retaining excellent employees and for improving performance. Rewards and Recognition are one of the motivation aspects in Human Resources. Rewards and Recognition is to encourage and motivate the employees to do better performance. Rewards and recognition may be monetary, or non-monetary. In this regard the impact of rewards and recognition program on employee satisfaction and motivation had been analyzed through this study.

#### 1.1 Objectives of the study

1. To understand the extent to which the rewards & recognition provided to the employees.
2. To know the impact of rewards and recognition on motivation and satisfaction level of the employees.
3. To know employee's personal intention regarding rewards and recognition

### 2. Literature Review

According to Maslow (1943) desires emerge as a hierarchy. When lower level desires are satisfied within the hierarchy, individual strive for successive level. We can say that once physiological, safety and social desires are satisfied, the individual strives for self-esteem and self-actualization. Hence, Maslow's hierarchy theory broadly supports the conception that reward and recognition (basic needs) and (self-esteem needs) of worker.

The Herzberg theory constitutes the identical framework that reward and recognition affects the employee's job satisfaction as constituted by Maslow's hierarchy theory. The motivating factors reflect self-esteem which is actually recognition. Hygiene factor reflects the lower level needs like physiological.

Alderfer divided need hierarchy into three basic levels such as Existence Needs Such as incentives, wages, working environment. Relatedness Needs like societal relations with family, friends and peers and Growth Needs like self-fulfillment, the desire for career growth and development. This theory states that any need emerges any time to motivate employees regardless of the fulfillment of the other needs. It can be argued that the three levels of needs in the ERG model represent reward and recognition. Existence needs such as wages and incentives corresponds with reward. Relatedness needs like social relations correspond with recognition. Thus reward and recognition motivate employees regardless of any hierarchy.

According to Vroom's (1964) theory motivation depends on individuals' expectations regarding their ability to perform tasks and receive desired rewards. In the words of Nel et al (2001) explains that individuals build decisions on the idea of their expectations i.e., expecting the result as reward or recognition.

### 3. Research Methodology

The sample size of this study is 100 and they have been selected through convenient sampling from pharmaceutical company Dr. REDDY'S. The purpose of the research had been explained to the respondents. A structured questionnaire had been given to the respondents for collecting primary data and secondary data had been gathered from books, journals and electronic sources. The statistical tools like descriptive statistics, frequency analysis and regression analysis had been used for analyzing the data. Based on the objectives of this study the hypothesis have been formulated. The following variables have been selected for this study

- **Job Satisfaction:** It is a feeling of an individual towards job from the perspective of remuneration, promotions and clarity in roles and responsibilities of the job.
- **Motivation:** Abraham Maslow (1954) characterizes motivation as the Cognitive, Esthetic and Transcendence angles, which drives a man towards a formative change
- **Recognition:** A connection between at least two individuals. Recognition is an arrival on a representative's exertion and commitment at work, just as his or her outcomes.
- **Rewards:** A formal, fair-minded, and impartial trade. A material or budgetary articulation of thankfulness that is restrictive on results.

### 4. Analysis of Data

Among the total respondents 60 percent are male and 40 percent are female from the demographic variable gender. Majority of the respondents approximately 62 percent are less than 40 years. From the perspective of experience 17 percent of respondents are having less than 3 years experience, 41 percent are having 3 to 6 years experienced and 42 percent are having more than 6 years in their current position in pharmaceutical industry.

|  |                | Motivated by a sense of achievement |       |         |          | Total |
|--|----------------|-------------------------------------|-------|---------|----------|-------|
|  |                | Strongly agree                      | Agree | Neutral | Disagree |       |
| After recognition improvement of employees | Strongly agree | 4                                   | 16    | 0       | 2        | 22    |
|  | Agree          | 10                                  | 24    | 4       | 0        | 38    |
|  | Neutral        | 6                                   | 16    | 10      | 8        | 40    |
| Total                                      | 20             | 56                                  | 14    | 10      | 50       |       |

**Correlation: The relation between rewards, recognition and work motivation and satisfaction**

|             | Motivation and Work satisfaction |
|-------------|----------------------------------|
| Rewards     | 0.86                             |
| Recognition | 0.92                             |

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

There is a factually noteworthy, immediate and positive connection between rewards also, work satisfaction and motivation ( $r = 0.86$ ,  $p < 0.01$ ).

The coefficient of assurance, ( $R$ -squared = 0.74), infers that 74% of the variety in work motivation and satisfaction of the example can be credited to rewards got, which infers that the staying 26% can be clarified.

The outcomes show that there is a measurably critical, immediate and positive connection among recognition and work satisfaction and motivation ( $r = 0.92$ ,  $p < 0.01$ ). This suggests if the recognition agreed to representatives were to change, there would be an adjustment in work motivation and satisfaction. The coefficient of assurance, ( $R$ -squared = 0.60), suggests that 60% of the variety in work motivation and satisfaction of the example can be ascribed to recognition, while staying 40% can be ascribed to different factors.

**ANOVA: Difference in rewards and recognition and work motivation and satisfaction depending on gender**

| Gender | Mean | S    | N   | F    | P    | Scheffe's test             |
|--------|------|------|-----|------|------|----------------------------|
| Male   | 1.56 | 0.63 | 73  | 3.14 | .000 | Females are less motivated |
| Female | 1.78 | .49  | 111 |      |      |                            |

Where higher scores are characteristic of lower rewards and recognition, work satisfaction and motivation.

\*\*  $p < 0.01$

There is a huge mean distinction in the general degrees of work motivation and satisfaction experienced by male and female representatives ( $p < 0.00$ ).

Females announced lower levels of work satisfaction and motivation (Mean = 1.78,  $s = 0.49$ ) than guys (Mean = 1.56,  $s = 0.63$ ) based on rewards and recognition gotten.

**5. DISCUSSION**

The employees have a positive attitude if they are recognized for the work they do. The employees feel satisfied, if they are appreciated for their work even though it's not a monetary value. The job satisfaction motivation are interdependent on rewards and recognition. The Employees want to be recognized for a job well done. Rewards and recognition respond to this need by validating performance and motivating employees toward continuous improvement. Rewarding and recognizing people for performance not only affect the person being recognized, but others in the organization as well. Rewards and recognition not only helps in employee improvement, it helps to enhance confidence and increase employee retention and simultaneously helping employees improve their skills and grow within a company. Through a rewards program, the entire organization can experience the commitment to excellence.

**6. CONCLUSION**

Organizations are perceiving the critical chance to improve the arrival on their HR venture by adjusting reward plans with business strategy and improving the worth conveyed to workers. This procedure is significant to business achievement, and the capacity of the association to draw in and hold top performers and basic aptitude workers, in an undeniably focused condition. Rewards and recognition had gained a lot of importance in recent years as its making

employee to have job satisfaction and reminding the employees that they are worthy. The reward and recognition programs also enhance physical and mental health of employees. In Dr. Reddy's the rewards and recognition have enhanced organizational productivity. The research study has demonstrated that supervisors can utilize various procedures to rouse workers, yet that it is significant that supervisor remember that extraordinary procedures would have an alternate motivational effect on various individuals employees. To guarantee the viability of rewards and recognition, it is critical to think about the uniqueness of the situations and the decent variety of the gathering included. This will take extensive idea, tolerance, time what's more, exertion, however it could have gigantic advantages for the group, the business unit and the association all in all for improving employee performance and efficiency.

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