

A STUDY ON THE TOOLS FOR THE GROWTH OF PERFORMANCE IN THE ORGANIZATION THROUGH REWARD SYSTEMS

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1. INTRODUCTION:

In the contemporary world, rewards for better performance and success matter more than the actual achievement itself. Indeed, as the global financial crisis showed, rewards were everything for the bankers as they strove for more reckless bets and increasing risk taking. Because of the system of flawed incentives, rewards were seen to the ultimate prize that was greater than the actual process of winning. Hence, rewards management has to be seen in the context of what are proper and just rewards and what are disproportionate rewards. The point here is that rewards ought to justify the performance and not exceed them. What we mean by this is that it is okay to reward a high performer for his or her stellar performance but not to the point where in the pursuit of rewards, the individual throws caution to the winds and indulges in unethical behavior.

For the present day generation, rewards matter more than the actual performance and this is reflected in their increasing demands from the employers for salary hikes and bonuses.

If not anything else, the millennial generation believes that excessive rewards are their due. Though this is not to say that only this generation behaves that way (this pattern can be seen in the Generation X as well), it is the case that undue emphasis is being placed on the rewards alone as opposed to the fulfillment one gets by getting the job done in a proper manner.

However, the point needs to be made that while rewards are one way to motivate individuals and incentivize good performance, they are not the be all and end all that everyone likes to believe. Hence, a proper reward system in organizations would be aligned with the correct strategic fit between internal motivation and

external rewards and only when they are in balance can organizations grow in a healthy manner.

Motivation:-

All of us need to be motivated to get work done. We might be motivated by the lure of financial rewards like bonuses, pay hikes, and other monetary benefits. We also might be motivated by recognition, reward, fame, and glory. Thirdly, there are some of us who are motivated by the fulfillment that comes from doing a good job. Finally, we might be motivated by altruistic desires of helping society and building a better world. This is the model of motivation that has been described by the legendary organizational behavior theorist, Abraham Maslow.

Reward Systems:-

Given the background described above, organizations must evolve reward systems that motivate each individual according to his or her level of self-development and need for either monetary benefit or fulfillment imperative. In this context, it is important to note that many multinational companies have a financial component that motivates employees and a non-financial component like honoring the employees, publicizing their achievements, and making senior management talk to these employees for their contributions. The point here is that both financial and non-financial rewards are important for individuals to be motivated and organizations must design reward systems that take into account these aspects.

In many companies, it is the practice to earmark certain employees as those in the “Fast Track” or “High Potentials” and then devise specific reward systems for these employees. This is the practice in companies like Infosys where employees are identified early on and

appropriate reward systems designed to ensure that they retain their motivation levels throughout their careers with the company. The important aspect here is that one need to stay focused and motivated throughout one's career and it is easy to lose focus and be demoralized at each stage of one's career. As those in the corporate sector would attest, once one loses focus and is distracted, the downward slope is swift and steep. After all, in many sectors, the last performance is the one, which counts, and hence, there is a need for individuals to stay focused throughout.

Organizations must match the reward systems with the motivational needs of employees and hence, the package that they offer to potential and existing employees must be a mix of financial and non-financial rewards. As economists would point out, the role of incentives in motivating employees is indeed high and hence the right kind of incentives must be rolled out. It is not simply enough if companies keep raising the salaries or giving higher bonuses. It is also not enough if companies flatter their employees and publicize their achievements. The key aspect is the match between the rewards that are offered to the employee and his or her inner needs.

Bonus in IT and SERVICE Sector:-

In other sectors like IT & Services, the bonus are crucial but not as important as the banking sector. This is because these sectors are staffed in large numbers where the organization as a whole has to better than individual employees and hence, the reward system is geared towards incentivizing the individual performance along with the holistic approach to organizational performance. Of course, this is not to say that the IT & Services sector treat4s bonus as an afterthought. Indeed, as one goes up in the hierarchy, the bonus become bigger and more important since as in the case of bankers, the senior management is expected to deliver according to vision and business acumen along with hard work and commitment.

Finally, bonuses must be paid out in a way that would motivate the employees and make them feel that they are getting something "Extra" and not merely their salary. In other words, who does not like being rewarded and this must be guiding spirit when bonus are decided. If this is missing, then the employees feel let down and this leads to a general lowering of performance standards. This must be avoided at all costs by the organizations.

NEED FOR THE STUDY

Reward system is very important in every organization, In order to motivate the employees and achieve the targeted goals. So it is very important for every organization has to give rewards for the employees. so there is a need to study about reward system in RTL Technologies and to give a suggestion to the management if any modifications is required with the existing system.

OBJECTIVES OF THE STUDY

- To study various factors relating to present reward and promotion policies in RTL Technologies.
- To find strengths and weaknesses of present reward system.
- To know if the company has increased its productivity by this reward system.
- In case if required to suggest new model systems/policies of the present system.

SCOPE OF THE STUDY

- The data which is collected for this project is only limited to RTL technologies.
- Due to lack of time i may not interview all the employees to get a fine output.
- My sample is restricted to 100 out of 300 employees.
- My suggestions for this project is only limited to RTL Technologies.

2. LITERATURE SURVEY

Reward Systems and Policies:

Perhaps the most important aspect in any organization is the reward system in place. This is because employees are not providing their services for free and on the other hand, the organizations do not run a charity show. What this means is that the contractual obligations between employees and organizations are about how much work is to be done and how much pay is to be paid for the work done. Hence, the reward policies must reflect this aspect.

However, a significant aspect about the reward systems that is usually ignored is that employees have intrinsic needs other than monetary needs alone. This intrinsic

need for recognition, better treatment, and rewarding of their good work forms the other pillar on which the reward system and the reward policies stand.

Monetary Reward Policies:

The obvious and natural choice of any reward system is the provision of monetary incentives. This means that pay hikes, bonuses, and allowances that are monetary in nature play a key role in motivating employees. These extrinsic rewards cater to the basic needs of employees to sustain themselves and their families. An ideal reward system would provide for graded pay increases and bonuses that are in tune with industry best practices and are coordinated across the organization without discriminating against specific departments or divisions. Further, the monetary incentives should also not discriminate based on gender, ethnicity, or other aspects of identity. The reward policies must also take into account the fit between the employee and the role that he or she performs. There is no point in having a wrong person for the right job or a right person for the wrong job.

Non-Monetary Reward Policies:

As discussed in the first section, a reward system that incentivizes the intrinsic needs of employees is an ideal system. This is not to say that extrinsic rewards like pay and bonuses are not important. Rather, the combination of external rewards and non-monetary rewards like recognition, awards, and publicity for the employee's good work is the key to actualizing performance. In other words, the ideal reward system manages to reward good performance both with monetary and non-monetary incentives.

Some non-monetary rewards can also include benefits and benefits like memberships to exclusive clubs, company provided housing and transport, and advanced training and soft skill upgrading courses that motivate employees to self-actualize themselves. For instance, companies like Fidelity focus more on the package of benefits at senior levels, which includes a gamut of non-monetary rewards like the ones mentioned above. Further, periodical prizes and publicizing the efforts of top performers is done in many companies including IBM and Infosys.

It is not enough if employees are paid handsomely or they are recognized. The ideal reward system would incentivize the employees to perform to their potential

by matching their intrinsic needs with the external rewards. Many companies have put in place rewards systems and reward policies that recognize this aspect of fit between the different needs and the alignment of an employee's skills with that of the role that he or she is performing..

3. RESEARCH METHODOLOGY

The following data is collected by 2 sources:-

PRIMARY DATA:-

The data is collected in the form of questionnaire from the employees in RTL Technologies.

SECONDARY DATA:-

The secondary data has been collected through books, journals, articles and websites.

SAMPLE DESIGN AND SAMPLE PROCEDURE:-

Sample taken from the study consist of employees of RTL Technologies. Samples were selected from various departments like Administration, Development, Information and Technology, Training, Human Resource and Marketing

QUESTIONNAIRE DESIGN:-

Questionnaire Title - Detailed questionnaire on rewards of employees. Open ended questionnaire.

Sample Size – 100.

Type of sampling used – Random Sampling technique.

Tools and Techniques – Pie Chart Representation.

LIMITATIONS OF THE STUDY

- The sample size is less compared to number of employees working with the organization.
- Time period is very less i.e., only 45 days.
- Area of study is limited to only Hyderabad and specific to RTL Technologies.
- The ideal sample size.

4. DATA ANALYSIS & INTERPRETATION

Department ()

Interpretation:-

75% of the employees are in IT Department, 14% of the employees are in administrative department, 6% of the employees are in Administrative department and 5% of the employees are in the HR Department.

What is the approximate no.of employees employed in the organization ()

Interpretation:-

100% of the employees are employed in the organization.

What is the average age group of employees ()

Interpretation:-

55% of the employees are in age group of 31 – 40 years, 20% of the employees are in the age group of 20 - 30 years, 20% of the employees are in the age group of 41 – 50 years and 5% of the employees are in the age group of 50 & above.

To which managerial level do you belong ()

Interpretation:-

30% of the employees belong to entry level, 30% of the employees belong to junior level, 25% of the employees belong to middle level and 15% of the employees belong to senior management level.

By receiving recognition from management for your efforts, shows any difference in you

Interpretation:-

90% of the employees have high motivational effect, 10% of the employees have average motivational effect.

What is your work experience in the organization ()

Interpretations:-

80% of the employees have average work experience of 3 – 5 years, 6% of the employees have 10 years of work

experience, 14% of the employees have 0 years of work experience.

How would you rate your overall satisfaction with the current rewards and recognition programs offered by an organization ()

Interpretations:- 70% of the employees are very much satisfied with the overall satisfaction with the current rewards and recognition programs offered by an organization, 20% of the employees are neither satisfied nor dissatisfied with the overall satisfaction with the current rewards and recognition programs offered by an organization and 10% of the employees are very satisfied with the overall satisfaction with the current rewards and recognition programs offered by an organization..

5. FINDINGS OF THE STUDY

1. Majority of the employees belongs to IT Department.
2. Majority of the employees are employed in the organization.
3. Majority of the employees are in age group of 31 – 40 years.
4. Majority of the employees belong to entry level & Junior level.
5. Majority of the employees have high motivational effect.
6. Majority of the employees have average work experience of 3 – 5 years.
7. Majority of the employees are very much satisfied with the overall satisfaction with the current rewards and recognition programs offered by an organization.
8. Majority of the employees have received an award from organization.
9. Majority of the employees have nominated others for the award.
10. Majority of the employees are satisfied with the existing reward system.
11. Majority of the employees strongly agree that their work is valued and appreciated.
12. Majority of the employees came to know about the new rewards and recognition through HR Manager.
13. Majority of the employees prefer monetary rewards and recognitions.

14. Majority of the employees very highly get motivational level that they get through these rewards & recognition.
15. Majority of the employees are highly satisfied with the services of the organization.
16. Majority of the employees feeling that the organization should also provide meals (or) daily snacks.

SUGGESTIONS

1. In my view motivational level should be increased more in employees by providing rewards & recognition to them.
2. In my point of view satisfaction level of employees must be increased more by providing rewards & recognition to them in order to get best performance.
3. In my observation i feel that the work they have done should be more valued and appreciated.
4. I feel that the organization should also provide meal subsidies, daily snacks or beverages to the employees.

6. CONCLUSION

1. Maximum of the employees are satisfied with the overall satisfaction with the current rewards and recognition offered by an organization.
2. Maximum number of employees opined that the management is providing good monetary and non monetary rewards.
3. The reward system in the organization is being followed genuinely.
4. Satisfaction level of employees must be increased more by providing rewards & recognition to them in order to get best performance.
5. Providing meals (or) snacks to the employees make them feel relaxed and it helps them for the refreshment.

REFERENCES

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