

Trends Of Organisation Rewards Towards Employee Engagement And Its Sustainability

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Abstract

Employee Engagement is one of the most accelerated trends in today's work force. It is a positive relationship between employees and organization. But 40 percentage of employees in India are underemployed due to economic condition. Gallup says 32 percentage of employees are engaged, 40 percentage of employees are disengaged, and 28 percentage of employees are actively disengaged. Many companies are uplifting good perks, recognition, incentives to keep employees engaged. Employee engagement is where an employee who completely indulge himself competently, very enthusiastic and positive approach towards their work. Rewards is an objective to describe the positive value which encourages, reinforces employee's performance. There are two types of rewards Extrinsic rewards or monetary rewards and intrinsic rewards or non-monetary rewards.

The main objective of the study is to understand how rewards system influences employee engagement. Does rewards make employees to be engaged? The purpose of the study also states the new trends adopted by the companies and which type of rewards keep the most engaged. The study incorporates descriptive research method. Probability sampling technique in which simple random method is used to collect the data. Sample area covering employees working in communication service sectors Bangalore east. Sample size of 50 employees take into consideration due to time constraint. Likert scale of point 5 is one of measurement tool to assess the data driven from respondents. The findings of the study states the rewards are one of the most important factor for productive employees to outperform their work. It boost performance, create

an enthusiasm and positive approach towards their work and Organization

Keywords: Employee Engagement, Rewards- Intrinsic & extrinsic, Employee performance, employee recognition.

Introduction

The fantasy world of corporates, different service sectors, government and state government etc. are filled with goals and targets. A company success depends enormously on the employability. Recruitment, selection, training and development, performance appraisal and compensation place a vital role and focus upliftment on employee working conditions. Different strategies, structure, process are been adopted in various companies to satisfy employees, but still there exist a gap between employee satisfaction and job. It can be embarked though various means of operations. Very Important factor is to make employee engaged in his work and to assign the right job and responsibility. Employee engagement is where an individual employee is keen in doing his work, very passionate about his work, loves to do take extra mile in learning new thing. This can be achieved only when the companies hire right candidate and place him for the right job. Gallup says 32 percentage of employees are engaged, 40 percentage of employees are disengaged, and 28 percentage of employees are actively disengaged.

As we know it is impossible to make each and every employee to be engaged but the companies can put an effort in converting disengaged to engaged employees by recognizing their talent, rewarding their performance, motivating by giving promotion high profile etc. Among these rewards play very crucial role for employees. Rewards means performance appreciation, recognizing his achievements contributed. There are two types of rewards given 1) External rewards 2) Internal rewards. External rewards are type of motivation arises outside the individual and is eternal to work itself. It is also knows as tangible or financial rewards.

Some of the external rewards are incentives, bonus and salaries. Internal rewards are the second type of rewards which comes within the employees, this makes employee to yield more in their work. It is also known as intangible or non-financial rewards. The paper mainly focus on how this rewards place a vital role in employee work profile and what type of changes can happen related to employee engagement. The research study considers service sector as it is one of the most back

bone contribution to Indian GDP.

Rewards are the outcome of a behavior act or outcome of environmental. There are rewards with budgetary implications and rewards with no budgetary implications. Rewards with budgetary implications are like salary , allowances, free car , free lunch , free medical benefits, paid vacations, promotions, birthday gifts, stock options, family parties .

Rewards with no budgetary rewards implications, appreciation letters, certificates, challenging job, employee of month recognition, counselling, mentoring, encouragement and sound relations.

Study Objective

1. To understand the recent trends in rewards system
2. To identify new trends and its effectiveness
3. To analyze the impact of rewards on employee engagement
4. To evaluate which types of rewards are most important in service sector

Research Methodology

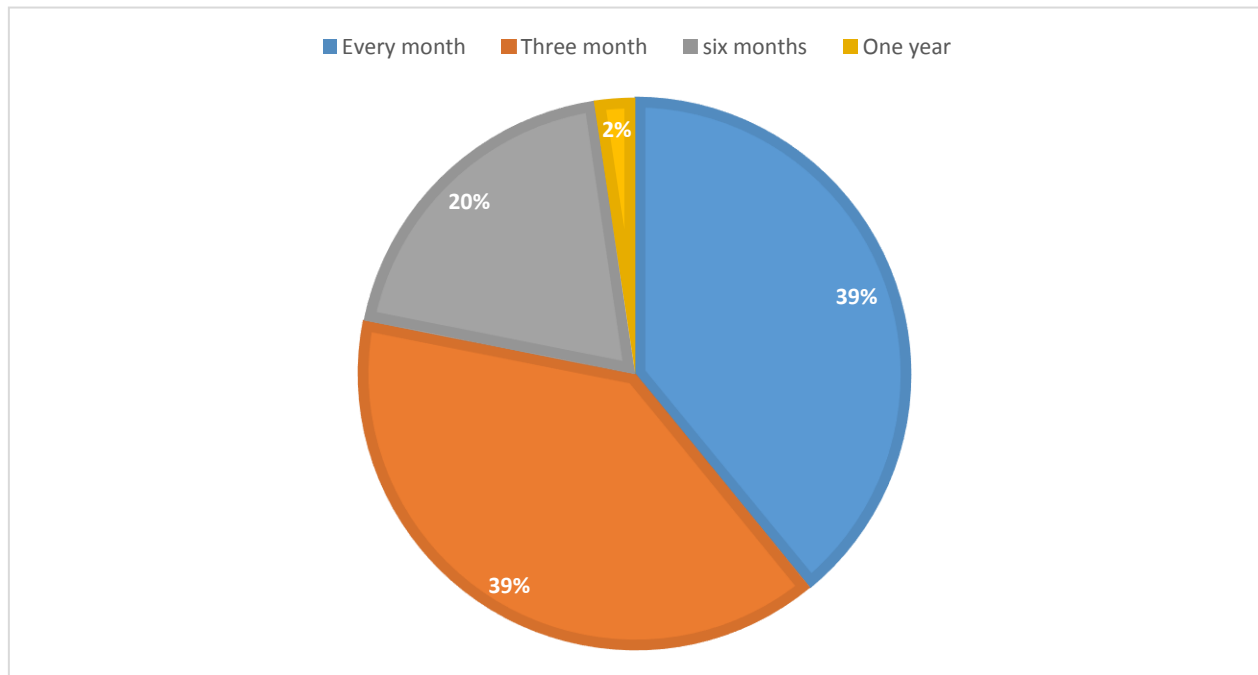
The study undertakes primary data and secondary method of data collection. Primary data is the fresh data collected through questionnaire and interview method. Secondary data, this type of data are already available in journals, company website, newspaper etc. Descriptive research is applied. The study covers Sample area of urban Bangalore north considering 5 hotels (5 star) as population covering 50 employees of sample size .Data are extracted from these 50 employees (mid-level employees and managers)using questionnaire and interview method. Structured questionnaire consist of open end, multiple choice and dichotomous. Likert scale is a psychometric test involved in preparation of questionnaire.

QUESTIONNAIRE

1. How often rewards are given in your hotel
 - a. Every month
 - b. Three months

c. Six months

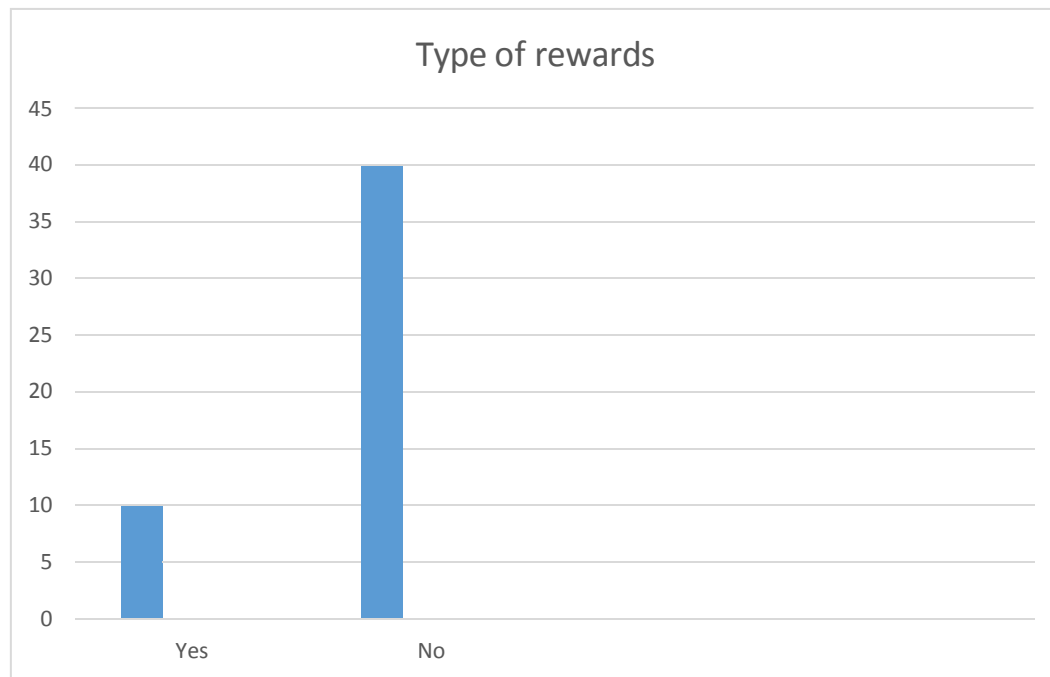
d. One year



Interpretations: Rewards are given maximum 20 % every month and 20% three month once, 10 % of rewards are given once in six months .

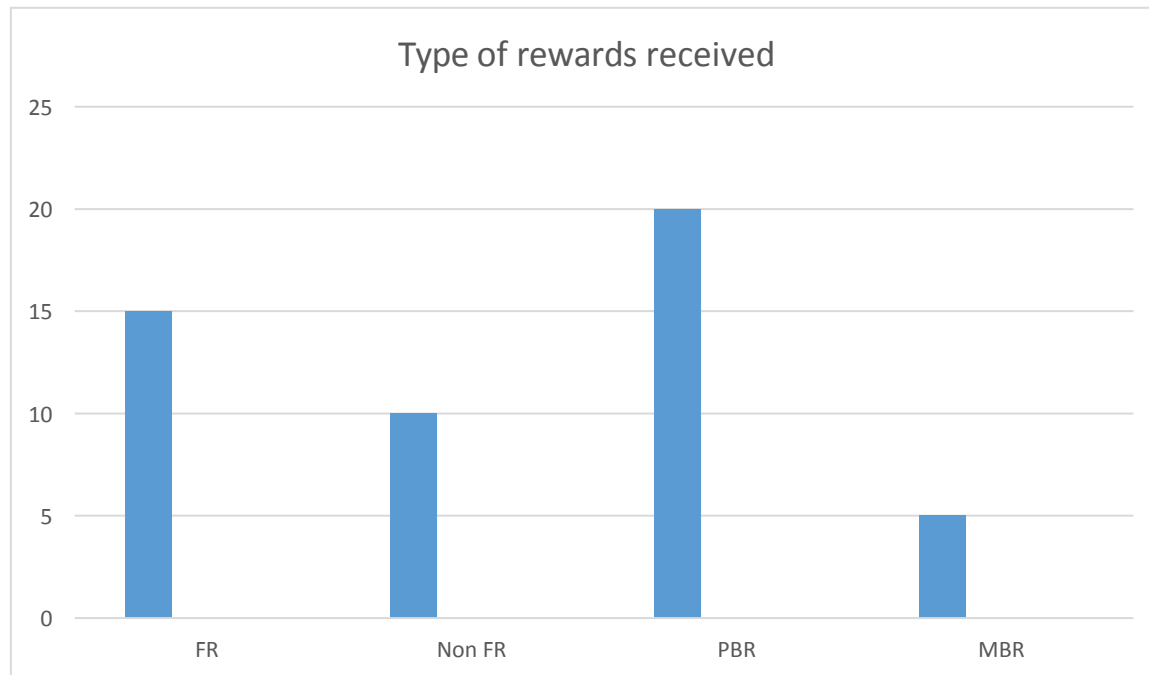
2. Are you aware of different types of rewards?

a. Yes b. No



Interpretations: Most of the employees are unaware of different types of rewards and its important. Which types of rewards are often been received by an working employee of different levels

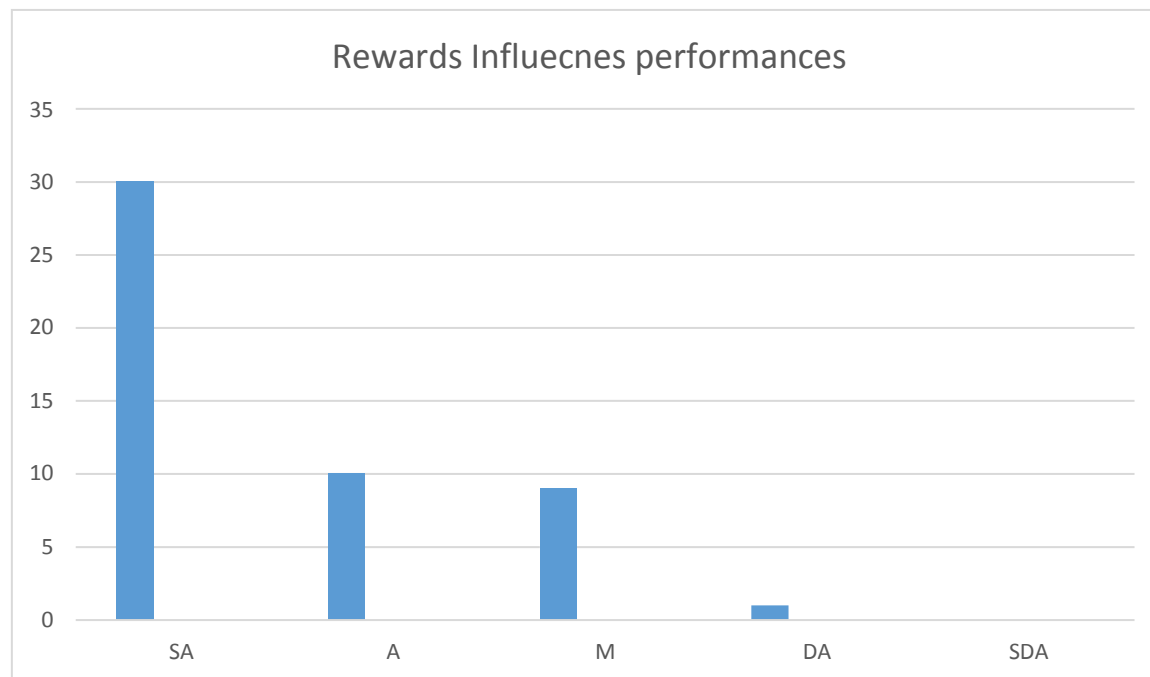
- a. Financial rewards
- b. Non-financial rewards
- c. Performance based rewards
- d. membership based rewards



Interpretations: Maximum 20 % employees are rewarded on the basis of performance, 15 % employees are financially rewarded, 10% employees are non-financial rewards and 5 % based on management .

3. Rewards keeps you to take more responsibility and more challenging task at work

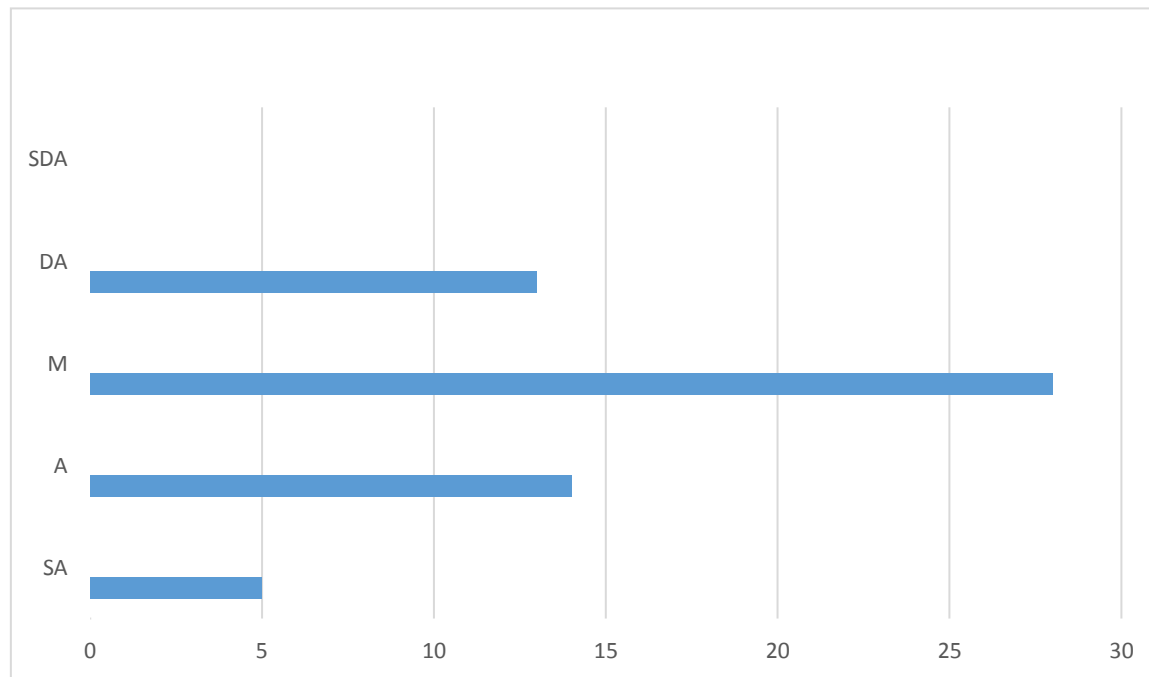
- a. Strongly agree
- b. Agree
- c. Moderate
- d. Disagree
- e. Strongly disagree



Interpretations: Respondents responds strongly agree, rewards influences drastic change in their performances and responsibility.

4. After receiving rewards have you ever thought change of job

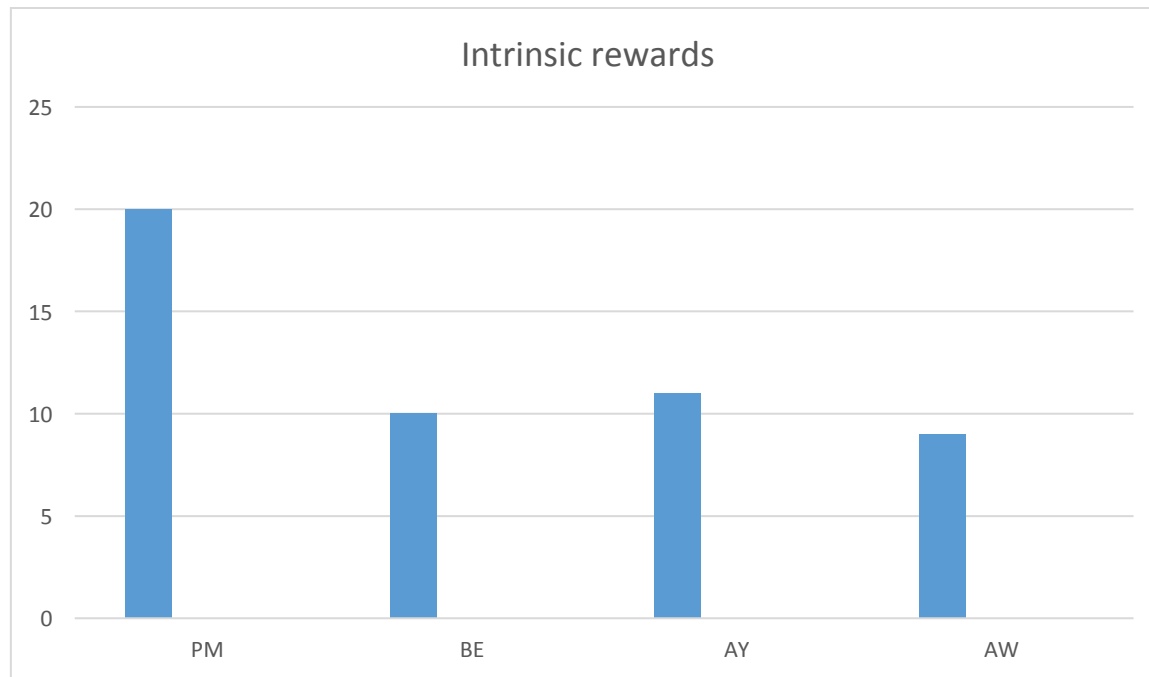
- a. Strongly Agree
- b. Agree
- c. Moderate
- d. Disagree
- e. Strongly disagree



Interpretation: After a year of rewards, few employee had searched for a new job, mainly due to job position

5. Which types of intrinsic rewards are given to employees often?

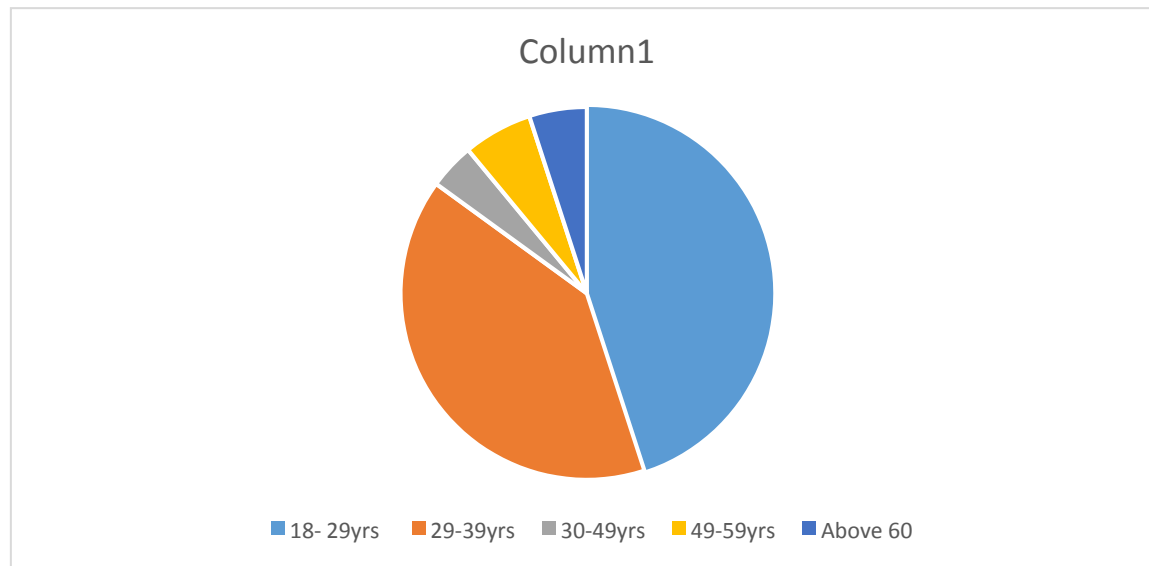
- a. Performer of the week /Month
- b. Best employee of the week /Month
- c. Achiever of the year
- d. accomplisher of the week



Interpretations: Maximum the rewards are given 20% in terms of performer of the week or month , 10% in terms of best performer of the week or month ,11% in terms of achiever of the year and the least 9% type accomplisher of the week .

6. At what age of yours find more passionate towards work

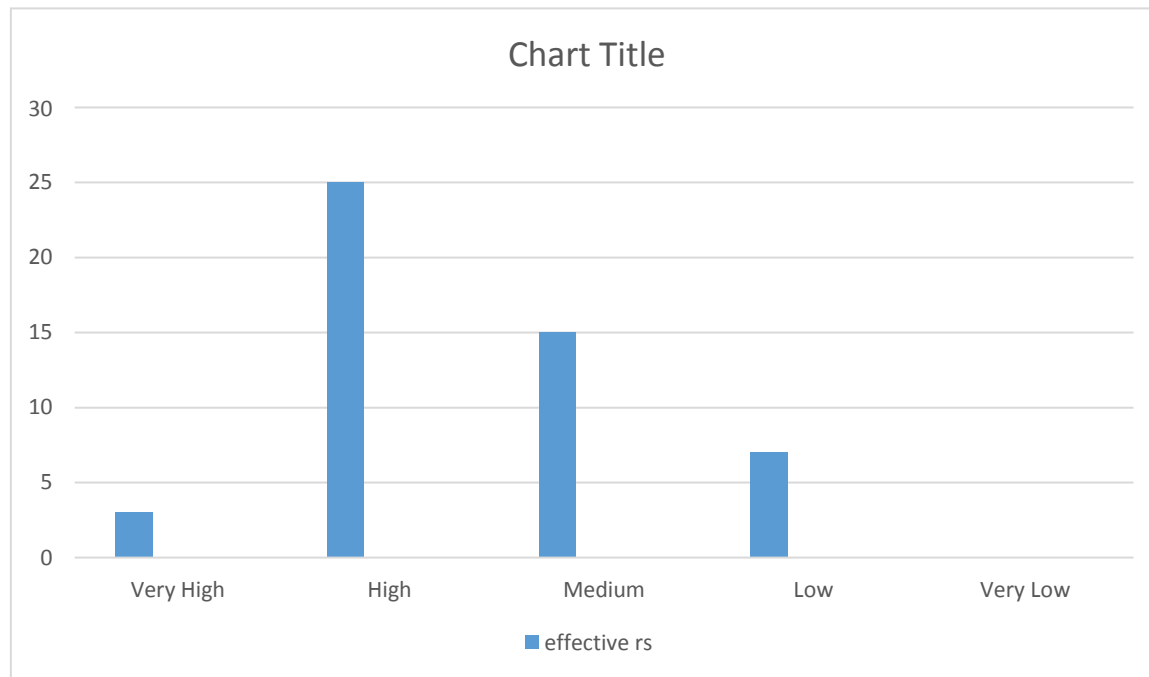
- a. 18 – 29years
- b. 29 – 39years
- c.39 – 49 years
- d. 49 -59 years
- e. Above 60



Interpretations: The questionnaire focus on their interest towards in know their passion towards work. This help in analyzing the employee engagement.

7. How effective is your organization reward system towards workers?

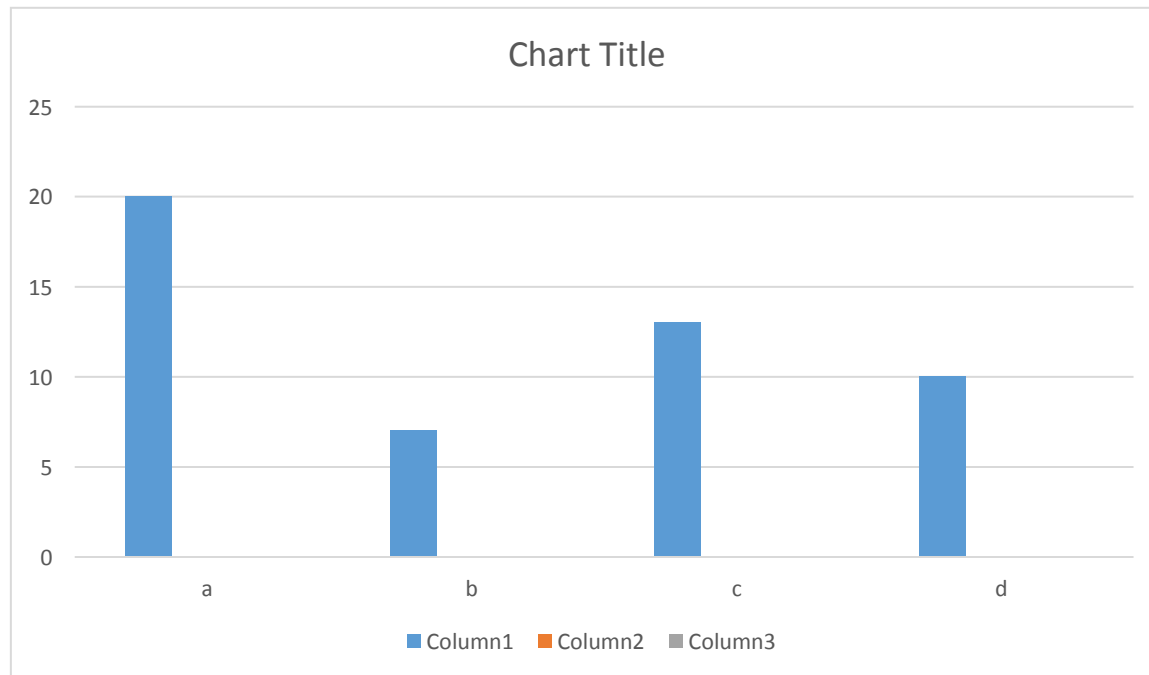
- a. Very High
- b. High
- c. Medium
- d.low
- e.Very Low



Interpretations: Most of the respondent says organization rewards system followed in their respective organization varies from high to medium. They fel then rewards system has to improvised .

8. What are the barriers from your end of perception on changing reward system in your organization?

- a. Not recognition performance
- b. Leadership management policies
- c. In equality
- d. Growth of organization.



Interpretations: performance recognition are lagging behind in most of the service industry for many reasons. The main reason is the effectiveness of performance is not reaching the top management

Open ended question:

6. Does rewards keeps you engaged towards work?

Off course, yes . it makes to feel completely involve in work and dedication level has increased to an extent . Spending lot of time towards work and knowing new things about the work. But this same energy has to be maintained till the next reward. It gives a responsibility and

7. Does your company pursue employee recognition is an ad hoc manner or is there an actual system.

No, the company does not associate any ad hoc for rewarding. Reward system is actually been implemented. Not all employees are recognized, sometimes employers fails to identify. The completion of work or target achieved done by employee is not recognized. This is occur due to

some middle man and misinterpreting the work and information

8. Are you engaged towards work only because of rewards?

Sometimes, it depends on the type of rewards given. If cash rewards given for lesser amount for harden work, indeed feels to work only for rewards. And it also depends on the management behaviors and how they treat us.

9. How passionate are you towards your work without receiving rewards

Not all the times. It depends on the nature of work and under which team head we are working

10. Are you aware of new types of Rewards?

No, we are expecting to go for digitalized rewards. It feel immense when we receive an rewards from boss. The rewards are usually given by the team leader. We wish if they could organize a small function and present the rewards.

11. If so, are you satisfied with new type of rewards?

Yes, it's challenging and creating healthy competition, If KPI well described it would be better to focus on the performance.

12. What are the new key performance indicators to assess the effectiveness of rewards?

Quick Problem solving of customer is a new criteria involved in reward system. A team leader or employees how quickly they try to solve a issue aroused from a customer eventually sorting the customer queries.

13. Do you expect other type of rewards?

Informal rewards is good for occasional basis. It motivate us and boost our performance. Families are invited in this informal rewards. We feel good and blissful when this type of rewards are given in front of families .

Findings / Outcome of questionnaire and interview

* Service sector has different set of reward system, compare to IT or ITES sector

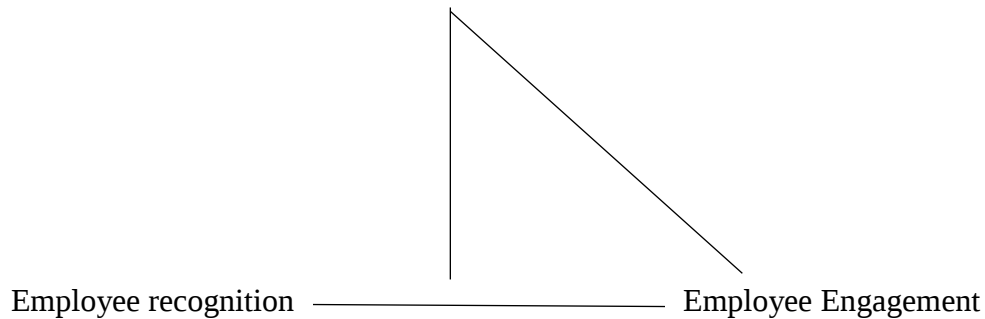
- *39% responded says rewards are given every month, to motivate and engage employees.
- * 40% of employees are unaware of new types of rewards and only 10% do know the type of rewards.
- * 20 % rewards are based on performance, 15% are financial based rewards, and 10% are non-financial rewards.
- *30% respondents after receiving rewards, feel to take up more responsibility and challenges towards work
- * 28% of employees had a second thought for a change of job, to get incremental position and salary. Because they feel in secured due to high competition among them and wait for the next time rewards
- * In Intrinsic rewards are 20 % of hotels give performer of the week, 11% are given as achiever of the year and 10 % as best performer of the week or month.
- * 25 % of reward system are high effective and 15% of reward system are moderate. Respondents expect some changes in the system
- * Respondents says some modification has to be implemented in framing or identifying while giving the rewards , according to their perception they believe 20% of management doesn't recognize the performance , 13% of them follow inequality .
- * There is no proper system being followed in recognizing employee recognition
- * Cash based rewards and non-cash rewards both are considered important for employees.
- * Three months and every month intrinsic rewards are given and once in six months and in a year extrinsic rewards are given.
- * Performance rewards are major type of reward given to employees.
- * Rewards keeps them happy and focus on the effective performance.
- * Some time period after receiving rewards employees have thought of changing jobs , as they offered high pay scale from other hotel sector and due to family commitments.
- * Few employees are interested in receiving intrinsic rewards and few extrinsic rewards.

- * Intrinsic rewards are based on the landmark of performance. Usually performance of the week are given much.
- * Employee of age from 18 to 28 years are very enthusiastically, charismatic towards their job respectively.
- * There are lot of barriers in reward system, employees expect some modification need to be implemented in reward system.
- * Key performance indicator of employee performance has to be some more precise manner.
- * Employees are sometimes not clear with the criteria's involved in measuring performance
- * Rewards are more influenced to employee engagement

Suggestions and Conclusions

Public recognition should be encouraged and motivated. Employees expect the rewards to be received from their boss and publish in the official website or magazine. Cash based rewards are most expected than intrinsic rewards. Intrinsic rewards more satisfying and are kept as motivating for the engaged employees. Hotels sector has to change their rewards system and perception of employees towards rewards. Employers have to build a healthy relationship between their employees. Employee recognition is major role played in identifying the best performer. Top three recent trends in rewards system are cash rewards, certificates, digital public recognition (social media). But rewards are given only when employees are recognized but 40 % of my survey interview method do not receive proper workplace recognition. Peer to peer recognition is just 30%. Pay for performance and equality should be transparent to employees. Committees involved in framing rewards should be carefully selected. Employers can expect employee engagement especially in service sector until they are rewarded. From the study conducted 10 % of employees are only engaged. It is very explicit, it is tripod employees should be recognized in a proper system reward them for better performance and engage them in retaining talented employees

Rewards



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