

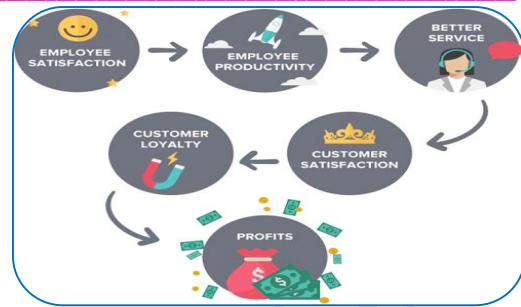


EMPIRICAL STUDY ABOUT REWARDS ON JOB SATISFACTION AND EMPLOYEE RETENTION WITH SPECIAL REFERENCE TO SMIORE DEOGIRI

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ABSTRACT:

Every organization needs to deploy different strategies in order to improve employee performance towards the achievement of predetermined goals. Many approaches have been built and implemented to improve employee performance. Reward has been identified as a major tool to maximize the employee performance. According to Bratton (1999), rewards refer to all forms of financial returns and tangible services and benefit an employee receives as part of an employment relationship. Bandura (1996) recognized that human behaviour could not be fully understood without considering the regulatory influences of rewards. According to Searle (1990), rewards can be categorized into two broad areas, namely extrinsic rewards and intrinsic rewards.

This study focused on identifying relationship between rewards and employee performance in a mining sector. There are many empirical studies have been conducted researches on reward system and employee performance. Ajila and Abiola, (2004) revealed that reward package can influence on employee performance. Base on their findings they concluded that reward system helps to increase employee performance by enhancing employee skills, knowledge and abilities in order to achieve organizational objectives. According to the Allen and Kilmann (2001), reward practices play a vital role in improving employee performance and to achieve organizational goals. As mentioned earlier, many researchers have identified that employee rewards directly attach to employee performance. On the other hand, if organization fails to reward employees, it will directly affect to decrease employee performance. As empirical studies divulge that an efficient reward system can be a good motivator but an inefficient reward system can lead to de-motivate the employees in terms of low productivity, internal conflicts, absenteeism, high turnover, lack of commitment and loyalty, lateness and felling grievances. Therefore, organization needs to develop strategic reward system for employees in order to retain competent employees, which result to obtain sustainable competitive advantage.

KEYWORDS: Empirical Study, Rewards, Job Satisfaction, Employee Retention, SMIORE Deogiri.

INTRODUCTION:

It is necessary to keep track of people that help in building and maintaining a strong organization. The role, position and the prominence that is given to human resources within any organization is considered a reflection of its overall approach and understanding of how human resources drive organizational processes. In most cases, organizations do understand the value and significance that is usually attached with the human resources that they possess. Although in many cases the organization will succeed to get the human resources who are efficient and effective in the tasks and duties that they are doing within the organizational unit but the key point of challenge comes

up when organizations try to make sure that the employees who are good in their jobs and duties will be retained within the company itself. This is where the concept of employee turnover is appearing because it is a concept that is revolving around how exactly an organization will try to capture and keep its workforce with itself rather than letting them leave the organization. Key findings revealed that positive significant correlation on the following factors on job satisfaction: pay and promotion, work relationships and the use of skills and abilities positively correlated to employee job satisfaction.

This study explored the impact of rewards on job satisfaction and employee retention among employees working in mining. The objectives of this study were to determine the impact of rewards on employee retention, to establish whether there is a relationship between rewards and job satisfaction, to establish the relationship between job satisfaction and employee retention and to make recommendations to the policy makers in the organization on possible ways/strategies to improve employee retention based on the research findings.

Title of the Problem:

Empirical Study about Rewards on Job Satisfaction and Employee Retention with Special Reference to SMIORE Deogiri.

LITERATURE REVIEW:

The objective of this literature review is to establish the basis for this research. Rewards are one of the most widely used methods for increasing employee job satisfaction. The success of Reward System depends on how effectively it is implemented.

OBJECTIVES OF THE STUDY:

- To study the significant difference in job satisfaction with special reference to SMIORE based on organizational hierarchy.
- To study the significant difference in job satisfaction with special reference to SMIORE based on numbers of organization served before.
- To study the significant difference in job satisfaction with special reference to SMIORE based on total job experience.
- To study the significant difference in employee retention with special reference to SMIORE based on gender.
- To study the significant difference in employee retention with special reference to SMIORE based on age group.

HYPOTHESES OF THE STUDY:

- There is no significant difference in job satisfaction with special reference to SMIORE based on organizational hierarchy.
- There is no significant difference in job satisfaction with special reference to SMIORE based on numbers of organization served before.
- There is no significant difference in job satisfaction with special reference to SMIORE based on total job experience.
- There is no significant difference in employee retention with special reference to SMIORE based on gender.
- There is no significant difference in employee retention with special reference to SMIORE based on age group.

METHODOLOGY:

This study examines the empirical study on the impact of extrinsic and intrinsic rewards on employee performance in a mining sector service organization. Employee performance is taken as dependent variable and extrinsic and intrinsic rewards are taken as independent variables. In

independent variable, extrinsic rewards represent three dimensions, which are pay, bonus and benefits. Intrinsic rewards embody recognition, career advancement, responsibility and learning opportunity. Hypotheses were developed and tested based on the conceptual framework.



Operationalization of variables

Concept	Variable	Indicator	Measure
Extrinsic rewards	1. Pay	Salary scale	Questions 1,2,3,4
	2. Bonus	Rupees	Questions 5,6,7
	3. Benefits	Rupees	Questions 8,9
	4. Promotions	No of promotion for a year	Questions 10,11,12
Intrinsic rewards	1. Recognition	Fairness in appraising performance	Questions 13,14,15
	2. Career advancement	High or low	Questions 16,17
	3. Responsibility	High or low	Questions 18,19,20
	4. Learning opportunity	High or law	Questions 21,22
Employee performance	1. Employee Productivity	Increased or decreased	Questions 23,24,29,30
	2. Job accomplishment	High or law	Questions 25,26,27,28

Quantitative research design was carried out under the Deductive approach. Self-designed questionnaire was used as the primary data collection method and secondary data collection methods were organization’s annual reports, books, journal articles and online references. The aim of this research is to identify the impact of extrinsic and intrinsic reward on employee performance in a mining sector organization. The representative samples of 200 employees are selected. For the convenience of the research, the sample was only selected from the SMIORE, Deogiri of Bellary District. Stratified random sampling method is used to select balance representation of employees. In addition, the sample represents every level of employee category including top level, middle level and bottom level.

SUMMARY OF THE FINDINGS:

- There is no significant difference in rewards with special reference to SMIORE based on gender.
- There is significant difference in rewards with special reference to SMIORE based on age group.
- There is no significant difference in rewards with special reference to SMIORE based on educational background.
- There is significant difference in job satisfaction with special reference to SMIORE based on gender.
- There is no significant difference in job satisfaction with special reference to SMIORE based on age group.

- There is no significant difference in job satisfaction with special reference to SMIORE based on educational background.
- There is significant difference in employee retention with special reference to SMIORE based on gender.
- There is significant difference in employee retention with special reference to SMIORE based on age group.
- There is no significant difference in employee retention with special reference to SMIORE based on educational background.

CONCLUSION:

The aim of the study was to explore the impact of reward and recognition on motivation and job satisfaction. Analysis has shown a close relationship between several dimensions of work motivation and satisfaction but recognition along with work itself and operating procedures have shown low mean values and insignificant relationship. Employee's participation in the decision-making process will made them more courageous and enthusiastic towards working in the organization. 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 motivated. There are certain limitations or constraints to the generalizability of the study, for example, consideration of inflation rate and unemployment rate. However, the research is very important in building the relationship between employees and employer.

It is concluded that the degree of rewards, motivation and job satisfaction of employees has a strong relationship in the mining sector. The result is in consistent with the previous result where, it has been found that employees in mining sector give more importance to economic or financial rewards. Hence, rewards must be strategically readjusted to attain the organizational goals, boost employee's motivation to perform their job better and enhance satisfaction with their jobs. In order to formulate their policies, this study can be of benefit to human resource. The maximum level of employee's performance happens when they feel their endeavour is rewarded and compensated completely. Extant research emphasized on relationships between job satisfaction with reward and motivation.

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