



IMPACT OF REWARDS ON JOB SATISFACTION AND EMPLOYEE RETENTION WITH SPECIAL REFERENCE TO SMIORE OF BELLARY DISTRICT

Mr. Thotyanaik V.¹ and Dr. Pavitra Alur²

¹Research Scholar , Dept. of Social Work , Vijayanagar Sri Krishnadevaraya , University Bellary, Karnataka.

²Asst. Professor , Dept. of Social Work , Vijayanagar Sri Krishnadevaraya University Bellary, Karnataka.

ABSTRACT :

This study aims to examine the impacts of rewards and motivation using perceived amount of rewards on job satisfaction in SMIORE of Bellary district. To conduct the study regression analysis was developed to test the relationship between rewards, motivation and job satisfaction. Results indicate that (1) rewards have positive significance on motivation, (2) motivation is positively related to the job satisfaction (3) rewards have a positive significant effect on job satisfaction. The results are inconsistent with previous studies conducted to analyse the relationship of rewards, motivation and job satisfaction in different contexts.

The Word rewards state the benefits that workers receive from their jobs (Kalleberg 1977, Mottaz1988), and significant elements of employee job attitudes such as organizational commitment, motivation and job satisfaction (Steers and Porter 1991). In any organization, rewards play an important role in building and sustaining the commitment among employees that ensures a high standard of performance and workforce constancy (Wang 2004). According to the individual–organization exchange theme, individuals enter organizations with specific set of skills, desires and goals, and expect in return a decent working environment where they can use their skills, satisfy desires, and attain their goals (Mottaz 1988). Mostly organizations have increased the substantial improvement by entirely complying with the organizational strategy by a well-balanced reward and recognition programs for employee. Reward refers to all categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the organization (Bratton and Gold 1994). Lawler (2003) described that there are two aspects that decide how much a reward is attractive, the quantity of reward, which is provided, and the weight age an employee gives to a specific reward. Employees are certainly closer to their organizations and perform better job, while they receive healthier reward and recognition in their organizations. Rewards increase the level of efficiency and performance of the employees on their jobs and in the result thereof increase the success of the organization.



KEYWORDS : Impact, Rewards, Job Satisfaction, Employee Retention, and Special Reference to SMIORE.

INTRODUCTION

Generally employees' job description and job specification determines rewards to maintain fairness among employees within an organization and competitive in the marketplace (Zaini et al. 2009). An organizational reward means all the benefits i.e. financial and non-financial that an employee receives through their employment relationship with an organization (Bratton and Gold 1994, Malhotra et al. 2007). According to the literature the rewards distinguishes into three main types that individuals seek from their organization i.e. extrinsic, intrinsic and social rewards (Williamson et al. 2009). Extrinsic rewards are the physical benefits provided by the organization such as pay, bonus, fringe benefits and career development opportunities. Intrinsic rewards refer to the rewards that come from the content of the job itself, and encompass motivational characteristics of the job such as autonomy, role clarity and training (Hackman and Oldham 1976). Social rewards arise from the interaction with other people on the job and may include having supportive relationships with supervisor and co-workers. Ali and Ahmed (2009) established that there is a substantial affiliation between reward and recognition, and similarly in employee motivation and job satisfaction. Study exposed that if rewards and recognition offered to employees then there would be a substantial modification in work motivation and satisfaction.

Organizations like mining sector have determined a balance between the performance of the employees and their commitment to the work which in result of job satisfaction. Reward and motivation are the two main factors that have an effect on the job satisfaction and motivation of employees. In reference to statistics, there is a significant relationship between reward and recognition, and between motivation and job satisfaction (Ali and Ahmed, 2009). Providing the financial benefit to employees without any prominent expression also loses its importance. Rewards have a direct link with the motivation and job satisfaction of the employees. Variations in rewards and recognition can bring a positive change in work motivation and job satisfaction of the employee (Ali and Ahmed, 2009).

Smith et al. (1969) defined the job satisfaction as the level to which an individual has a positive attitude towards his job, either in general or towards a specific dimension. The attitudinal type of job satisfaction suggests that an individual would attempt to stay with a satisfying job and quit a dissatisfying job (Spector 1985). Different studies treated job satisfaction as a predictor of significant behavioural outcomes, such as determined to leave, turnover, and absenteeism (Elangovan 2001). The considering role of job satisfaction has also been inspected by several researchers (Lok and Crawford 2001). It has been an utmost researched topic and thousands of studies have been conducted on this single topic to measure the job satisfaction of industrial workers, Mining workers, Teachers, Bank officers, Administrators, and Managers in a variety of undertakings the world over (Sweeney, Hohenshil and Fortune 2002).

Title of the Problem:

Impact of rewards on job satisfaction and employee retention with special reference to SMIORE of Bellary district.

OBJECTIVES OF THE STUDY:

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

HYPOTHESES OF THE STUDY:

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

METHODOLOGY:

Present research emphasizes on the SMIORE of Bellary district. A newly established questionnaire was used for this study, which was retested for better results. For the study simple random population of 200 (155-Male, 45-Female) employees were selected out of which 351 respondents completed the survey questionnaire with response rate of 62%. The sample included 68% male and 32% female. This high ratio of male participation is because of easy access to males than females in this sector.

SUMMARY OF THE FINDINGS:

There is no significant difference in rewards with special reference to SMIORE based on department.

Rewards with special reference to SMIORE based on Department

	N	Mean	SD	SS	Df	MS	F	Remarks
Salary Structure								
Between Groups				.095	5	.019	4.096	.001<0.05 Significant
HR	10	1.90	.316					
Finance	10	2.00	.000					
Transport	33	2.00	.000					
Administrative	16	2.00	.000					
Production	27	2.00	.000					
Others	104	2.00	.000					
Within Groups				.900	194	.005		
Incentives and Appraisal System								
Between Groups				.530	5	.106	0.680	.639>0.05 Not Significant
HR	10	1.60	.516					
Finance	10	1.90	.316					
Transport	33	1.82	.392					
Administrative	16	1.81	.403					
Production	27	1.81	.396					
Others	104	1.82	.388					
Within Groups				30.250	194	.156		
Insurance and Compensation								
Between Groups				.392	5	.078	4.313	.001<0.05 Significant
HR	10	1.80	.422					
Finance	10	2.00	.000					
Transport	33	2.00	.000					

Administrative	16	1.94	.250					
Production	27	2.00	.000					
Others	104	1.99	.098					
Within Groups				3.528	194	.018		
Bonus and Fringe Benefits								
Between Groups				.143	5	.029	3.009	.012<0.05 Significant
HR	10	1.90	.316					
Finance	10	2.00	.000					
Transport	33	2.00	.000					
Administrative	16	1.94	.250					
Production	27	2.00	.000					
Others	104	2.00	.000					
Within Groups				1.838	194	.009		
REWARDS								
Between Groups				3.800	5	.760	3.132	.010<0.05 Significant
HR	10	7.20	1.135					
Finance	10	7.90	.316					
Transport	33	7.82	.392					
Administrative	16	7.69	.793					
Production	27	7.81	.396					
Others	104	7.81	.396					
Within Groups				47.075	194	.243		

depicts that the obtained F-values for salary structure, insurance and compensation & bonus and fringe benefits are 4.096, 4.313 & 3.009 respectively are significant at 0.05 level and the obtained F-value for incentives and appraisal system is 0.680 is not significant at 0.05 level. The obtained F-value for rewards is 3.132 is significant at 0.05 level. Thus there is significant difference in rewards with special reference to SMIORE based on department. Hence, the hypothesis is rejected.

There is no significant difference in rewards with special reference to SMIORE based on organizational hierarchy.

Rewards with special reference to SMIORE based on Organizational Hierarchy

	N	Mean	SD	SS	Df	MS	F	Remarks
Salary Structure								
Between Groups				.006	2	.003	0.621	.538>0.05 Not Significant
Top Level	25	2.00	.000					
Middle Level	89	1.99	.106					
Shop Floor Level	86	2.00	.000					
Within Groups				.989	197	.005		
Incentives and Appraisal System								
Between Groups				.675	2	.337	2.208	.113>0.05 Not Significant
Top Level	25	1.96	.200					
Middle Level	89	1.78	.420					
Shop Floor Level	86	1.80	.401					
Within Groups				30.105	197	.153		
Insurance and								

Compensation								
Between Groups				.017	2	.008	0.418	.659>0.05 Not Significant
Top Level	25	1.96	.200					
Middle Level	89	1.98	.149					
Shop Floor Level	86	1.99	.108					
Within Groups				3.903	197	.020		
Bonus and Fringe Benefits								
Between Groups				.032	2	.016	1.599	.205>0.05 Not Significant
Top Level	25	1.96	.200					
Middle Level	89	2.00	.000					
Shop Floor Level	86	1.99	.108					
Within Groups				1.948	197	.010		
REWARDS								
Between Groups				.376	2	.188	0.734	.481>0.05 Not Significant
Top Level	25	7.88	.600					
Middle Level	89	7.74	.489					
Shop Floor Level	86	7.78	.495					
Within Groups				50.499	197	.256		

The obtained F-values for salary structure, incentives and appraisal system, insurance and compensation & bonus and fringe benefits are 0.621, 2.208, 0.418 & 1.599 respectively are not significant at 0.05 level. In addition, shows that the obtained F-value for rewards is 0.734 are not significant at 0.05 levels. Thus, there is no significant difference in rewards with special reference to SMIORE based on organizational hierarchy. Hence, the hypothesis is accepted.

- There is significant difference in rewards with special reference to SMIORE based on department.
- There is no significant difference in rewards with special reference to SMIORE based on organizational hierarchy.
- There is no significant difference in rewards with special reference to SMIORE based on numbers of organization served before.
- There is significant difference in rewards with special reference to SMIORE based on total job experience.
- There is no significant difference in job satisfaction with special reference to SMIORE based on department.
- There is no significant difference in job satisfaction with special reference to SMIORE based on organizational hierarchy.
- There is significant difference in job satisfaction with special reference to SMIORE based on numbers of organization served before.
- There is significant difference in job satisfaction with special reference to SMIORE based on total job experience.

CONCLUSION:

The purpose of study was to investigate the relationship between incentives, rewards recognition on employee motivation and satisfaction. The results are quite according to our hypotheses. Although many dimensions of work and job motivation are related to motivation and satisfaction but recognition, work itself 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 and neglecting the aspects of recognition. On the other hand, when they have sufficient promotional opportunities their relationship with co- workers are friendly, they are paid for what they work, and they find their job secured,

their supervisors are cooperative and they feel that they can grow living within the organizations, than their level of motivation is very high.

Our analysis concluded that the degree of rewards, motivation and job satisfaction of employees has a strong relationship in the mining sector of SMIORE. From different research, it has been found that employees in mining sector give more importance to economic or financial rewards (Karl and Sutton 1998, Houston 2000). Therefore, if reward is increased, the incremental variance in employees' motivation for mining was 31%. Peretomode (1991) recommended that greater the prestige of the job, higher the job satisfaction.

According to Lin (2007) argued that organizations with emphasis on autonomy and co-workers strong relationship were practiced high job satisfaction. Autonomy received extrinsic rewards offered to employees (Kiviniemi et al 2002). However, according to Malhotra et al (2007) autonomy indicates the ability of the employees to determine the direction in which they carry out their job. Hence, rewards must best arterially readjusted to attain the organizational goals, boost employee's motivation to perform their job better and enhance satisfaction with their jobs.

REFERENCES:

1. A. Furham, A. Eracleous, T. Chamorro-Premusz (2009). Personality, motivation and job satisfaction: Herzberg meets the Big Five. *Journal of Managerial Psychology*.24 (8): 765-779.
2. Balzer, W., Kihm, J., Smith, P., Irwin, J., Bachiochi, P., Robie, C., Sinar, E., and Parra, L. (1997). Users' manual for the job descriptive index (JDI; 1997 Revision) and the job in general (JIG) scales. Ohio: Bowling Green State University.
3. Crewson, P., E. (1997). Public service motivation: Building Empirical Evidence of Incidence and Effect. *Journal of Public Administration Research and Theory*, 7(4): 499-518.
4. D. P. Lepak, and S. A. Snell (1999). The human resource architecture: Toward a theory of human capital allocation and development. *Academy of Management Review*. 24 (1): 31-48.
5. Elangovan, A. R. (2001). Causal Ordering of Stress, Satisfaction and Commitment, and Intention to Quit: A Structural Equations Analysis. *Leadership & Organization Development Journal*, 22 (4), 159-166.
6. Oosthuizen, T. F. J. (2001). Motivation influencing worker performance in a technical division of Telkom SA. *Acta Commercii*, 1, 19-30.
7. Spector, P. E. (1985). Measurement of human service staff satisfaction: Development of the Job Satisfaction Survey, *American Journal of Community Psychology*, 13, 693-713.
8. Vansteenkiste, M. (2005). Intrinsic versus extrinsic goal promotion and autonomy support versus control – doctoral dissertation. Leuven: KU Leuven.
9. Vandenberghe and Trembley (2008). The role of pay satisfaction and organizational commitment in turnover intentions: A two sample study. *Journal of Business and psychology*, 22(3), 275 – 286.
10. Zaini, A. Nilufar, S. A. Syed (2009). The effect of human resource management practices on business performance among private companies in Malaysia. *International Journal of Business and Management*. 4 (6): 65-72.