



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

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ABSTRACT :

The purpose of this study was to find out the relationship between employees' rewards, and the dimension of their job satisfaction in the mining sector of SMIORE. We hypothesized that rewards play a significant role in employee satisfaction, resulting in increased customer satisfaction and loyalty. Thus, the role of job satisfaction and rewards was explored with samples from workers in SMIORE private organizations. The implications of job satisfaction on employee and loyalty towards organizations were also investigated.



Paying employees for productivity has been the cornerstone of industrial and business development for centuries. Financial reward has always been important in managing employee's performance, but over the last 25 years other elements of compensation have developed to provide employers with more scope to reward, and thus, motivate employees. Armstrong and Taylor (2010, p. 331) state, "performance is defined as behaviour that accomplishes results. Performance management influences performance by helping people to understand what good performance means and by providing the information needed to improve it. Reward management influences performance by recognising and rewarding good performance and by providing incentives to improve it".

This research paper focuses on the effects of reward systems on employee performance in the modern work environment and how satisfaction with rewards can lead to higher performance and better job satisfaction. Based on a critical review of published literature, it is clear how important the right combination of rewards is to the performance of an organisation. The purpose of this research study is to attempt to identify how these rewards impact employee performance and how well the current reward system does this, within the company forming the basis for my research.

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

INTRODUCTION

The rewards that we apply to both individual and team performance are therefore critical in determining how affective our reward strategy will be. Wilson (2003, p.128) describes rewards and their purpose as including systems, programmes and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance.

Investing in this type of reward system can foster high-performance work teams and individuals, and help to achieve organisational goals. In this study on how reward systems can promote high performance work teams within a mining environment, the researcher found that development and recognition is a shared responsibility between employee and management. Therefore, you must establish a clear connection between behaviour and performance on one side and rewards on the other. Employees expected compensation and benefits as a normal parts of their rewards for working, but performance can be increased by adding to these typical rewards with recognition of achievements in front of employees, "employee of the month", message and appreciation (handwritten note from manager, lunch with manager, recognition meal event). Although the monetary outlay was modest, it was well worth the investment.

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.

TITLE OF THE PROBLEM:

Empirical Study on 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 job satisfaction with special reference to SMIORE based on marital status.
- To study the significant difference in job satisfaction with special reference to SMIORE based on length of service in the present organization.
- To study the significant difference in job satisfaction with special reference to SMIORE based on department.
- 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.

HYPOTHESES OF THE STUDY:

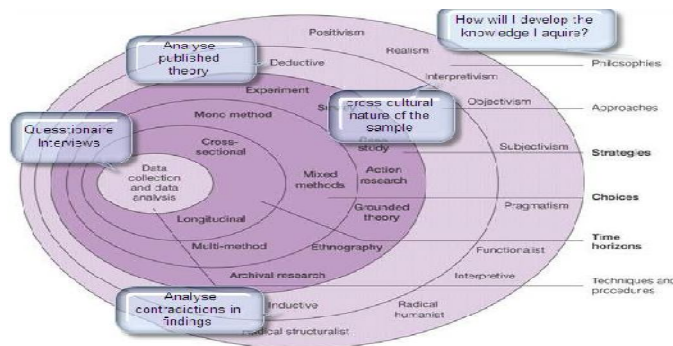
- There is no significant difference in job satisfaction with special reference to SMIORE based on marital status.
- There is no significant difference in job satisfaction with special reference to SMIORE based on length of service in the present organization.
- There is no significant difference in 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 no significant difference in job satisfaction with special reference to SMIORE based on numbers of organization served before.

METHODOLOGY:

The research questions for this proposal are quite specific; therefore I believe in-depth interviews would encourage the best response from employees. Protecting the anonymity of the respondents should encourage a more open and honest response. Although this research will take mostly an inductive approach in the qualitative data analysis, I would hope that this data would conflict or contradict some of the established theory. The research project will collect primary data and refer to the secondary data as outlined in the literature review.

Consisting of five different layers in terms of design:

- 1).Research Philosophy (Positivism, Interpretivism).
- 2).Research Approaches (Deductive, Inductive).
- 3).Research Strategies (Experiment, survey, case study, grounded theory, ethnography, action research).
- 4).Time Horizons (Cross sectional, longitudinal).
- 5).Data Collection Methods (Secondary data, questionnaires, interviews, observation, sampling).



SUMMARY OF THE FINDINGS:

There is no significant difference in job satisfaction with special reference to SMIORE based on marital status.

Job Satisfaction with special reference to SMIORE based on Marital Status

	N	Mean	SD	t-value	df	Remarks
Degree of Independency						
Married	19	.60	.531	1.667	19	.097>0.05 Not Significant
Unmarried	5	.20	.447			
Job Security and Future Scope for Career						
Married	19	1.17	.394	0.143	19	.886>0.05 Not Significant
Unmarried	5	1.20	.447			
Support and Guidance from Superior						
Married	19	1.99	.143	0.160	19	.873>0.05 Not Significant
Unmarried	5	2.00	.000			
Salary Hike and Leave Facilities						
Married	19	1.99	.072	0.160	19	.873>0.05 Not Significant
Unmarried	5	2.00	.000			

Communication						
Married	19 5	2.00	.000(a)	-	19 8	-
Unmarried	5	2.00	.000(a)			
JOB SATISFACTION						
Married	19 5	7.76	.717	1.100	19 8	.273>0.05 Not Significant
Unmarried	5	7.40	.894			

The obtained t-values for degree of independency, job security and future scope for career, support and guidance from superior & salary hike and leave facilities are 1.667, 0.143, 0.160, & 0.160 respectively are not significant at 0.05 level. In addition, shows that the obtained t-value for job satisfaction is 1.100 are not significant at 0.05 levels. Thus, there is no significant difference in job satisfaction with special reference to SMIORE based on marital status. Hence, the hypothesis is accepted.

There is no significant difference in job satisfaction with special reference to SMIORE based on length of service in the present organization.

Job Satisfaction with special reference to SMIORE based on Length of Service in the Present Organization

	N	Mean	SD	SS	Df	MS	F	Remarks
Degree of Independency								
Between Groups				2.832	5	.566	2.052	.073>0.05 Not Significant
Less than 2 years	5	.40	.548					
2 to 5 years	13	.77	.599					
6 to 8 years	28	.68	.670					
9 to 11 years	21	.29	.463					
12 to 14 years	14	.57	.514					
Above 14 years	119	.61	.489					
Within Groups				53.548	194	.276		
Job Security and Future Scope for Career								
Between Groups				.855	5	.171	1.105	.359>0.05 Not Significant
Less than 2 years	5	1.40	.548					
2 to 5 years	13	1.31	.480					
6 to 8 years	28	1.25	.441					
9 to 11 years	21	1.19	.402					
12 to 14 years	14	1.14	.363					
Above 14 years	119	1.13	.366					
Within Groups				30.020	194	.155		
Support and Guidance from Superior								
Between Groups				.780	5	.156	9.457	.000<0.05 Significant
Less than 2 years	5	1.60	.894					
2 to 5 years	13	2.00	.000					
6 to 8 years	28	2.00	.000					
9 to 11 years	21	2.00	.000					
12 to 14 years	14	2.00	.000					

Above 14 years	119	2.00	.000					
Within Groups				3.200	194	.016		
Salary Hike and Leave Facilities								
Between Groups				.195	5	.039		
Less than 2 years	5	1.80	.447				9.457	.000<0.05 Significant
2 to 5 years	13	2.00	.000					
6 to 8 years	28	2.00	.000					
9 to 11 years	21	2.00	.000					
12 to 14 years	14	2.00	.000					
Above 14 years	119	2.00	.000					
Within Groups				.800	194	.004		
Communication								
Between Groups				.000	5	.000		
Less than 2 years	5	2.00	.000(a)				-	-
2 to 5 years	13	2.00	.000(a)					
6 to 8 years	28	2.00	.000(a)					
9 to 11 years	21	2.00	.000(a)					
12 to 14 years	14	2.00	.000(a)					
Above 14 years	119	2.00	.000(a)					
Within Groups				.000	194	.000		
JOB SATISFACTION								
Between Groups				5.388	5	1.078		
Less than 2 years	5	7.20	1.095				2.131	.063>0.05 Not Significant
2 to 5 years	13	8.08	.760					
6 to 8 years	28	7.93	.940					
9 to 11 years	21	7.48	.750					
12 to 14 years	14	7.71	.611					
Above 14 years	119	7.75	.627					
Within Groups				98.112	194	.506		

Depicts that the obtained F-values for degree of independency & job security and future scope for career 2.052 & 1.105 are not significant at 0.05 level and the obtained F-values for support and guidance from superior & salary hike and leave facilities are 9.457 & 9.457 are significant at 0.05 levels.

From Table-15, the obtained F-value for job satisfaction is 2.131 is not significant at 0.05 level. Thus, there is no significant difference in job satisfaction with special reference to SMIORE based on length of service in the present organization. Hence, the hypothesis-14 is accepted.

- 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.
- There is significant difference in employee retention with special reference to SMIORE based on marital status.
- There is significant difference in employee retention with special reference to SMIORE based on length of service in the present organization.
- There is significant difference in employee retention with special reference to SMIORE based on department.

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

CONCLUSION:

The results of the study suggest that higher rewards and satisfied employees in work organizations play a major role both in the promotion of employee job satisfaction and consequently higher productivity in organizations. From the results, majority of respondents 90.3% stated that job satisfaction would lead to increase in job performance, which would intend increase organizations' profits margin. Similarly, 58.6% of respondents stated that job satisfaction will encourage workers' enthusiasm to work even at odd times, and 53.84% of respondents were of the view that work will be done more accurately and conveniently, when there is job satisfaction. All these assertions demonstrate the power of employee job satisfaction in work organizations if managers pay attention to the variables that trigger worker satisfaction. These findings support Wang and Feng (2003)'s claim that the higher the job satisfaction, the more likely workers will hold a positive attitude toward their jobs, and are more likely to be committed to the organization.

In particular, this study affirms the efforts of prior workplace research on the importance of rewards and work relations to job. Rewards and work relations are found to have a positive and significant impact on job satisfaction. This is confirmed by the occurrence of significant association between rewards and job satisfaction on one hand, and a significant association between satisfied employees and increased satisfaction and loyalty.

Therefore, the major findings of this work are that; first, there is a significant relationship between higher rewards and higher job satisfaction of employees, and second, there is a significant relationship between satisfied employees and increased satisfaction and loyalty. Findings of the study also showed that majority of the respondents were not happy with their pay as compared with others in similar jobs in other mining sector. More importantly, findings indicated that majority of the respondents were not happy about the recognition they get from the work they do.

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