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## A Study on the Impact of Rewards and Recognition on Employee Motivation

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### Abstract:

The study's main goal was to find out how employee motivation is affected by rewards and recognition. The specific goals were to determine the best ways to give and receive recognition, investigate the behavioral differences between highly and poorly appreciated workers, ascertain the degree to which employee performance is improved by motivation, determine whether motivation affects both individual and organizational growth, and investigate whether employee conflicts arise emotionally as a result of rewards and recognition. For this study, a descriptive research strategy was chosen. The responders were a range of staff from the firms. The study makes clear that a number of factors affect how motivated and satisfied employees are at work. Finding a clear and positive correlation between incentives and recognition and motivation and work satisfaction was particularly noteworthy. Workplace motivation and satisfaction would therefore vary in tandem with any changes made to the incentives and recognition programs provided to staff members. This might be directly translated as follows: higher motivation and satisfaction levels are associated with better incentives and recognition, which may lead to improved performance and productivity levels. When there are significant discrepancies, particularly when it comes to emotional disputes between high achievers and low performers, the organization ought to try to reevaluate and address the issue. If the organization doesn't reevaluate this circumstance, it may have a detrimental effect on productivity and job performance as well as minority retention. Maslow's hierarchy of requirements states that in order to satisfy the higher level wants, which affect motivation, the lower level demands, including pay and perks, must first be satisfied. According to the research study, managers may use a variety of techniques to inspire their staff, but it's critical that they remember that different strategies will inspire employees in different ways. A manager must recognize and comprehend challenges in order to receive the best outcomes from a motivating plan. This necessitates acknowledging the distinct values, beliefs, and behaviors of each individual.

**Keywords:** Rewards, Recognition, Employee, motivation

## 1. Introduction

Since human resources are the backbone of any business and employees are the primary focus of human resource management, it is imperative that businesses reevaluate the ways in which they communicate with their staff in light of the constant changes in the world today, particularly in relation to technology and innovation. This will boost employee morale and serve as a catalyst for the development of an integrated workforce. Therefore, in addition to monetary compensation, there exist alternative methods of rewarding staff members. These methods may include receiving commendation from managers, giving them the chance to undertake significant projects or duties, or providing them with leadership attention that aids in their ascent up Maslow's hierarchy of needs in order to become more motivated to perform better. An employee's contribution to the work process, as well as their commitment and motivation, are evaluated through employee appreciation. It also entails assessing and appreciating the outcomes of this effort. In summary, it highlights the importance of each employee's professional knowledge and experience while also examining their individual contribution. Employee engagement increases when a culture of appreciation is fostered. Employees that are engaged are content, devoted, and effective. There's a chance every day to thank someone for their service without having to spend a lot of money. Informal awards are the cherry on top that keep workers inspired, involved, and eager to work more. However, taking into account all the favorable and unfavorable impacts appreciations have on the development of the individual and the company, it is also critical to research and comprehend the degree to which the aforementioned elements affect the workforce. The study's main goal is to develop creative ways to show employees how much they are valued. Companies might use the findings to help design more recent employee engagement initiatives. It would be useful for future researches to examine trends in employee engagement.

## 2. Conceptual Definition

- **Reward:** Jack Zigon defines rewards as "something than increases the frequency of an employee action" (1998).
- **Recognition:** It is constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs, and equipped with their own personal expertise. (Brun&Dugas, 2002).
- **Motivation:** Abraham Maslow (1954) defines motivation as the Cognitive, Aesthetic and Transcendence aspects, which drives a man towards a developmental change

## 3. Operational Definition

**Reward:** An orderly, fair, and unbiased trade. a tangible or monetary token of gratitude that is dependent on performance.

**Recognition:** A connection involving two or more individuals. Acknowledgment is a reward for an employee's hard work, commitment, and performance.

**Motivation:** Motivation is the process of raising staff morale so they will voluntarily offer jobs they are assigned their best effort.

#### **4. Company Profile**

In India, Aloft is an SPG group business. There are already 214 shops in 90 Indian cities and villages. North American-based Aloft Hotels is a hotel brand. Despite being called "a vision of W Hotels," its parent organization is Starwood Hotels & Resorts Worldwide. The idea was created around 2005. The hotel chain was aiming to go into the market for more modern hotels, which would later be referred to as boutique hotels. It already had numerous brands, such as Sheraton, Westin, and W Hotels. The Aloft brand was rebranded as "A Vision of W Hotels" to represent its affiliation with Starwood Hotels. Starwood developed the design in collaboration with David Rockwell, the founder of the architectural firm Rockwell Group. The distinct, non-traditional design of the Aloft Hotel brand is one of its defining characteristics. Starwood has positioned the network of hotels as a new "lifestyle brand," highlighting a contemporary aesthetic and a sociable vibe that invites visitors to hang out in the lobby and mingle.

#### **5. Rewards and Recognitions' Impact on Employee Motivation**

By concentrating on the content theories of motivation, this heading seeks to offer insights into the ideas that have influenced our understanding of motivation. The next section of the text presents a comprehensive overview of a whole rewards management program and how a performance management method may help support it. Although incentives and recognition are frequently used synonymously, the literature suggests that there are distinct, concrete distinctions between these ideas, which is relevant to the topic of this research study.

Organizations are experiencing ongoing pressure to improve and elevate their performance, and they are beginning to recognize that employee and organizational performance are correlated. The motivational theories and their effects on improving worker performance will be the main topics of discussion in the upcoming chapter. Organizations are beginning to understand that they need to strike a fair balance between what employees provide to the company and what the company does for them. Creating this equilibrium is a primary motivation for employee rewards.

Businesses that use a strategic approach to achieve this balance concentrate on the three primary elements of a reward system: recognition, perks, and remuneration. According to studies on the subject, the most prevalent issue facing businesses nowadays is that they fail to recognize the significance of incentive—the low-cost, high-return component of a well-balanced incentive system. Providing acknowledgment aims to instill a sense of worth and appreciation in workers. Studies have demonstrated that employees who

receive recognition typically exhibit increased self-worth, self-assurance, openness to trying new things, and creativity.

An essential instrument that management may utilize to direct employee motivation in the appropriate directions is the reward system. Stated differently, the purpose of incentive systems is to entice individuals to join the company, maintain their attendance, and inspire them to provide exceptional work. All organizational components, including personnel procedures, regulations, and decision-making activities related to paying and providing rewards to employees in return for their work for the company, make up the reward system. This chapter includes reference to several studies on the subject as well as an overview of incentives and recognition from a conceptual standpoint.

### **6. Important Distinctions**

Recognition and the ideas of reward and regard are quite similar. It is consequently necessary for us to distinguish between these ideas in order to define precisely what constitutes recognition. The indifference/compensation continuum levels will be used to achieve this.

- Indifference:  
A contractual tie between an individual and an organization.
- Consideration:  
A social tie between a human being and an organization. Employees are perceived as thinking and dignified human beings.
- Recognition:  
A relationship between two or more people. Recognition is a return on an employee's effort and dedication at work, as well as his or her results.
- Reward:  
A formal, impartial, and equitable exchange. A material or financial expression of appreciation that is conditional on results.
- Compensation:  
The most formal expression of interest: a regular monetary reward

## **7. Research Methodology**

### **7.1 Research objectives**

The study's main goal was to find out how employee motivation is affected by rewards and recognition. The particular goals were to determine the best ways to provide incentives and recognition, investigate the behavioral differences between highly and poorly appreciated workers, gauge the degree to which employee performance is improved by motivation, determine whether motivation affects both individual and organizational growth, and determine whether employee conflicts arise as a result of rewards and recognition.

## 7.2. Research Design

For this study, a descriptive research strategy was chosen. It provides information and details regarding the phenomena under study. The who, what, where, when, and how issues are addressed by descriptive research. This scientific approach entails watching and characterizing a subject's behavior without exerting any kind of influence on it. Since several studies on incentives and recognitions have been carried out by different researchers, the descriptive design was chosen with the intention of just projecting the situation and describing the occurrence.

## 7.3. Universe

Various employees from the companies were the respondents.

## 7.4 Sample Size & Sample Design

The researcher used a "convenience sampling" design to choose 50 employees as the sample size. The respondents were chosen based on the researcher's comfort level with ease of access.

## 7.5 Tools of Data Collection

A questionnaire was prepared to collect data from the employees on the various aspects of rewards and recognition desired by the researcher.

## 8. Source of Data Collection

8.1 Primary data:It consists of the information gathered from the respondents' completed questionnaires.

8.2 Secondary data:It is made up of information gathered from books, journals, articles, periodicals, and webpages.

## 9. Pre Testing

Ten respondents were given a draft questionnaire with a restricted number of questions by the researcher, who then examined the veracity of the information gathered to make any necessary additional modifications. It was completed ahead of the data collecting dates, and no modifications were made.

## 10. Tools Used

Tabular column, percentage method, Chi-square test, correlation etc

## 11. Findings

The information gathered for "the study on the impact of rewards and recognition on employee motivation" by the researcher. The study area's employees provided the data. Following the creation of a code book and code sheet in a methodical manner, the data were examined. The results were as follows:

## 12. Methods of Reward Policies

- 52% of the respondents' organizations follow both formal and informal methods of reward policies.
- 42% of the respondents' organizations give employee of the month award.
- 26% of the respondents' organizations carried out praising staff publicly at staff and other public meetings as informal rewards and recognition.
- 60% of the respondents' organizations had rewards and recognition program on a monthly basis.

## 13. Mode of Recognizing Performers

- 56% of rewards and recognition are based on a combination of innovative and creative ideas, increased productivity and customer satisfaction.
- 42% of the respondents' companies use group vote, decision from top officials and decision from single manager as the mode of judgment for rewards and recognition
- 38% of the respondents feel that promotion based on performance is the most effective way of rewarding an employee.

## 14. Treatment of Non-Performers

- 44% of the respondents said that training for skill development was given for non-performers.
- 28% of the respondents said that non-performers who did not show improvement were terminated from their respective jobs.

## 15. Various Impacts of Rewards and Recognitions

- 46% of the respondents strongly agree that employee's performance increases after rewards and recognition.
- 38% of the respondents were neutral on the fact that rewards and recognition instigates attitude or over confidence in the employee.
- 42% of the respondents agree that non appreciated employees are isolated from appreciated employees.
- 46% of the respondents agree that job satisfaction increases motivation.
- 52% of the respondents strongly agree that rewards and recognition increases motivation. 48% of the respondents agree that an employee puts extra effort in order to attain rewards and recognition.
- 38% of the respondents agree that rewards and recognition collides individual and organizational growth.
- 36% of the respondents agree that rewards and recognition increases employee loyalty towards the organization.

- 36% of the respondents felt that the major benefit a company receives out of rewards and recognition is increased level of motivation.
- 48% of the respondents agree that rewarded employees show high performance consistence. .
- 58% of the respondents felt that rewards and recognition should be given in front of the entire company.
- 52% of the respondents felt that rewards and recognition should be given by their immediate manager or supervisor.
- 48% of the employees agree that rewards and recognitions results in emotional conflicts between performers and non-performers.

**1.1 Table showing relationship between after recognition and sense of achievement  
Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
After recognitiondrastici mprovement*motivated bysenseof Achievement	50	100.00%	0	0.00%	50	100.00%

**1.2 After recognition drastic improvement \* motivated by sense of achievement  
Cross tabulation**

Count		Motivated by sense of achievement				Total
		strongly agree	agree	neutral	disagree	
After recognitiondrastic improvement	strongly agree	2	8	0	1	11
	agree	5	12	2	0	19
	neutral	3	8	5	4	20
<b>Total</b>		10	28	7	5	50

**1.3 Chi-Square Tests**

	Value	df	Asymp.Sig.(2-sided)
Pearson Chi-Square	9.626 <sup>a</sup>	6	0.141
Likelihood Ratio	12.334	6	0.055
Linear-by-Linear Association	3.537	1	0.06
No. of Valid Cases	50		

- a. 9 cells (75.0%) have expected count less than 5. The minimum expected count is 1.10.

### Interpretation

The chi square calculated to see whether there is a significant association between being driven by recognition you receive and going above and beyond to gain a reward or recognition in their company is displayed in the above table. Given that  $p=0.141$  is higher than the significant level, we accept the null hypothesis. There is no discernible link between an employee's extra effort to receive a reward in the workplace and recognition.

#### 1.4. Table showing relationship between treatment of non-performers and motivation Correlations

		Non- performerstr eated	Motivated byrecognitio n
Non- performerstr eated	PearsonCorrelation	1	0.27
	Sig. (2-tailed)		0.058
	N	50	50
Motivated byrecognitio n	PearsonCorrelation	0.27	1
	Sig. (2-tailed)	0.058	
	N	50	50

### Interpretation

The chi square calculation used to determine if there is a significant association between employee motivation and the effort put forth by employees to receive awards or recognition from their employer is displayed in the above table. Given that  $p$  is larger than the significant level at 0.141, the null hypothesis is accepted. There is no discernible connection between motivation and underperforming personnel.

## 16. Conclusion

The study makes clear that a number of factors affect how motivated and satisfied employees are at work. Finding a clear and positive correlation between incentives and recognition and motivation and work satisfaction was particularly noteworthy. Workplace motivation and satisfaction would therefore vary in tandem with any changes made to the incentives and recognition programs provided to staff members. This might be directly translated as follows: higher motivation and satisfaction levels are associated with better incentives and recognition, which may lead to improved performance and productivity levels. When there are significant discrepancies, particularly when it comes to emotional disputes between high achievers and low performers, the organization ought to try to reevaluate and address the issue. If the organization doesn't reevaluate this circumstance, it may have a detrimental effect on productivity and job performance as well as minority retention. Maslow's hierarchy of



requirements states that in order to satisfy the higher level wants, which affect motivation, the lower level demands, including pay and perks, must first be satisfied.

The results hinted that individuals who had not received any rewards were often less driven. Employees falling into this group could choose to leave the company since the business unit and the organization are going through a transition. The business unit is under pressure to keep these workers on board as a result. The business unit stands to gain from putting in place a retention plan, which emphasizes recognition heavily. As was previously indicated, if reward and recognition systems were enhanced, motivation and satisfaction may increase. According to the research, performance evaluation and acknowledgment are both parts of recognition. Managers in the business unit could thus use the performance management system to provide regular acknowledgement and feedback.

According to the research study, managers may use a variety of techniques to inspire their staff, but it's critical that they remember that different strategies will inspire employees in different ways. A manager must recognize and comprehend challenges in order to receive the best outcomes from a motivating plan. This necessitates acknowledging the distinct values, beliefs, and behaviors of each individual. It's vital to keep in mind that, because circumstances, requirements, and individual goals are dynamic and always changing, various motivational techniques may have varying effects on an employee at different times.

## 17. Suggestions

- People are motivated by a variety of things, and what inspires one may not inspire another. Therefore, businesses have to consider the interests of each and every employee.
- Organizations should use more financial incentives to recognize and reward employees, as the majority of workers expect monetary benefits.
- If the budget is hampered by the aforementioned proposal, creative low-cost recognition program arrangements can be made. which may be
  - 1) Post to bulletin boards, websites, newsletters, and "recognition boards."
  - 2) Hall of Fame: images of staff members
  - 3) Uploading a piece on the intranet for agency review
  - 4) Sending a story on an employee's accomplishment to a local, regional, or national newspaper.
  - 5) Scrapbook with images of accomplishments during the year
  - 6) A senior management showing up to a staff meeting when accomplishments are acknowledged.

Managers at all levels should get training on how to create a welcoming work

atmosphere for all staff members so that there are no emotional confrontations between high achievers and low performers.

1) One way to do this is by giving staff members a clear idea of how they can influence the organization's objectives and propels the company to success.

2) Talking on how to reward and manage both team and individual performance.

3) Outlining the program's operation and the methods by which staff members can be recognized.

4) Acquiring skills in inspiring and motivating people.

5) Gaining clarity in the communication of needs, expectations, and goals.

## 18. Limitations

The time allotted to the researcher to do the employee study was quite constrained. Because many of the respondents weren't at work, the researcher also had trouble reaching them. The researcher thought it took a lot of time to obtain the respondents. The research project came at a higher expense. Another obstacle to obtaining the responders was the time of the shifts. It can be necessary to contact other agencies, which takes time in the end. When filling out the surveys, respondents who have not received prizes or acknowledgment may exhibit uneasiness.

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