



# A Study on the Impact of Reward System on Employee Motivation @ RVS Export

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## ABSTRACT

Motivation is the internal push that activates and directs behavior. Theory of Motivation is the internal push that activates and directs behavior. Theory of motivation refers to the process of explaining how or why human behavior is powered up and detected. It is among the most crucial categories of research in the area of organizational behavior. Motivating employees starts with the recognition that for people to do their best work, they must be in a system that fosters their basic emotional drives to obtain, bond, comprehend and defend. Money acts as a motivator and money matters to everyone but money cannot be considered the most supreme thing, need for reward and recognition of any change according to the contribution and the outcome. Monetary compensation can only satisfy the employee's greed but not all his needs so it's important for an employer to identify measures to motivate employees through some nonmonetary rewards as well. Money is necessary to meet the basic needs of the employees, but the theory of reward is behavioral in nature.

**Keywords:** *compensation, benefits, flexibility, performance recognition, career development.*

## I. INTRODUCTION

Reward system is a very important management tool which is used to motivate workers. In different words, reward system attract people to join the organization and also helps to reduce turnover intention of employees. It will encourage them to work, and motivate them to perform good. The factors that motivates and affect employee performance are rewards which can be monetary, job security, working conditions, employer-employee relationship, autonomy, relationship with colleagues, training and development opportunities, employee recognition and company's rules and policies for rewarding employees.

Among all these factors, motivation that

comes with rewards becomes important factor which increases the exceptional contribution by employees. An organization should satisfy its obligations to stakeholders, its top management must build a bond between the organization and its employees that will fulfill the needs of both the parties.

The organization expects employees to perform the duties which is assigned to them and at the standards set for them, and to follow the policies that have been established to govern the workplace. Employee motivation is outlined as the willingness or effort exerted by the employee so as to realize the goals of the organization and this development of motivation is universal and results as a result of bound unhappy wishes of the employee.

## INDUSTRY PROFILE

### INTRODUCTION TO TEXTILE INDUSTRY

The importance of Indian textile is well recognized and one of the areas of strength of this industry is its spinning sector. India has one of the most successful spinning industries of the world with over 37 million spindles and 500000 rotors. In cotton textile, the Indian spinning industry is THE world leader contributing over 25% of world trade. The origin of textile industry in India dates back to 12<sup>th</sup> century AD. From ancient times, India has been an exporter of fine cotton fabrics to all countries of the civilized world.

The post-independence years saw phenomenal growth of the textile Industry. To-day not only the textile industry has become more or less self-sufficient in all respects, whether it be the clothing needs of the growing population, machinery or raw material but also has gained preeminently of becoming the largest foreign exchange earner for the country.

The Textile Industry occupies a vital place in the Indian economy and contributes substantially to its exports earnings. Textiles exports represent nearly 30 per cent of the country's total exports. It



has a high weight age of over 20 per cent in the National production. It provides direct employment to over 15 million persons in the mill, power loom and handloom sectors. India is the world's second largest producer of textiles after China. It is the world's third largest producer of cotton-after China and the USA-and the second largest cotton consumer after China. The textile industry in India is one of the oldest manufacturing sectors in the country and is currently it's largest.

### INDIAN TEXTILE INDUSTRY OVERVIEW

The textile industry is a term used for industries primarily concerned with the design or manufacture of clothing as well as the distribution and use of textiles. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.

Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy. Its vast potential for creation of employment opportunities in the agricultural, industrial, organized and decentralized sectors & rural and urban areas, particularly for women and the disadvantaged is noteworthy. Although the development of textile sector was earlier taking place in terms of general policies, in recognition of the importance of this sector.

Prior to the manufacturing processes being mechanized, textiles were produced in the home, and excess sold for extra money. Most cloth was made from wool, cotton, or flax, depending on the era and location. For example, during the late medieval period, cotton became known as an imported fiber in northern Europe, without any knowledge of what it came from other than that it was a plant; noting its similarities to wool, people in the region could only imagine that cotton must be produced by plant-borne sheep. John Mandeville, writing in 1350, stated as fact the now-preposterous belief: "There grew there [India] a wonderful tree which bore tiny lambs on the endues of its branches. These branches were so pliable that they bent down to allow the lambs to feed when they are hungry." This aspect is retained in the name for cotton in many European languages, such as

German Baumwolle, which translates as "tree wool". By the end of the 16<sup>th</sup> century, cotton was cultivated throughout the warmer regions in Asia and the Americas. In Roman times, wool, linen and leather clothed the European population: the cotton of India was a curiosity that only naturalists had heard of, and silk, imported along the Silk Road from China, was an extravagant luxury. The use of flax fibre in the manufacturing of cloth in northern Europe dates back to Neolithic times.

Cloth was produced in the home, and the excess woven cloth was sold to merchants called clothiers who visited the village with their trains of pack-horses. Some of the cloth was made into clothes for people living in the same area and a large amount of cloth was exported.

The process of making cloth depends slightly on the fiber being used, but there are three main steps: preparation of fibers for spinning, spinning, and weaving or knitting. The preparation of the fibers differs the most depending on the fiber used. Flax requires retting and dressing, while wool requires carding and washing. The spinning and weaving processes are very similar between fibers though.

### RESEARCH PROBLEM

An organizational culture is values, beliefs, norms, systems, habits, vision, environment etc, while following this culture the employees have their own attitude. Employees' attitude is a factor employee to pursue tasks or goals. Attitude helps the productivity and improvement of their employees. Employee attitude have many problem.

### OBJECTIVES OF THE STUDY

- To examine the employee's attitude towards the organizational change.
- To find out the issues about the management of the change process and about change
- Outcomes.
- To identify the employees expectation's from the organization culture
- To find out the issues about the management of the change process and about change outcomes.
- To make suggestions to improve the attitude of the employees to the management.

### II. REVIEW OF LITERATURE

Walters T. Ngwa (2019) had conducted research on "Effect of Reward System on Employee Performance among Selected Manufacturing Firms in the Littoral Region of Cameroon" and the study looks at how profit-sharing influences employee



commitment. To begin with, even though compensation system is not one-size-fits-all for every company, it'll be interesting to investigate the impact of performance appraisal on employee effectiveness in service businesses. Employee tasks are more routine, with less creativity and innovation. Group work is less likely, while an increased levels of specialization and job distinction is more likely. It is critical to do study in this area with the goal of determining the most effective compensation system for service businesses.

**Arun Kumar, P (2019)** has conducted research on "Rewards incentives and its motivation towards organization effectiveness a study on Hindustan Coca

Cola beverages private limited Andhra Pradesh" this study states how reward influences on the organizational performance in recruitment, retention, good corporate culture. It was found through this research that employees rewards and recognition is having a positive impact on their employees. Monetary and non-monetary has its own impact on the motivational and satisfaction level of employees. Most employee choose monetary rewards as a primary option as what was found in this research. And when given an option of non-monetary rewards employees prefer gift vouchers, then family tour packages, and finally appreciation notes or team lunch.

**Yoko Kitakaji, Susumu Ohnuma (2019)** has conducted research on "The Detrimental Effects of Punishment and Reward on Cooperation in the Industrial Waste Illegal Dumping Game" it was investigated whether rewards or mutual punishment enhanced non-cooperation or motivation and saw unlawful industrial effluents dumping as a social dilemma where everyone faces the expense of improper disposal, lawful treatment is cooperative behaviour, and improper disposal is noncooperative behaviour.

### III. RESEARCH METHODOLOGY

The process used to collect information and data for the purpose of making business

decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information

#### RESEARCH DESIGN

The research design is used to find out the recruitment and selection at INSOURCE technologies

#### DATA COLLECTION METHOD

Data were obtained from two source namely primary and secondary source. The methodology in primary data collection included scheduled questionnaires. The secondary data involved documentation review.

#### PRIMARY DATA

Primary data is original data is collected by the researcher for the first time in this study; Primary data is collected by using questionnaire. Questionnaire is a popular means of collecting primary data questionnaire

#### SECONDARY DATA

Secondary data is the data which is already collected. Secondary data used in study was collected from the internet.

#### SAMPLING

It is the obtaining information about an entire population by examining only a part of it by adapting convenience sampling method.

#### DATA INTERPRETATION

#### PERCENTAGE ANALYSIS

#### CHI-SQUARE

A **chi-squared test**, also referred to as  $\chi^2$  test, is any statistical hypothesis test in which the sampling distribution of the test statistic is a chi-squared distribution when the null hypothesis is true, or any in which this is asymptotically true, meaning that the sampling distribution (if the null hypothesis is true) can be made to approximate a chi-squared distribution as closely as desired by making the sample size large enough.

$$X^2 = \sum \frac{(o - e)^2}{e}$$



**CORRELATION BETWEEN SATISFIED WITH THE SUPPORT FROM THE HR DEPARTMENT AND MEDICAL BENEFITS PROVIDED IN THE ORGANIZATION ARE SATISFACTORY.**

x	Y	X <sup>2</sup>	Y <sup>2</sup>	XY
57	37	3249	1369	2109
14	35	196	1225	490
6	18	36	324	108
11	2	121	4	22
12	8	144	64	96
<b>100</b>	<b>100</b>	<b>3746</b>	<b>2986</b>	<b>2825</b>

Let **x** be the satisfied with the support from the hr department. Let **y** be the medical benefits provided in the organization.

$$r = \frac{N\sum xy - \sum x \cdot \sum y}{\sqrt{N\sum x^2 - (\sum x)^2} \sqrt{N\sum y^2 - (\sum y)^2}}$$

$$r = \frac{5 \cdot 2825 - 100 \cdot 100}{\sqrt{5 \cdot 3746 - (100)^2} \sqrt{5 \cdot 2986 - (100)^2}}$$

**r = 5.04**

**INFERENCE**

It is clear from the calculation, the value of **r=5.04** so the Salary and bonus are correlated positively, which implies that they both mutually interrelated.

**FINDINGS**

Majority of 34% of the respondents are 26 – 35 years.  
Majority of 65% of the respondents are male in gender.  
Majority of 27% of the respondents are UG in education qualification.  
Majority of 73% of the respondents are married in marital status.  
Majority of 39% of the respondents are 10000 to 16000 in salary  
Majority of 34% of the respondents are upto 2 years

Majority of 36% of the respondents are strongly agree.

Majority of 40% of the respondents are moderate  
Majority of 37% of the respondents are strongly agree

Majority of 40% of the respondents are agree

Majority of 40% of the respondents are strongly agree.

Majority of 45% of the respondents are strongly agree

Majority of 37% of the respondents are strongly agree

Majority of 37% of the respondents are moderate opinion about the reward for performance system in your organization.

Majority of 30% of the respondents are strongly



agree level of satisfaction towards the reward system in the company.

#### **IV. SUGGESTIONS**

private organization in practicing benefits and compensation policies when it comes to rewarding the employees.

Furthermore, the organization uses non-monetary rewards to motivate employee's performance like the offering day care centers, recognizing differences made in the company and outside the company, and offering benefits programs like social amenities and gym activities.

Team membership and formal recognition are made in order to improve the motivation of employees. The monetary rewards used by the organization to motivate employees are annual bonuses, awards and rewards for policy measures.

This improves the motivation of employees in an organization. Employee motivation can also be provided through employee development programs such as training. Employee development can improve and motivate their commitments to work. Thus, based on the overall findings of this work, it is deduced that there is relationship between reward systems and employee motivation in organizations.

#### **V. CONCLUSION**

To recapitulate, the study states that salaries, bonus, commission and working conditions have a positive relationship with performance of employees in business process outsourcing. Thus there is a positive relationship between rewards and employee motivation. The purpose of rewards is to motivate employees thereby increasing the result of the organization.

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