

Employee Welfare and Rewards on Job Satisfaction and Productivity – A Critical Approach

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Abstract:

In today's dynamic environment the highly motivated employees serve as a synergy for accomplishment of company's goals, business plans, high efficiency, growth and performance. Motivation is also required when the organizational workforce has not a good relationship pattern. Employees' relation with employees and with supervisor is a key ingredient of the inner strength of the organization. The ability of supervisors to provide strong leadership has an effect on job satisfaction of employees (Morris, 2004). In this paper an attempt has been made to study the impact of incentives, rewards and welfare programs on employee motivation.

Keywords: Employee welfare, Reward, job Satisfaction, Employee Productivity

Introduction

Motivation is such a factor that exerts a driving force on our actions and work. According to Baron (1983, p. 123), motivation is an accumulation of different processes which influence and direct our behavior to achieve some specific goal. Motivation depends on certain intrinsic, as well as extrinsic factors which in collaboration results in fully committed employees. Incentives, rewards and welfare aspects are the prime factors that impact on employee motivation that leads to Job Satisfaction and Productivity to the organization. Csikszentmihalyi (1990) posits a view that the state of satisfaction and happiness is achieved by the employees only when they maximally put their abilities in performing the activities and functions at work. In this way motivated employees are retained with the organizations thus reducing extra costs of hiring.

Employees are motivated fully when their needs are met.

Literature Review

Rewards play a vital role in determining the significant performance in job and it is positively associated with the process of motivation. Lawler (2003) argued that there are two factors which determine how much a reward is attractive, first is the amount of reward which is given and the second is the weightage an individual gives to a certain reward. Rewards enhance the level of productivity and performance at job whether it's a first-time performance or repeated activity at the job in a progressive way. Research by Eastman (2009) consistently says that as the employees engage in their working activities purposely for own's sake then they will feel intrinsic motivation in their behaviors as their activities will essentially be enjoyable and satisfactory. Fair chances of promotion according to employee's ability and skills make employee more loyal to their work and become a source of pertinent workability for the employee. Bull (2005) posits a view that when employees experience

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success in mentally challenging occupations which allows them to exercise their skills and abilities, they experience greater levels of job satisfaction. Incentives, rewards and recognition are the key parameters of today's motivation programs according to most of the organizations as these bind the success factor with the employees' performance. Robbins (2001) asserts that promotions create the opportunity for personal growth, increased levels of responsibility and an increase on social standing.

Methodology

The present research aims to determine the impact of rewards and welfare facilities on employees of financial services, telecommunication, education, health, manufacturing and other industries of both government and private sectors. Population of the study comprises of employees from all of these sectors in both private and public divisions in major industrial cities of Tamil Nadu. The reason of including all these sectors is their positive and prominent growth in recent years in Tamil Nadu. These sectors are favorable for this study because they contain a) line and middle level employees; b) the employees from each sector shares common characteristics. Thus, the selection of these employees can be used as the sample representing the employees belonging to all these sectors in the whole country. For this purpose, a non-probability sampling, i.e., purposive sampling technique is used for recording the responses of 220 respondents. The convenience sampling is used because the information was gathered from those employees who were accessed quite easily and conveniently.

CONCEPTUAL FRAMEWORK

Promotional Opportunities

Robbins (2001) asserts that promotions create the opportunity for personal growth, increased levels of responsibility and an increase on social standing. It is in fact an extent that an organization provides to its employees for organizational growth and job satisfaction. It is a part of performance evaluation process where an employee is provided an opportunity for growth and development according to his or her abilities, skills and work. It was measured through promotion satisfaction items of Job Satisfaction Survey which was developed by Spector (1985). Responses were recorded ranging from the strongly disagree (1) to strongly agree (2). Reverse coding was done where required. Sample item contains “people get ahead as fast here as they do in other places”.

Work Environment

Work environment means the employees liking and disliking of his or her job and the place of job. It explains whether the job of employee is enjoyable or not. It was measured through work satisfaction items of Job Satisfaction Survey which was developed by Spector (1985). Responses were recorded on a 5-point Likert scale ranging from the strongly disagree to strongly agree. Reverse coding was done where required.

Operating Procedures

Operating procedures include all those rules, regulations, procedures and requirements of the job that have to be performed during the job. It also includes the nature of job and values of an organization that one has to be bound of while performing the job. Operating procedures in fact provide the information about how an employee does his or her job in that organization. It was measured through operating procedure satisfaction items of Job Satisfaction Survey which was developed by Spector (1985). Responses were recorded on a 5-point Likert scale.

Recognition

Closely related to this is the employees' right to enjoy health and safety and the right to be managed fairly, which Cowling and Mailer (1992) argue to be within the framework for welfare. Specifically, the right of employees to health and safety at work is one of the basic principles of the labor code such that when the health and safety of employees are not assured, they apparently become “instruments of production”. This *prima facie* suggests that the well-being of the employees is of little importance to the organization and recognition of which could make them perceive self-actualization within the organization an illusion, with implications for decline in morale and productivity. Morale according to Mitchell (1978) is job satisfaction, which is, attitude dealing with one's overall feeling toward his or her job. It was measured through recognition satisfaction item of Job Satisfaction Survey which was developed by Spector (1985). Responses were recorded on a 5-point Likert scale ranging from the strongly disagree to strongly agree. Reverse coding was done where required.

Recreational facilities

McGregor's Theory Y, on the other hand, assumes that people at work can be self-motivated (Ibbotson and Whitmore, 1977) as motivation is the basis for commitment to duty and is relative to environment (Upton, 2001). In support, Maslow (Cole, 2002) highlighted on a hierarchy of five needs (physiological, safety, esteem, social and self-actualization) each of which can motivate a worker towards increased output, depending on his circumstance at a particular point in time. Piven (2007) classified needs into existence, relatedness and growth in contrast to Maslow. Correspondingly, however, the 'existence needs' are in tandem with Maslow's lower level (physiological, safety and esteem needs) 'relatedness needs' are Maslow's social needs, while 'Growth needs' are Maslow's high-level needs (self-actualization or self-fulfillment needs). It was measured through Recreational satisfaction items of Job Satisfaction Survey which was developed by Spector (1985)

Satisfaction with compensation

It was measured with the help of two items from Job Diagnostic Survey by Hackman and Oldham (1974) which was on Likert scale ranged from 1 (extremely dissatisfied) to 5 (extremely satisfied). The items were “The amount of pay and fringe benefits I receive” and “The degree to which I am fairly paid for what I contribute to this company”.

Satisfaction with security

It was measured with the help of two items from Job Diagnostic Survey by Hackman and Oldham (1974) which was on Likert scale ranged from 1 (extremely dissatisfied) to 5 (extremely satisfied). The items were “The amount of job security I have” and “How secure things look for me in the future in this company”.

Satisfaction with incentives

The important identification of “some type of financial benefits” that satisfy employees are also measured. These pecuniary benefits – we call them fringe benefits are a part of incentive which is supposed to motivate employees. It was measured with the help of three items from Job Diagnostic Survey by Hackman and Oldham (1974) which was on Likert scale ranged from 1 (extremely dissatisfied) to 5 (extremely satisfied).

Satisfaction with growth

It was measured with the help of three items from Job Diagnostic Survey by Hackman and Oldham (1974) which were on Likert scale ranged from 1 (extremely dissatisfied) to 5 (extremely satisfied). The items consist of “The amount of personal growth and development I get in doing my job”. Sense of achievement was measured with a single item “The sense of achievement I get from doing my job”. It was also developed by Hackman and Oldham (1974) in Job Diagnostic Survey and was measured on Likert scale ranged from 1 (extremely dissatisfied) to 5 (extremely satisfied).

Sense of achievement

Sense of achievement was measured with a single item “The sense of achievement I get from doing my job”. It was also developed by Hackman and Oldham (1974) in Job Diagnostic Survey and was measured on Likert scale

Table 1
Descriptive statistics for the dimensions of Job Satisfaction and Productivity

Variables	Mean	Std. Dev.
Promotional Opportunities	3.30	.79
Work environment	3.25	.75
Operating Procedures	3.30	.86
Recognition	3.01	.71
Recreational facility	3.47	.72
Satisfaction with Compensation	3.59	.98
Satisfaction with Security	3.64	.93
Satisfaction with incentives	3.61	.87
Satisfaction with Growth	3.61	.82
Sense of Achievement	3.66	1.18

Results and Discussion

Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed for the multiple dimensions that have been assessed through the questionnaire are presented in Table 1. With respect to the dimensions of work motivation assessed by the questionnaire, Table 1 indicates that the means for the promotional opportunities, work itself, operating procedures, recognition, relationship with coworkers, satisfaction with security, satisfaction with supervision, satisfaction with growth, satisfaction with compensation and sense of achievement ranged from a low of 3.01 to a high of 3.66. It therefore appears that respondents in the given sample are relatively motivated; however, the mean values for recognition, work itself and operating procedure are the lowest. The following mean values indicating those areas where employees were most likely to be demotivated and dissatisfied. Table 1 thus showing that staff in the current sample is most likely to be motivated with their working conditions, personal and general dimensions. But they are least motivated by their recognition.

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