

A STUDY ON EFFECT OF REWARD POLICY ON EMPLOYEE JOB SATISFACTION AT GLAND PHARMA LTD

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ABSTRACT:

HRM is critical for the successful operation and profitability of an organization since people are the main assets that operate in organizations. Reward practice is one of core activities underlying in HRM. This study examined effect of reward and its effect on the employees' job satisfaction. The study used both primary and secondary source of data. The study result has implied that promotion, sense of achievement, recognition and work freedom are found to have strong positive relationship with employees job satisfaction, moderate relationship obtained with pay and benefit and working condition In order to boost the level of satisfaction of the employee, the researcher recommended that the concerned parties have to revise and improve the existing reward practices.

Key Words: Job satisfaction, Rewards, Recognition, Work freedom and Bonus

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.

Job satisfaction is defined as the extent to which an employee feels self-motivated, content & satisfied with his/her job. Job satisfaction happens when an employee feels that he/she is having job stability, career growth and a comfortable work life balance. This implies that the employee is having satisfaction at job as the work meets the expectations of the individual.

There are a lot of factors which go together to ensure high job satisfaction rates in a company. To begin with hygiene factors like good pay, work life balance, perks, leaves etc. play a very important role in making sure that the employee is content in the job. Job satisfaction can be a relative term as it may depend on an individual's perception but overall job satisfaction can be

judged through various indirect parameters like productivity, attrition rate, employee feedback etc. It may also differ from industry to industry. The measurement or perception of job satisfaction may be different from IT sector when compared to manufacturing sector.

Intrinsic Rewards: These are understood as the concrete rewards that workers or employees get. Some of the common intrinsic rewards are bonuses, salary raise, gifts, promotion, and other similar sorts of tangible rewards. These rewards are effective in letting employees feel better in the organization.

Extrinsic Rewards: Such sorts of rewards are given to offer personal satisfaction to the employees. Some of the common extrinsic rewards include feedback, information, recognition, trust, and empowerment. Such rewards focus on improving the performance of employees so they can attain a certain level.

Review of Literature:

Heywood et al. (2002) use the 1991 – 1994 waves of the British Household Panel Study finding that pensions negatively impact job satisfaction in cross section estimates. Finally, Luchak and Gellatly (2002) study the impact of pension accrual on job satisfaction using a dedicated sample of 429 employees in a large, union- ized public utility company in Canada. They posit that as employees' pensions increase in value over their job tenure, workers may feel more vulnerable to job loss since firms may opportunistically layoff employees to reduce pension liabilities. The authors use this hypothesis to explain their result that pension accrual de- creases job satisfaction.

Donohue and Heywood (2004) report positively significant estimates for such variables as paid vacation and sick pay but no significance for any of the remaining benefits: child care, pension, profit sharing, employer provided training/education and health insurance. Uppal (2005) uses a measure comprised of the number of fringe benefits employees receive and finds that this is positively related to job satisfaction.

Benz (2005) includes most of the fringe benefits found in NLS waves 1994- 2000 in his study of employees of non-profit organizations and finds only two out of nine fringe benefits are positive and significantly related to job satisfaction and that one is negative and significant. Another field of study examines the impact of family friendly work policies on job satisfaction and is yet another source of research that includes multiple fringe benefit measures.

McCausland et al. (2005) use instruments to control for worker selection into performance pay schemes and find that selection is only evident among workers who do not receive performance-based pay. Bryson et al. (2005) control for worker selection into unions and find that union membership does not impact worker job satisfaction.

Objectives of the Study:

- To find out how the financial reward have helped in improving workers' job satisfaction.
- To investigate the effect of non financial rewards on employee job satisfaction
- To examine the perception of employees about the current reward system and practice.

Research Methodology:

The study is an empirical research base on both primary data and secondary data. First hand data have been collected from the employees with the help of interview schedule. Secondary data is also collected from various studies, books, journals, magazines and websites to supplement the present study.

Sampling Design: The researcher has used convenient sampling method. Total number of respondents in this study sample size is 125.

Limitations of The Study

The following are the limitations of the study.

1. Time was the major constraint as the mentioned period was not enough to collect the data in detail.
2. Lack of prior experience in conducting such kind research may limit the quality of the research.
3. The study is limited to the employees of Gland Pharma Ltd, Hyderabad.

Data Analysis and Interpretation:

Table 1: Financial

(**HS:** Highly Satisfied, **S:** Satisfied, **N:** Neutral, **D:** Dissatisfied, **HD:** Highly Dissatisfied)

S. No:	Attributes	HS	S	N	D	HD	Mean	S. D.
1	My pay and the amount of work I do	18%	34%	22%	16%	10%	3.32	1.16
2	My pay and the amount of work from others employees on same position	14%	32%	21%	21%	12%	3.16	1.11
3	My benefit and the amount of Work I do	21%	32%	30%	13%	4%	3.53	1.14
4	My benefit I get from others employees on same position	16%	27%	30%	19%	7%	3.26	0.86
5	Satisfied with salary increment policy	26%	27%	18%	22%	7%	3.42	1.23
6	Additional pay to basic salary	22%	35%	16%	18%	9%	3.45	1.22

Source: Primary data

Table 1 indicates that financial motivators of the employees are pay (52%), benefits (53%), salary increment policy (53%) and additional pay (57%) of respondents were satisfied. Benefit and the amount of work that employees do is higher mean among all attributes in financial motivators. At the same time the benefit that employees get as comparative to the same position has low standard deviation of 0.86 which indicates that the organization is following more or less same salary structure with the same position.

Table 2: Non- Financial

(**HS:** Highly Satisfied, **S:** Satisfied, **N:** Neutral, **D:** Dissatisfied, **HD:** Highly Dissatisfied)

S. No:	Attributes	HS	S	N	D	HD	Mean	S. D.
1	The chance to get a new position	18%	29%	32%	18%	4%	3.38	1.08
2	The chance to get a new duties and responsibilities	34%	37%	20%	8%	2%	3.93	1.26
3	I receive appropriate recognition for my contribution	35%	30%	18%	11%	6%	3.78	1.32
4	The chance to try my own methods of doing the job	18%	30%	25%	22%	5%	3.34	0.78
5	The feeling of accomplishment I get from the job	26%	35%	29%	6%	4%	3.72	1.19
6	The chance to do different things from time to time	22%	37%	26%	10%	6%	3.61	1.18

Source: Primary data

Table 2 reveals that non financial factors that influence employees are new position (47%), new duties and responsibilities (71%), recognition (65%) and feeling of accomplishment from the job (61%) satisfied. New duties and responsibilities attribute has high mean value of 3.93 and flexibility to implement employee own methods has least standard deviation.

Findings:

- The study revealed that around 60% of the respondents were satisfied as organization permits employees to do different things for applying their creative and innovative ideas.
- From the study, only 47% of the employees expressed satisfaction with present reward policies and procedures followed in the organization.
- Regarding the current practice of pay and benefits, promotion, recognition, sense of achievement, bonus, work freedom and working condition but it still needs improvement more than half of respondents are moderately satisfied.
- Reward variables have effect on the employee job satisfaction.
- The existence of best reward practice the more employee job satisfaction and the higher the improvement of the organizations performance.

Suggestions:

- Among HR practices; management and implementation reward is one of the important practices because an employee needs reward in turn for their contribution

either in monetary terms or in non-monetary terms.

- The organization should allow the employees always the possibility of using their abilities and skills keep them engaged and make them feel as if they are a part of something bigger than their individual tasks and activities.
- If employees find that their abilities and skills are not being used well or they do not find their work interesting, they often find dissatisfaction in their position.
- The company should create job satisfaction in the workplace by offering a positive work environment. A positive working environment shows that the company's willingness to go the extra mile to provide employees' needs.
- The company should persuade managers and supervisors to recognize those who perform well on a regular basis. In addition, put together a more formal program throughout the company to acknowledge high achievers in each job category.

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