

# International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study

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## *Impact of Reward on Employee Performance and Motivation in Selected Gurugram Banks*

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**Abstract:** *Reward and incentive is an important aspect in today's competitive environment. As the role of rewards has grown, a lot of changes have been taking place in the reward system, so while making a reward strategy, a type of industry and their involvement is considered. In earlier times, the manager faces a problem of huge turnover of employees due to which an employee never has a bond with his employer. So, a manager decided to retain their highly talented employee by motivating them so that the quality of work would be maintained. Employee reward is one of the methods of motivating employees, which benefit the organization. Reward involves the management of expectations which include what employees expect from their employers, in return of their contribution and what employers expect from their employees in return of their pay. This study is on impact of reward on employee performance and motivation in banking sector.*

**Keywords:** *Reward, Employee Performance, Motivation.*

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### I. INTRODUCTION

As age and experience increases, the incentive should also increase proportionally. Banks jobs are in various segments with different incentives. The basic salary is provided with high incentives and special allowances. Banks provide club membership, company vehicles, paid vacations and some other allowances with non-monetary benefits. Training and development programs are also conducted by the organizations for their employees. As competition increases with globalization, work pressure increases in banks, and employees have to work hard 24\*7 so nationalized banks.

In October 2016, Mr. Savji Dholakia, a generous diamond tycoon from Surat (Gujarat, India) was rewarded with 1260 cars + 400 flats to employees as Diwali gifts. This generous boss had rewarded his performers in 2014 also with 491 cars + 207 flats under a similar initiative in 2014 for his superb performance.

The many big companies like HCL give proper reward to their high performers like Mercedes cars and vacations at good locations in India. Infosys provides iPhone6s devices to their thousands of employees.

In earlier times, where a onetime bonus and an appreciation letter from the CEO was received has become old today because now people are not satisfied with this type of rewards. Such, HR manager has to work hard to satisfy them by giving them a proper reward.

### II. LITERATURE REVIEW

**A.W N Dung'u and J.Kwasira (2016)**, focused on the performance-based reward system for evaluating the employee performance, which helped to increase the level of motivation among employees in the banks. So, commercial banks employees

are rewarded on the basis of group or individual. During the study it was noticed that career path was considered to be the most important valued reward in enhancing the employee performance. So, the commercial bank organization provided training and development programme for their staff. The study suggests that there are so many other variables that affect the employee motivation which was not considered in this study. In this study, close-ended questions are used which stop the respondent from giving their views openly. **Ranjan (2017)**, studied the effect of extrinsic and intrinsic reward on employee performance of Indian oil corporation, Patna region. There were 102 managerial level respondents in this study. Descriptive statistics based on frequency table, and graphs were used to provide information. The study further concludes that cash bonuses have a positive impact on employee performance, but for some employees the cash bonus were not important. Many employees were not satisfied with the cash bonus because it was not equally distributed among employees. **Widagdo (2018)**, had studied the effect of compensation and motivation on employee performance through commitment. This research was conducted at PT. Winn Appliance aims to analyze the partial and direct effect of commitment and motivation on employee performance. The blue assumption test was used in this study. It has been concluded that commitment as an intervening variable effects indirect to both compensation and motivation. The study suggests focusing on employee participation so that they will be more committed to their work and a salary with other benefits should be given. **Anku(2018)**, the study was on the concept of reward management, reward system and corporate efficiency. The study disclosed that the reward plays an important role in motivating employees and to perform innovatively. In the reward system, the reward strategy should be in accordance with the business strategy so that the business will run effectively. The reward has two sort incentives motivation and personal growth. Incentive motivation is intrinsic in nature, which is within an individual and personal growth coming from the other. It is also concluded that both input and output are needed to be considered in measuring the performance of the team and individuals. Competency level and achievements should be included in performance management. This research focused on including more non- monetary reward so that the employee has a feeling the employer is dealing with their needs. Furthermore the study recommended having a comparative investigation between companies with remuneration packages. **Chandra (2018)**, examined the various reward management practices like compensation management, job recognition at work, career advancement policies, work autonomy at work place in motivation of employees. The adequacy of sample size was shown by confirmatory factor analysis and reliability analysis. The study found that compensation management and job security have positive relationships with employee motivation, but during the study the response rate of employees was very low. **Ahmed (2020)**, this study examined the performance by comparing employees who are appreciated and who are not appreciated by means of reward and promotion. Study considered about how employees perform different if some are motivated and some are not. So, it was found that more satisfied employee will perform better in an organization by a proper rewarding system. The study further revealed that there was a positive relation between reward and promotion and job satisfaction and motivation. If there is a change in reward and promotion it leads to change in work motivation and satisfaction.

### III. OBJECTIVES OF THE STUDY

- 1) To study the impact reward on employee performance in banking sector.
- 2) To study the impact of reward system on employee motivation in banking sector.

### IV. SIGNIFICANCE OF THE STUDY

The research study is planned to find out the reward factors that manipulating on employee performance in private banks in Gurugram. The findings will be valuable for the bank sector employees in this district to find out the reward management in banks and examines the private banks reward management scheme and how it impacts on employee performance. The study is also meant to help the researcher to do the additional study with useful endorsement for the bank sector to be able to reward their employees.

## V. RESEARCH METHODOLOGY AND DATA ANALYSIS

## POPULATION AND SAMPLE

The population of the study contains with labors who are employed in approved commercial private banks in Gurugram. The total population is 340 employees; the stratified random sampling has been used as sample technique. That means each member of the population has an equal opportunity of being include in the sample. As well as that each member of population likely to be selected at any stage in the sampling procedure. Sample of the study was 100 employees from private banks in Gurugram.

## DATA COLLECTION

Primary data collection approved out by distributing the self-assessment questionnaire to the respondents. The questionnaire offered in five points Likert scale form. The first part of the questionnaire contains of questions regarding respondents' personal information and the second part contains for collecting information on study variables.

## DATA ANALYSIS

The collected information from the questionnaires were assessed through reliability and validity, univariate and bivariate and multiple regression investigation. The Statistical Package for Social Science (SPSS) 25.0 was used to shorten the investigation work of this study. The univariate, bivariate, and multivariate analyses was done for the test of hypotheses and model fit.

## EMPLOYEE PERFORMANCE

|       |                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------------|-----------|---------|---------------|--------------------|
| Valid | Cash rewards     | 38        | 9.5     | 9.5           | 9.5                |
|       | Non-cash rewards | 27        | 6.8     | 6.8           | 16.3               |
|       | Salary raise     | 67        | 16.8    | 16.8          | 33.0               |
|       | Appreciation     | 221       | 55.3    | 55.3          | 88.3               |
|       | Promotion        | 47        | 11.8    | 11.8          | 100.0              |
|       | Total            | 400       | 100.0   | 100.0         |                    |

In table 1, the respondents were asked how the management acknowledged their performance. To this question, 38 respondents talked about cash rewards; 27 about non-cash rewards; 67 about salary raise, 221 about appreciation and remaining 47 about promotion. In percentage terms, 9.5 percent selected cash awards, 6.8 selected non-cash awards, 16.8 selected salary raise, 55.3 selected appreciation and 11.8 percent selected promotion.

|       |                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------------|-----------|---------|---------------|--------------------|
| Valid | Cash rewards     | 104       | 26.0    | 26.0          | 26.0               |
|       | Non-cash rewards | 9         | 2.3     | 2.3           | 28.3               |
|       | Salary           | 54        | 13.5    | 13.5          | 41.8               |
|       | Appreciation     | 57        | 14.3    | 14.3          | 56.0               |
|       | Promotion        | 176       | 44.0    | 44.0          | 100.0              |
|       | Total            | 400       | 100.0   | 100.0         |                    |

Table 2 shows that, on being enquired about the most attractive award, 104 respondents talked about cash rewards; 9 about non-cash rewards; 54 about salary raise, 57 about appreciation and remaining 176 about promotion. In percentage terms, 26 percent selected cash awards, 2.3 selected non-cash awards, 13.5 selected salary raise, 14.3 selected appreciation and 44 percent selected promotion.

|       |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly disagree | 55        | 13.8    | 13.8          | 13.8               |
|       | Agree             | 206       | 51.5    | 51.5          | 65.3               |
|       | Strongly agree    | 139       | 34.8    | 34.8          | 100.0              |
|       | Total             | 400       | 100.0   | 100.0         |                    |

According to table 3, the respondents were further asked about their opinion regarding importance of rewards for retention of high performers. To this 55 respondents responded that they strongly disagreed; 206 agreed to this while 139 strongly agreed to this. The percentage wise breakup of strongly disagree, agree and strongly agree was 13.8, 51.5 and 34.8 per cent respectively.

|       |                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------------|-----------|---------|---------------|--------------------|
| Valid | Cash rewards     | 155       | 38.8    | 38.8          | 38.8               |
|       | Non-cash rewards | 30        | 7.5     | 7.5           | 46.3               |
|       | Both             | 215       | 53.8    | 53.8          | 100.0              |
|       | Total            | 400       | 100.0   | 100.0         |                    |

With regards to Table 4, on being asked about which rewards should be greater than the other, 155 respondents said cash rewards are more important, 30 said non cash rewards are more important while 215 indicated that both are important. In percentage terms, 38.8 percent indicated that cash rewards are more important, 7.5 percent indicated that non cash rewards are more important while 53.8 percent indicated that both are equally important.

|       |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly disagree | 55        | 13.8    | 13.8          | 13.8               |
|       | Disagree          | 20        | 5.0     | 5.0           | 18.8               |
|       | Agree             | 185       | 46.3    | 46.3          | 65.0               |
|       | Strongly agree    | 140       | 35.0    | 35.0          | 100.0              |
|       | Total             | 400       | 100.0   | 100.0         |                    |

Table 5 indicates that the respondents were asked whether the reward system should be fair and equitable. To this question, 55 respondents strongly disagreed, 20 disagreed, 185 agreed and 140 strongly agreed. In percentage wise breakup, the distribution was 13.8, 5, 46.3 and 35 for strongly disagree, disagree, agree and strongly agree respectively.

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Yes   | 280       | 70.0    | 70.0          | 70.0               |
|       | No    | 120       | 30.0    | 30.0          | 100.0              |
|       | Total | 400       | 100.0   | 100.0         |                    |

Table 6 interprets that, whether asked about satisfaction of the respondents regarding the support they were receiving from the management during the course of their work, 280 i.e. 70% responded in affirmative while 120 i.e. 30% replied in negative.

## VI. CONCLUSION

It has been revealed that reward is an important tool in human resource management to manage the performance and motivation of employees. In the banking sector, reward strategies are required to be made so that employees will be fully motivated because due to competition they have to work hard. So, a proper incentives programs helps in proper motivation among workers, and they will perform better in the organizations.

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