

Impact of Reward & Appreciation on Employee Performance – It’s Co-Existence

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Abstract— this work highlights the effect of reward and appreciation on the employee performance. Data is collected through online survey from 305 employees who are working in different organizations. Once data is collected, it is analyzed using SPSS 24. First regression analysis is done, and then correlation analysis is done. As per results it is concluded that rewards are positively significantly related with employee performance. If the rewards will increase, then performance will also increase. Similarly, as per results it is concluded that appreciation is also positively significantly related with employee performance. If the appreciation will be increased, then performance will also increase. The findings of the research will be helpful for the managers, hiring managers and department managers of the company’s operation. Findings will also be beneficial for the policy makers to make policies relating to rewards and appreciation so employee performance can be increased.

Keywords— Reward, Appreciation, Management, Reward mechanism, Employee Performance

I. INTRODUCTION

Human resources are significant for every organization, and they are considered an assets of the organizations. Around the globe, employees are being rewarded and appreciated on their excellent performance to not only retain them but also to enhance their job performance. However, in recent times downsizing, termination and layoffs are a new trend. This affects motivation level and job performance of employees within the company negatively. This research aims to cope up with this problem and to identify how reward, appreciation can enhance employees job performance and overall efficiency. Objectives of this research are:

1. To find out the relationship between rewards and job performance in Private and Public sector.
2. To identify the relationship between appreciation and job performance in Private and Public sector.

Research questions used in this research would be:

1. How rewards impact the job performance of employees in the context of Public and Private sector.
2. How appreciation can impact the job performance of employees in the context of Public and Private sector.

Hypothesis that will be tested in this research are:

- H1: Rewards has positive impact on job performance of employees in Pakistan.
- H2: Appreciation has positive impact on job performance of employees in Pakistan.

II. RELATED WORK

Multiple researches have been carried out by various authors but few relatable one are mentioned here.

A. Vroom’s Expectancy Theory

Vroom’s theory [1] says that, man’s nature is kind of that when he has surety that, the work which is he or she doing will give him or her special rewards and benefits then he or she work more hard and give effective performance.

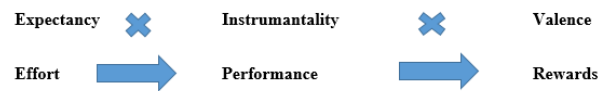


Figure 2.1

B. Stacey Adams’ Equity Theory

Equity theory [2] is presented by John Stacey Adam. It is about how to motivate employees. This theory says that only salary and few benefits cannot motivate employees. In other words it says that the promotion and benefits of an employee can demotivate other employees as well if not handled properly. This theory suggests that a system must be put in place that ensures employees that their performance will give benefits and that management shall be responsibility to maintain and treat employees fairly.

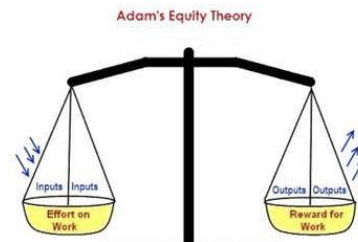


Figure 2.2

C. Equity Theory

These are some on them assumptions on which whole Equity theory depends.

- Equity Norm means that employees must be rewarded on their performance base and their output should meet their efforts.

- Employees always compare their rewards and performance to other employee's rewards and performances.
- If employee feels that organization is unfair with them and when they compare their input and output with other employee's and think that their output is less than others while they are giving equal input, they start losing their motivation and start being irresponsible.

III. RESEARCH METHODOLOGY

Quantitative research approach has been used here. Data is collected from the employees who are working in different private and public sector organizations based in metropolitan cities. Self-administered approach was applied and after collection of data it is analyzed using SPSS 24. Three statistical tests are conducted which are descriptive statistics, regression, and correlation analysis. Primary data collection technique is used to collect data from the respondents.

IV. RESULTS AND DISCUSSIONS

Results are presented as received from SPSS24, and then explained to find out the relationship between independent variables and dependent variable.

A. Reliability Analysis

Cronbach alpha [3] has been used to analyse the reliability of the scale. Below table 4.1 is the overall case processing summary which is received directly from the SPSS 24.

		N	%
Cases	Valid	300	98.3
	Excluded ^a	05	1.6
	Total	305	100.0

Table 4.1

The values in the table show the overall sample size and how much it is valid and how much is excluded.

Variables	Cronbach Alpha	Items	Aggregate Cronbach α coefficient
REWARDS	.831	2	
APPRICIATION	.875	2	
EMPLOYEE PERFORMANCE	.727	9	

Table 4.1.2

Table 4.1.2 explains the Cronbach alpha for the individual items or variables which are being used in this study. There are two main independent variables which are reward and appreciation and one dependent variable which is employee performance. According to the above table 4.1.2, the value for rewards, appreciation and employee performance all are close 1 and hence they all are reliable in this case.

B. Demographic Analysis

1. Gender

215 responses were received from male employees making them 70.49% and 90 responses were received from Female employees making them 29.5% contributors in this research.

		Frequency	Percent
Valid	Male	215	70.49
	Female	90	29.5
Missing	System	5	1.7
Total		300	100.0

Table 4.2.1

2. Age

The second question of the demographic section is the Age. There are five categories of this question which are 20-25, 26-30, 31-35, 36-40 and 40 above.

		Frequency	Percent
Valid	20-25	35	8.71
	26-30	105	34.4
	31-35	97	31.8
	36-40	47	15.4
	40 and Above	21	6.0
Total		305	98.3
Missing	System	5	1.7
Total		300	100.0

Table 4.2.2

3. Monthly Income

The third question of the demographic section is the monthly income. There are three categories of this question which are 30,000 to 80,000, 80,000 to 150,000 or 150,000 and above.

		Frequency	Percent
Valid	30,000 – 80,000	196	64.26
	80,000 – 150,000	89	29.2
	150,000 and Above	13	6.0
Total		305	98.3
Missing	System	5	1.7
Total		300	100.0

Table 4.2.3

4. Job Designation

The fourth question of the demographic section is the job designation. There are three categories of this question which are 30,000 to 80,000, 80,000 to 150,000 or 150,000 and above.

		Frequency	Percent
Valid	Officer	37	12.13
	Middle Manager	113	37.0
	Senior Manager	88	28.85
	Director	43	14.0
	Total	305	98.3
Missing	System	5	1.7
Total		300	100.0

Table 4.2.4

5. Education

The fifth question of the demographic section is the education. There are three categories of this question which are Bachelors, Masters and Masters of above.

		Frequency	Percent
Valid	Bachelors	103	33.77
	Masters	159	52.13
	Masters and Above	43	14
	Total	305	98.3
Missing	System	5	1.7
Total		300	100.0

Table 4.2.5

C. Overall Descriptive Statistics

The descriptive analysis [4] enables us to understand the deviation in data. or instance, if the standard deviation value is high then the deviation is high and vice versa. The standard deviation is basically checked for the deviation from the mean.

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
REWARDS	305	1.00	5.00	3.6263	.90970	.828
APPRICIATION	305	1.00	5.00	3.8246	.97578	.952
EMPLOYEE PERFORMANCE	305	1.00	5.00	2.3759	1.40311	1.969
Valid N (listwise)	305					

Table 4.3

Here in this case all the values of mean are positive, all values of standard deviation and variance are positive hence the descriptive statistics shows normality in the data.

D. Overall Regression Analysis

Following is regression equation

$$EP = REW + APP$$

Where:

EP = Employee Performance

REW = Rewards

APP = Appreciation

Below is regression results

Hypothesis	IV	DV	B	S. E	T-	F	Accept/Reject
			VALUE		Stats	value	
H1	REW	EP	.232	0.035	6.396	.000	ACCEPT
H2	APP	EPP	.436	0.011	2.114	.000	ACCEPT

Table 4.4

The interpretation of this results is that rewards have positive and significant relationship with employee performance.

E. Overall Correlation Analysis

To see the extent of relationship between two variables the best way is to do the correlation analysis [5].

Variables	REWARDS	APPRICIATION	EMPLOYEE PERFORMANCE
REWARDS	1		
APPRICIATION	.963(**)	1	
EMPLOYEE PERFORMANCE	.918(**)	.897(**)	1

Table 4.5

The correlation result between reward – appreciation, reward - employee performance and appreciation and employee performance is quite high and this indicated that they are very strong correlated with each other.

V. CONCLUSION

As per results it is concluded that rewards are positively significantly related with employee performance. If the rewards will be increased, then performance will also increase. Similarly, as per results it is concluded that appreciation is also positively significantly related with employee performance. If the appreciation will be increased, then performance will also increase.

VI. REFERENCES

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