Reward and Recognition Impact on Job Satisfaction and Performance in retail sector: an Empirical Study from Andhra and Telangana

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Abstract

Today’s business environment facing many issues regarding employee’s job satisfaction and employee’s performance. Human resources focusing more on increasing satisfaction and performance of employees by using Rewards as a motivational factor. Rewards and recognition has more impact on employees. Many studies are concluded in past analyzed the impact of rewards and recognition. This study analyzes the effect of employee rewards and recognition on job satisfaction. Total 225 responses collected from two different Retail sectors (D Mart & Big Bazaar) Survey responses from D Mart (n = 145)and Big Bazaar (n = 80) in Telangana and Andhra. Motivated employee performs more effectively it helps to more productivity and organizational profits. The study examines that rewards and recognitions had a positive impact on job satisfaction and performance of the employees in retail sector. In this study we used five point like rt scale for measuring of responses.

Keywords : Job satisfaction, Reward, Recognition, performance, Retail sector

I. Introduction

Over 10 percent of countries GDP depends on Indian Retail sector and it is one of the fast growing and dynamic industries. It becoming a booming industry in next few years according to the statistical date by the survey Trust for Retailers & Retail Associates in India (TRRAIN). India’s retail market has the potential to grow from USD 630 billion in 2015 to USD 1,100-1,200 billion in 2020 on the back of a young demography with a compound annual growth rate (CAGR) of 10% and
employs almost 8% of India’s employable population [I]. Increasing population, increasing wealth of individuals and rapid construction of organized retail infrastructures are the effecting reasons for retail growth in Andhra and Telangana. As per few studies have been done on analyzing HR challenges in the Indian retail sector and also with regards to the extant research there are gaping holes[III]. While developing processes and systems, Indian retailers need to develop a set of good HR practices to enhance competency and retention of employees [II]. Evidence shows that high levels of employee engagement are associated with improved individual employee performance [IV]. A sense of return on investments can come from external rewards and recognition in addition to meaningful work[V]. Rewards and recognitions which are used for excellent job performance affect an employee’s morale and job satisfaction. In view of the Social Exchange Theory, employees on receiving rewards and recognition from their organization feel obliged to respond with higher levels of engagement[VI] [VII].

II. Literature Review

Neelima&Koneru (2019) [VII] concluded that Rewards and Recognitions are plays a important role in organization to improve job satisfaction among the employees in organizations and also examine that there is a positive relationship between the Reward, Recognition and satisfaction. Sivakoti Reddy et al., (2019) conducted study in Indian banking sector from the concerned study they concluded that there is a high significant impact of compensation and benefits on employee performance [XI].Suhasini&Koneru (2019) these two researchers tells the importance of the job satisfaction, Employee Performance and Employee engagement these three variables are leads to organizational success [XIII]. Employee performance and satisfaction are related to the business improvement.Suhasini&Koneru (2018) in their study concluded that there is a positive relation between the Rewards and Motivation But compare to Job Satisfaction less Relation between the Rewards and Satisfaction [XIV].Both the types of rewards (financial and non financial rewards) measured by the different variables like pay, benefits and recognition more affects on the job satisfaction of employees [XV].Most of the educational institutions focused on management, psychological factor and practical operation. In his research they analyze the measurement of job satisfaction in several models [VIII]. They analysed and discussed the achievement of satisfaction level and mentioned a model to describe the performance of employee [IX] [X].

Sivakoti Reddy (2019) [XII] stated that there is a vast negative relationship among the satisfaction and bonus payments of workers with the actual job itself. Financial motivators positively affect worker’s Productivity and performance. For increasing motivation and reducing turnover rate Job satisfaction is important.” Similarly, in every organization job satisfaction is the highly important element. In order to succeed, organization must keep their employees satisfied. For employees work
performance they get return benefits in the form Pay is measured by cash or may be the compensation benefits to the employees by the business. Rewards in the form of Compensation acts as a primary role to deciding employee’s level of job satisfaction. Y.V Rao 92015) in their study suggested that Rewards and Recognition is a one of the part of satisfaction of employees but it’s not create whole satisfaction of the employees[XV]. Moreover, when compare to the non-financial benefits Financial benefits gives more satisfaction to the employees, furthermore she discuss in her study in private organizations retaining and attracting employees as usually who are working as a top management for them intrinsic rewards leads to more satisfaction meanwhile, employees who are working as a lower level for them extrinsic rewards leads to more satisfaction. Performance very much depends on perception, values and attitudes.

Impact of employment rewards more affected on Job satisfaction. The majority of factors that influence job satisfaction among the employees, like pay, the work itself, promotions, supervision, team work, and working conditions. Most of the Studies are concluded that there is a positive relation existing between Job Satisfaction and Job Performance. Also, he recognizes values of work and level of position rewards. Like that various number of factors that influence job satisfaction. Sivakoti Reddy, M. (2019) stated that “Job satisfaction is depending up on the emotional condition and interest among the task and it may be different from one employee to another employee [XI].

III. Hypotheses

H1: Rewards positively and significantly affects job satisfaction
H2: Employee Recognition positively and significantly affects job satisfaction
H3: Rewards and recognition directly related to the job Performance

III.i. Methodology

This research shows reward and recognition impact on employees of retail sector both the areas in Andhra Pradesh and Telangana. Population of the study taken from maximum branches of D mart and Big Bazaar employees in both the states Andhra and Telangana. Total 225 Responses are collected from employees working at various levels in Retail Sector Starting the from Entry level To Senior Level. The Questionnaire Was designed on the basis of previous studies most of the Questions are related to Rewards and Recognition towards job satisfaction and performance.

III.ii. Demographical characteristics

The demographical section shows the information about the respondents like age, gender, income level, educational details and Experience for understanding of the responses to the researcher. Total 225 samples male respondents are greater than the female respondents, N= 136 (60.4%) male employees (39.6%), N= 89 females. The
most of the respondents are of age between 25-35 years (37.3%), N= 84 the least majority of the respondents were above than 45 years (1.3%), N=3. The demographics showed that most of the respondents in the sample are under graduates (63.1%), N=142 whereas post graduates respondents are (32%), N=72. we get the responses more from D Mart, n=145, (64.4%) therrespondents from Big Bazaar is N=80, (35.6%) majority of the employees Experience was in between 1 to 3 years, N=93 (41.3%) and employees who are having more than * years Are less in sampling N=3 (1.3%). majority of the employees in the sample are in junior level in position N=96 (73%), N=59, (42.7%) and least have a senior level in their respective organizations. Table – 1 shows the frequency of demographical variables

|                       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------|-----------|---------|--------------|--------------------|
| **Name and Location** |           |         |              |                    |
| Big Bazaar            | 80        | 35.6    | 35.6         | 35.6               |
| D Mart                | 145       | 64.4    | 64.4         | 100.0              |
| **Gender**            |           |         |              |                    |
| Male                  | 136       | 60.4    | 60.4         | 60.4               |
| Female                | 89        | 39.6    | 39.6         | 100.0              |
| **Age of the Employee** |          |         |              |                    |
| 20-25                 | 79        | 35.1    | 35.1         | 35.1               |
| 25-35                 | 84        | 37.3    | 37.3         | 72.4               |
| 35-45                 | 59        | 26.2    | 26.2         | 98.7               |
| more than 45          | 3         | 1.3     | 1.3          | 100.0              |
| **Educational Qualification** |      |         |              |                    |
| INTER                 | 11        | 4.9     | 4.9          | 4.9                |
| UG                    | 142       | 63.1    | 63.1         | 68.0               |
| PG                    | 72        | 32.0    | 32.0         | 100.0              |
| **Income of the employee per year** |  |         |              |                    |
| 1L-2L                 | 38        | 16.9    | 16.9         | 16.9               |
| 2L-4L                 | 114       | 50.7    | 50.7         | 67.6               |
| 4L-5L                 | 71        | 31.6    | 31.6         | 99.1               |
| More than 6L          | 2         | .9      | .9           | 100.0              |
| **To which managerial level do you belong** |   |         |              |                    |
| entry level           | 47        | 20.9    | 20.9         | 20.9               |
| junior level          | 96        | 42.7    | 42.7         | 63.6               |
| middle level          | 78        | 34.7    | 34.7         | 98.2               |
| Senior Level          | 4         | 1.8     | 1.8          | 100.0              |
| **Experience of the** |           |         |              |                    |
| 1-3                   | 93        | 41.3    | 41.3         | 41.3               |
| 3-6                   | 68        | 30.2    | 30.2         | 71.6               |
IV. Results

Table 1. Frequency of Demographic Variables

| Employee | 6-8  | 8-10 | More than 8 |
|----------|------|------|-------------|
|          | 46   | 15   | 3           |
|          | 20.4 | 6.7  | 1.3         |
|          | 92.0 | 98.7 | 100.0       |

Table 2. Model summary of the association between rewards and recognition over job satisfaction.

The association between the rewards and recognition programs over the job satisfaction is tested initially by the researcher. The mean score items of both the dependent variables i.e. rewards and recognition are regressed over the dependent variable i.e. the job satisfaction. The results elicited that the change in the model is found to be 42.4 percent and the standard error estimate in the model is identified as 0.74234.

ANOVA

| Model | Sum of Squares | df | Mean Square | F    | Sig. |
|-------|----------------|----|-------------|------|------|
| 1     | Regression     | 89.717 | 2 | 44.858 | 81.403 | 0.000 |
|       | Residual       | 121.786 | 221 | 0.551 | 75.66 | 0.000 |
|       | Total          | 211.503 | 223 | 0.665 | 82.43 | 0.000 |

The ANOVA results of the study revealed that the concerned dependent and independent variables are corroborated with each other. The F-values of the results are 75.66 and 82.43 and the p-values are found to be significant with 0.000.
The beta coefficients of the model also revealed that the association between rewards and recognition and job satisfaction is found to be significant. The constant value of the model is found to be 2.276, the other beta values are found to be 0.259 and 0.635. The t-values of the concerned model are found to be 7.215 and 12.216. The p-values of the model are found to be 0.000. Hence we conclude that the proposed dependent variables and the dependent variables are significantly associated positively.

The association between the rewards and recognition programs over the job satisfaction is tested initially by the researcher. The mean score items of both the dependent variables i.e rewards and recognition are regressed over the dependent variable i.e the job satisfaction. The results elicited that the change in the model is found to be 28.5 percent and the standard error estimate in the model is identified as 0.84839.

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**Model Summary**

| Model | R   | R Square | Adjusted R Square | Std.Error of the Estimate |
|-------|-----|----------|-------------------|---------------------------|
| 1     | 0.537 | 0.289    | 0.285             | 0.84839                   |

a. Predictors: (Constant), Job Satisfaction

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**ANOVA**

| Model | Sum of Squares | df | Mean Square | F    | Sig. |
|-------|----------------|----|-------------|------|------|
| Regression | 64.814 | 1 | 64.814      | 90.049 | 0.000 |
| Residual   | 159.787 | 222 | 0.720      | 84.36 | 0.000 |
| Total      | 224.601 | 223 | 0.699      | 79.56 | 0.000 |

a. Dependent Variable: Job Performance

b. Predictors: (Constant), Job Satisfaction

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Potineni Swapna et al
The ANOVA results of the study revealed that the concerned dependent and independent variables are corroborated with each other. The F-values of the results are 90.049 and 84.36 and the p-values are found to be significant with 0.000.

| Model | Unstandardized Coefficients | Standardized Coefficients | t     | Sig. |
|-------|----------------------------|---------------------------|-------|------|
|       | B       | Std.Error | Beta |       |       |
| 1     | (Constant) | 1.281 | 0.220 | -- | 5.817 | 0.000 |
| 1     | Importance of Employee Awards | 0.554 | 0.058 | 0.537 | 9.489 | 0.000 |
| a. Dependent Variable: Job Performance |

The beta coefficients of the model also revealed that the association between rewards and recognition and job satisfaction is found to be significant. The constant value of the model is found to be 1.281, the other beta value is found to be 0.554. The t-values of the concerned model is found to be 9.485. The p-values of the model is found to be 0.000. Hence we conclude that the proposed dependent variables and the independent variables are significantly associated positively.

V. Conclusion

Human resource is the one that provides a foundation for an organization to attain sustainable cutthroat competition. Attracting and maintaining proficient employees is a challenging job for almost all organizations. It is illustrious that employee performance can be improved when employees are motivated to achieve their objectives. Founded on the findings of this study, it can be summarizing that employee reward and recognition plays a vital role in employee performance. It means that reward and recognition is directly proportion to employee performance. The changes in rewards straightly affect to the changes of the employee performance. From the above it can be concluded that diverse reward package can impact employees to perform allotted task in an efficient and effective manner. The aim of creating an attractive reward strategy is to deliver a distinctive reward programs that support the accomplishment of organizational objectives as well as to meet the needs of stakeholders.
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