

# Rewards And Recognition of Employees : A Case Study at Grasim Industries Limited, Nagda

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Employee reward system refers to programs set up by a company to reward performance and motivate employees on individual or group levels. They are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. Companies today have begun to use them as a tool to lure top employees in a competitive job market as well as to increase employee performance. In this research paper I have presented a study done for M/s. Grasim Industries Limited.

## INTRODUCTION:

**Rewards:** “Something given or received in make up for worthy behavior “. They are : All of the tools available to the employer that may be used to attract, motivate and retain employees. Total **rewards** include everything the employee perceives to be of value resulting from the employment relationship.

**Recognition:** “Recognition is a term used to describe an ability to identify things based on prior knowledge”.

Although these terms are often used interchangeably, reward and recognition systems should be considered separately. Employee reward systems refer to programs set up by a company to reward performance and motivate employees on individual or group levels. They are normally considered separate from salary but may monetary in nature or otherwise have a cost to the company. Although employee recognition programs are often combined with reward programs they retain a different purpose altogether. They are intended to provide a psychological reward of financial benefit. Although many elements of designing and maintaining reward and recognition systems are the same, it is useful to keep this difference in mind, especially for small business owners interested in motivating staffs while keeping costs low.

## Types of rewards

### Monetary Rewards:

- Cash Bonus.
- Profit Sharing.
- Stock Options.
- Money order and direct deposit.

### Non Monetary Rewards:

- Personnel Communication.
- Assignment of more enjoyable job duties.
- Opportunities for training.

- Increased role in decision making.
- Flexible work schedules.
- Paid Vacations, Sick leaves and holidays.
- Thanked publicly at a departmental function.
- Receiving an extra day off.
- Personnel items and clothing's such as caps, shirts, sweat shirts, and other tools as electronic radios and sports equipments.

**Informal rewards:**

These include anything from saying “thank you” to taking a successful team to lunch at a favorite restaurant. Be spontaneous when handling informal rewards and do it as soon as possible.

**Rewards for specific achievements:**

When employees meet and exceed some standard, whether it's a sales quota, production targets or quality measures, they should be rewarded for their achievement. These can be rotating awards, a trophy or a plaque that the winners display in their work area for a period of time

**Formal rewards:**

These are usually presented for efforts made over some predetermined period of time, such as sales representative of the month or year.

**Basic Principles for Rewards and Recognition**

- Rewards and Recognition is not compensation.
- Rewards and Recognition should be personal.
- Employees should believe that reward and recognition are not based on luck.
- Recognition should be given for effort, not just accomplishments.
- All employees should participate in reward and recognition programs.
- Match the reward to the person.
- Match the reward to the achievement
- Be timely and specific.

**Benefits of a Comprehensive Rewards and Recognition Program:**

Immediate and formal reward and recognition strategies will benefit everyone in the organization.

1. A boost in morale for organization's employees: Genuine reward and recognition of performance improves morale. Higher morale in the work place can lead to job effectiveness, greater productivity and will build commitment to the organization.
2. A more positive Organization's image: The public will have a positive perception of employees who are effective, motivated and committed to their jobs. Visitors will visibly see signs of a strong recognition program and the positive affect it has on employees.

3. To serve as a catalyst to create policy that:

- recognize outstanding employees;
- Show appreciation for all employees.

## **OBJECTIVES OF THE STUDY**

- To interact with employees and find out their feedback regarding the reward and recognition program carried out by the company through a questionnaire and performing a departmental analysis of results.
- To educate employees about various rewards and recognition schemes of the company.
- To give suggestions to the company on how to improve its reward and recognition policy.

## **RESEARCH METHODOLOGY**

### **Sample size and sampling procedure:**

A sample of respondents from the Staple Fiber Division of Grasim Industries belonging to middle level management from various departments was chosen for the study through random sampling method and that sample was 20% of total management level employees.

### **Questionnaire Design**

Questionnaire title -Detailed Questionnaire on Rewards and Recognition of Employees

Sample size - 115

Type of sampling used - Random Sampling technique

### **Data Collection Methods**

Survey method or questionnaire method was used to collect the data. Survey method is concerned with describing, recording, analyzing & interpreting the existing data or condition. For collecting secondary data Stratified Random Sampling technique is used. The questionnaire is designed on a Likert type of scale to take a relevant feedback. The data is collected on the basis of set of questions distributed in different departments & at different levels. The analysis is done on the basis of seven parameters.

### **Study Instrument and data Analysis**

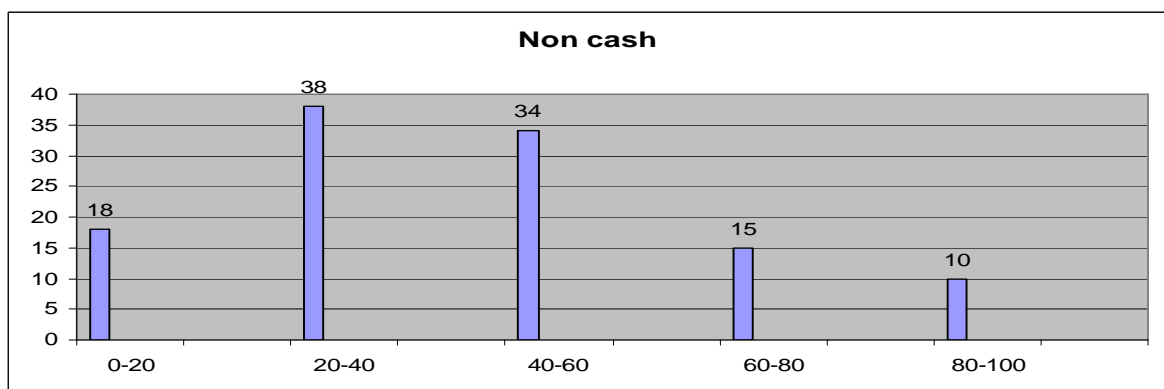
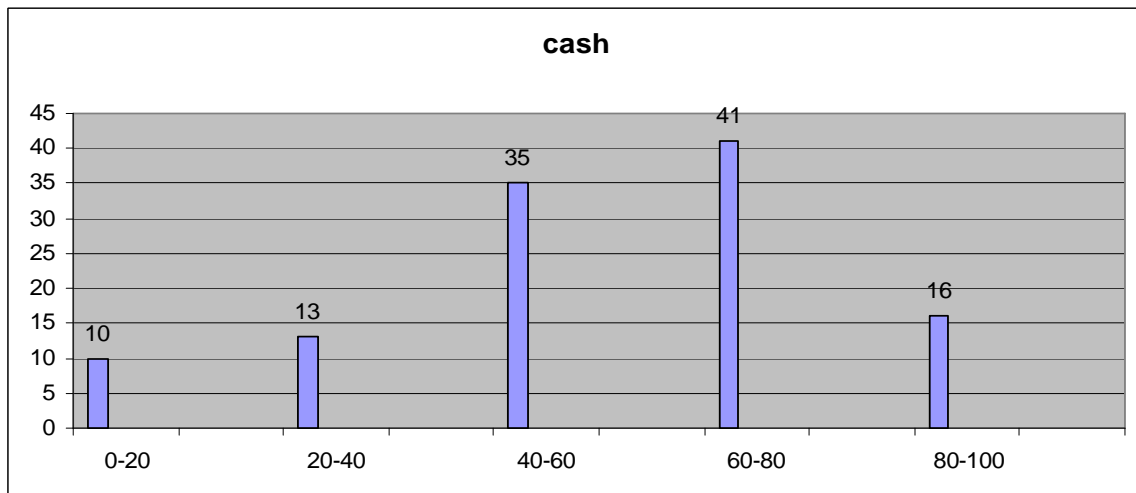
The data is collected through a structured questionnaire and is analyzed on the basis of seven parameters. After collection of the data from the respondents, it was tabulated. Bar charts, Pie Charts are used for data analysis.

## **RESULTS AND DISCUSSIONS**

- **From the overall analysis of different departments the percentage of respondents in favour of cash and Non cash are given below:**

## Respondents in favour of cash and non cash

Respondents in favour of cash	Range(in %age)	Respondents in favour of non cash
10	0-20	18
13	20-40	38
35	40-60	34
41	60-80	15
16	80-100	10
115	Total	115



**Interpretation:**

**Cash :**

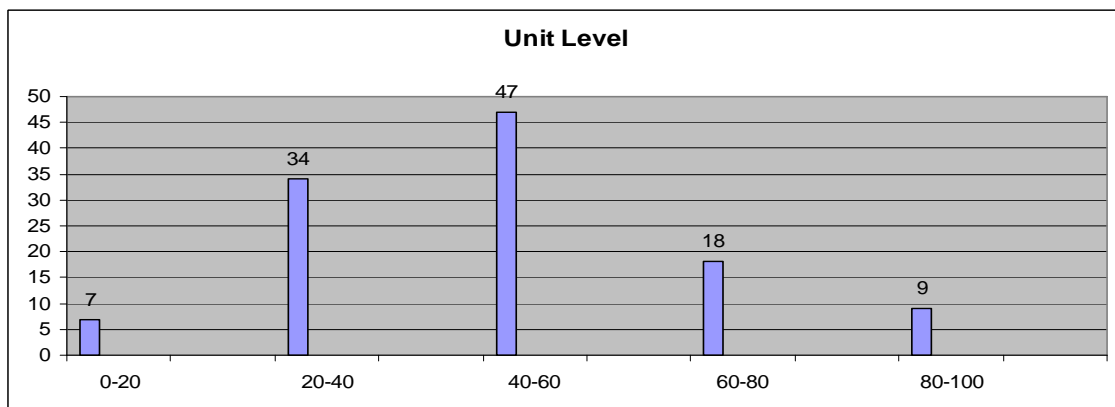
It is observed that 10 respondents i.e 9% of employees are in favour up to 20% amount of cash, 13 respondents i.e 11% are in favour of cash rewards between 20-40% , 35 respondents i.e 30% want there cash reward between 40-60%, 41 respondents i.e 36% employees want there cash reward between 60-80% and 16 respondents i.e 14% of employees are in favour of 80-100% amount of cash reward.

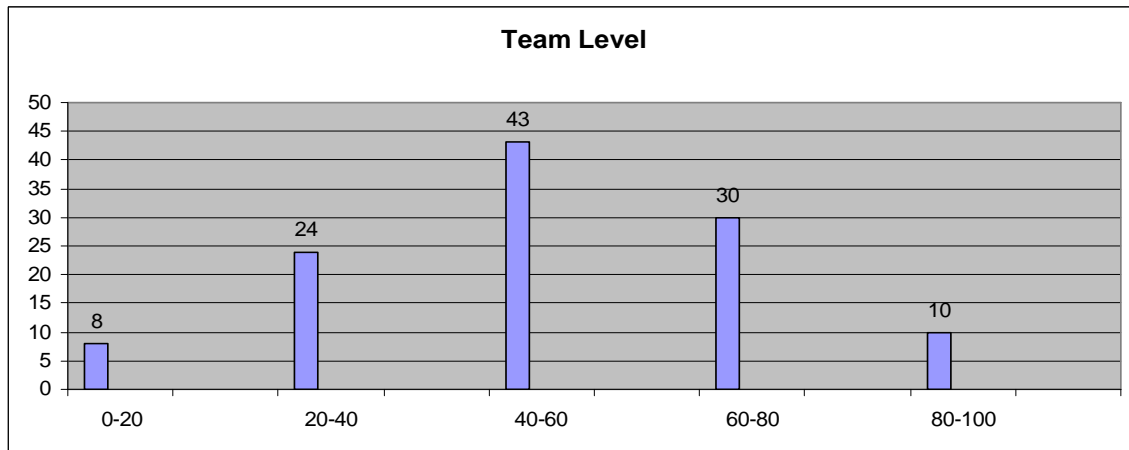
**Non-cash :**

It is evident that 18 respondents i.e 16% of employees are in favour up to 20% amount of non-cash, 38 respondents i.e 33% are in favour of non-cash rewards between 20-40% , 34 respondents i.e 29% want there non-cash reward between 40-60%, 15 respondents i.e 13% employees want there non-cash reward between 60-80% and 10 respondents i.e 9% of employees are in favour of 80-100% amount of non-cash reward.

- ❖ **From the overall analysis of different departments the percentage of respondents in favour of Unit and Team ( Department) Level are given below:**

<b>Respondents in favour of Unit and Team Level</b>		
<b>Respondents at Unit Level</b>	<b>Range (%age)</b>	<b>Respondents at Team Level</b>
7	0-20	8
34	20-40	24
47	40-60	43
18	60-80	30
9	80-100	10
115	<b>Total</b>	115





### **Interpretation:**

#### **Unit Level :**

The researcher finds that 7 respondents i.e 6% of employees are in favour up to 20% reward should be given at unit level, 34 respondents i.e 29% are in favour of rewards at unit level between 20-40%, 47 respondents i.e 41% want reward should be given at unit level between 40-60%, 18 respondents i.e 16% employees want reward should be given at unit level between 60-80% and 9 respondents i.e 8% of employees are in favour of 80-100% reward at unit level.

#### **Team Level :**

It may be inferred that 8 respondents i.e 7% of employees are in favour up to 20% reward should be given at team level, 24 respondents i.e 21% are in favour of rewards at team level between 20-40%, 43 respondents i.e 37% want reward should be given at team level between 40-60%, 30 respondents i.e 26% employees want reward should be given at team level between 60-80% and 10 respondents i.e 9% of employees are in favour of 80-100% reward at team level.

## **SUGGESTIONS**

The following are the suggestions given after taking different departments in to consideration on various heads as listed below:-

#### **Process/ Methods of rewarding employees for different achievements:**

- Methodology should have some initial testing / examination for right candidate.
- There should be small interview with functional head / unit head.
- Given better professional opportunity and reward by giving promotion.
- Recognition / reward for outstanding achievement or performance should be given in time (especially on the spot), otherwise Recognition often loses its importance.
- To give opportunity to work with other high achieving teams / individuals so has to enhance knowledge spectrum and to develop better understanding.
- Pre-declaration of rewards must be notified in the factory premises.

- There should be some sort of encouragement to committed and managerial people by organizing tours in other units so that employee can know the group culture.
- Recognized individual for their achievement and rewards should go to the right person.

#### **Events and achievements that would list for Rewards and Recognition:**

- Strategic project implementation must be rewarded.
- Creative suggestion that improve performance and quality.
- Technological advances and improvements.
- Best employee award in terms of productivity.
- Employee suggestion award.
- Initiatives which help in managing or championing change.
- Zero accidents in unit.
- Significant achievement leading to improved image of the company.
- Developing with available resources.
- Safety- averting accidents, safety consciousness.

#### **Viewpoints on administering reward and recognition policy:**

- Group mail / website system can be utilized to recognize process.
- Along with senior management, junior / middle management should also determine who receives reward as they are more attached professionally with junior team member.
- Recognition may depend on the scale of achievements from which it should be decided whether it is to be rewarded at management level or board level.
- Any recognition irrespective of how it has been conducted, should be fair and impartial.
- The person involved should be given an opportunity to represent his views on the initiatives and the results achieved in front of department involved, HOD and if required in front of unit head.
- Motivation is a driving force required for all employees so it must be provided often at periodic intervals.

### **OBSERVATION**

During the survey the researcher found that most of the employees between 20-40 years of age are in favour of cash rewards where as employees above 40 years of age considers that their recognition should include non cash rewards instead of cash rewards.

### **CONCLUSION**

- A progressive reward and recognition policy is essential to support employees so that they know they are valued and appreciated.
- Reward and recognition policy must be consistent with a company's values and Principles.
- Two major strategies, immediate and formal, are essential components of an effective comprehensive rewards and recognition policy.

- Immediate reward and recognition can provide reinforcement of every day, positive behavior in the work place. This recognition strategy should be streamlined and easy to administer, thus allowing on-the-spot recognition to become a part of “the way to do business”.
- Formal Reward and Recognition can recognize top performers and innovators. The formal awards strategy should be carefully structured and administered at the departmental level. The entire program should be as simple as possible to administer.
- A successful, equitable recognition program must be well planned, appropriately implemented and properly managed. It is important to know and understand the difference between “reward” and “recognition”. An award or reward brings to mind a direct tie to something monetary that in turn relates to performance. While recognition may be monetary, its real purpose is to benefit the employees by immediately recognizing work that is done well and deserves to be shared with that individual and his/her peers.

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