

## A Study on the Impact of Rewards and Recognition Programs on Employee Motivation and Satisfaction in Five Star Hotels in Chennai

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### ABSTRACT

Employee motivation and satisfaction is one of the fundamentally researched subjects. Due to the booming of the Hospitality and tourism sector on a global level in the recent times there is a lot of opportunity and growth for those candidates who opt to have a career in this industry. The Hospitality and Tourism sector is one of the highest people oriented service sector which is rising at a fast pace in the recent years. Ensuring that the employees in the hotel are satisfied and motivated must be one of the top priorities of the management so that it can acquire and retain its best talents and also to deliver the best services with the highest quality. This study is undertaken to learn the impact of rewards and recognition programs on employee motivation and satisfaction in five star hotels in Chennai. From the study it is evident that there is no significant link between the provision of monetary rewards and non-monetary rewards to Employee motivation and satisfaction respectively in the five star hotels in Chennai, but there is a significant link between the performance appraisal process and Employee motivation.

**Keywords:** Hospitality sector, Employee motivation, Employee Satisfaction, Rewards and Recognition Programs.

### INTRODUCTION

Motivation is the energy that fuels people to choose a particular job and to try hard to succeed in that job. The ultimate result of success driven by motivation is satisfaction. Which again leads to motivation? It resembles a chain of events. Employee motivation refers to a factor, or factors, that cause an employee to pursue work tasks or goals. It's what causes you to act in a certain way which is beneficial to achieving both individual and Organisational objectives. Many studies state that motivation is focused on different human needs. These studies state that the pressure of an unsatisfied need provides motivation, but Humans cannot simply be termed as creatures who function after recognizing their need. They understand work situations based on the framework of their lives, their perceived possibilities of Success, their cultural values, and the level of satisfaction that they have already achieved. Each human being differs in character and in the way of functioning. It is the job of the Human resource manager to know what kind of monetary or non-monetary reward an employee might prefer in order to be motivated. Employee satisfaction is also an important element that contributes towards achieving the ultimate goals of the organisations. Employee satisfaction is a portion of how contented workers are with their job and working environment. So it is the management's responsibility to ensure that the employees attain complete Job satisfaction so that the firm would be able to achieve its shared objectives.

### OBJECTIVE OF THE STUDY

To find the impact of Rewards and Recognition programs on employee motivation and satisfaction.

- To check if monetary rewards have an impact on the employee motivation.
- To find if non-monetary rewards influence the Employee satisfaction.
- To analyse how performance appraisal plays a crucial role in motivating and satisfying employees.

### ***SCOPE OF THE STUDY***

The research study attempted to understand and analyse various HR factors revolving around rewards and recognition programs and how it has an impact on employee motivation and satisfaction.

### ***LIMITATIONS OF THE STUDY***

- The sample size available during the research was limited.
- Time frame of the study was only for a duration of one month.
- This study lacked the ability to relate to a wider society in general.
- The analysis may not be taken as a universal answer as it is based on a study in Chennai, Tamil Nadu.

### ***REVIEW OF LITERATURE***

#### ***Employee motivation***

Employee motivation is one of the vivacious parts in achieving the success of business. Employee motivation is a compilation of active forces (C. C. Pinder, 1998); Each manager must understand the needs of the employees and must generate an apt work environment to motivate employees (R. Luomanpaa, 2012); Crucial factors that contribute to employee motivation are the needs of employees, their working environment, given responsibilities, supervision, fairness shown employee's development in the firm, feedback and rewarding. (S. Ramlall, 2004); Employee motivation can be defined as the psychological process that gives behaviour purpose and direction (Kreitner, 1995); an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993).

#### ***Employee satisfaction***

Employee satisfaction has become an increasingly important category. A satisfied employee works more and better. (Sakanovič and Mayer, 2006); A satisfied person is more successful and performs his/her work more efficiently, achieves the goals of the organization and contributes to its effectiveness (Gorenak and Pagon, 2006). The reason for wanting a job is often considerably more than just a pay check. Jobs can be looked at as the means used to achieve personal goals. When a job meets an individual's expectancy, the individual experiences positive emotions.

#### ***Rewards and Recognition Programs***

Provision of rewards is an important task of Human Resources Management. The compensation system that an organization offers to its employees plays a significant role in determining the commitment levels of employees, their motivation, satisfaction and their retention. The providing of a lucrative remuneration package is one of the broadly discussed factors of Employee motivation and satisfaction (Parker & Wright, 2001). Rewards fulfill needs of the employees and also provide a social status within the firm. Monetary and non-monetary rewards are important in order to raise employee motivation and satisfaction. Monetary rewards that increase employee motivation and satisfaction includes performance bonuses, reasonable salaries, and remuneration for scarce skills.

Non-monetary rewards includes recognition programs, simple praise among other such non-monetary incentives. (Pillay, 2009); Recognition is another non-monetary reward, yet many employees are not given even a pat in the back or a handshake by their bosses. Recognition can come in different forms. An informal appreciation ceremony for all those who have excelled expectations for a given month is the most common form. Other forms of Non-monetary rewards are Provision of Training, A Chance to Contribute and Fringe Benefits.

### ***Performance Appraisal contributing to Rewards and Recognition Programs***

The General way is to appraise the employee's performance and then after adequate analysis, the results are evaluated and decisions are taken as to which reward is suitable for which employee and the same for the recognition programs as well. The usual criteria for eligibility for nomination for the recognition programs after employee appraisal might have many factors, but the outstanding factors are: Continuous attendance, No Warning letter or misbehavior and a good recommendation from the Head of the Department. It is important to recognize employees' efforts and achievements and reward performance. The managers must take the time to personally thank employees for doing something well which in some way has increased the level of productivity or even the betterment of the organization. Performance appraisal and review must be made an obligatory process to ensure that proper, fair and equitable reward system is maintained.

### ***Importance of Employee Motivation and Employee satisfaction in an organisation***

#### ***Importance of employee motivation***

The answer is survival (Smith, 1994). Motivated employees are very much needed in our rapidly changing workplaces. They help organizations survive. Motivated employees are more productive. Managers must understand what motivates employees with respect to the work they perform. It is very complex and it is due to the fact that whatever motivates at one time employees changes constantly (Bowen & Radhakrishna, 1991). For instance, research proposes that as employees' income rises, money converts into a less of a motivator (Kovach, 1987). Also, as employees get older, interesting work becomes more of a motivator.

#### ***Importance of Employee satisfaction***

Employee satisfaction is important to the triumph of any business. A high rate of employee contentedness is directly related to a lower turnover rate. Thus, maintaining employee satisfaction should be a main priority for the management. While this is a well-known fact in management practices, economic downturns like the current one seem to cause employers to ignore it. There are numerous reasons why employees can become discouraged with their jobs and resign, including high stress, lack of communication within the company, lack of recognition, or limited opportunity for growth. Management should actively seek to improve these factors if they hope to lower their turnover rate. Even in an economic downturn, turnover is an expense best avoided.

### ***Employee Motivation and Employee satisfaction in the hotel industry***

#### ***Employee motivation in the hotel industry***

The hotel industry has long struggled with this question because of high employee turnover. It is believed that the nature of the work, its low pay, and its long working hours contribute to the high turnover. (Chun-Fang Chiang, 2010) Without motivation, an employee will not advance in his/her career (Wong et al., 1999). Motivation factors comprising pay, financial rewards, chance for progression and upgrade which have been followed for ages in the hotel industry (Byrne, 1986; Wong et al., 1999). Also, other motivation factors such as job responsibility, Getting recognised by people, challenging work, and feelings of achievement and improvement of self-esteem have been identified important for hotel employees (Wong et al., 1999).

### ***Employee satisfaction in the hotel industry***

Considering the circumstances which shape the hotel industry today, such as high labour intensiveness, constant human interaction, dependence on other colleagues (Galičić & Laškarin, 2016) managing employee satisfaction in the hotel industry compared to other industries represents the most critical point of hotel management. Diverse scientific literature and practical examples demonstrate the importance of employee satisfaction and its causal connection to job performance (Brayfield & Crockett 1955; Naylor, et al. 1980; Testa, et al., 1998; Judge, et al. 2001). This relationship has been described as “Holy Grail” of industrial psychologists (Landy, 1989). If these employees are not satisfied it will lead them to lose interest in their job, which in turn affects the productivity of the company. Therefore it is essential that the employee is satisfied by the management from time to time.

## ***RESEARCH METHODOLOGY***

### ***Sampling Design***

For the study, the researchers chose hospitality industry which does not have a standard workman position and the respondents are not possibly available most of the time and also due to the time constrain for collecting the information inside the organization the researchers used Non – probability convenient sampling method to collect the data from the respondents.

### ***Sample Size***

The participants in this study were 80 employees working in different departments. The purpose of choosing different departments is to cover the employees of different work nature and to get the information from the major operating units in the organizations.

### ***Questionnaire Design***

These five-point Likert scale was selected as the response mode for the questionnaire. For each of the dimensions the respondents are asked to tell whether and how strong they agree or disagree with the suggestion that is made. This is done by choosing a number given on a five- point scale. The responses can then be given scores e.g. from 1 to 5 as was done in this research. Then the scores can be summed for each of the respondents in order to give attitudinal score for each question.

**Data collection**

**Primary data**

Primary data was collected both survey method by distributing questionnaires to hospital employees. The questionnaires were carefully designed by taking into account the parameters of my study.

**Secondary data**

Besides the primary data, the secondary data was also collected for the study. Websites and books, Articles written by various authors were referred for this purpose from the library to facilitate proper understating of the study.

**Tools of analysis**

The data collected from both the sources is analysed and interpreted in the systematic manner with the help of statistical tool like percentage analysis and SPSS tool.

**DATA INTERPRETATION AND ANALYSIS**

The key results indicate that there is not much of a significant impact on Employee motivation and Employee satisfaction by the Monetary Rewards and Non-Monetary Rewards (Recognition activities and Programs) respectively. But there is a significant impact on employee motivation by Performance Appraisal in the five star Hotel. The majority of the employees in the Organization are very much satisfied with the existing reward and recognition programs. The researchers have employed a combination of naturalistic and participant observation techniques in the five star hotel located in Chennai and have also taken help of a questionnaire to conduct the research. The objectives of the study were satisfied and completed. The results are as follows:

Table 1. Profile of respondents and their responses on Recognition programs

S.No.	Parameters	No. of Respondents	%	
1	Gender			
	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>	60 20	75 25	
2	Education			
	<ul style="list-style-type: none"> <li>• School</li> <li>• Diploma</li> <li>• Under Graduate</li> <li>• Post Graduate</li> <li>• Doctorate</li> </ul>	5 26 36 13 0	6.25 32.5 45 16.25 0	
	3	Age		
		<ul style="list-style-type: none"> <li>• Age between 18 and 25</li> </ul>	14 55	17.5 68.75

	<ul style="list-style-type: none"> <li>• Age between 26 and 40</li> <li>• Age between 41 and 55</li> <li>• Age Greater than 55</li> </ul>	10 1	12.5 1.25
4	Performance appraisal <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	80 0	100 0
5	Performance Recognition <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	80 0	100 0
6	Feedback Provided during Appraisal <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	80 0	100 0
7	Feedback accepted at time of Appraisal <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	79 1	99 1
8	Salary is satisfactory Agree Strongly Agree Neither Agree nor Disagree Disagree	20 53 4 3	25 66 5 4
9	Career Progression is Satisfactory Agree Strongly Agree Neither Agree nor Disagree Disagree	35 15 23 7	44 19 29 9
10	Expected work is realistic Agree Strongly Agree Neither Agree nor Disagree Disagree	12 48 14 6	15 60 18 8
11	Required training is provided Agree Strongly Agree Neither Agree nor Disagree	6 62 12	8 78 14

12	Innovation is appreciated		
	Agree	41	51
	Strongly Agree	33	41
	Neither Agree nor Disagree	1	1
	Disagree	5	6
	Locker Facilities are Satisfactory		
	Agree	4	5
	Strongly Agree	25	31
13	Neither Agree nor Disagree	6	8
	Disagree	36	45
	Strongly Disagree	9	11
	Shift timings are Satisfactory		
14	Agree	12	15
	Strongly Agree	62	78
	Neither Agree nor Disagree	2	3
	Disagree	4	5
15	Discipline is Maintained by all employees irrespective of the designation		
	Agree	3	4
	Strongly Agree	77	96
16	Organization is concerned with motivating employees		
	Agree		
	Strongly Agree	26	32
		54	68
	Motivation is High through Non-Monetary Rewards		
	Agree	28	35
17	Strongly Agree	52	65
	Motivation is High through Monetary Rewards		
18	Agree		
	Strongly Agree	43	54
		37	46
19	Working Conditions are encouraging		
	Agree	28	35
	Strongly Agree	47	59
	Neither Agree nor Disagree	4	5
	Disagree	1	1

20	Motivation is High through Activities		
	Agree	29	36
	Strongly Agree	51	64
21	Motivation is High through Award Functions		
	Agree	42	53
	Strongly Agree	38	48
22	Decision making helps employee get motivated		
	Agree	43	54
	Strongly Agree	37	46
23	Appraisal rating Motivates employees		
	Agree	47	59
	Strongly Agree	21	26
	Neither Agree nor Disagree	1	1
	Disagree	11	14
24	Level of motivation through monetary rewards		
	Never Motivated	0	0
	Sometimes Motivated	7	9
	Neutral	9	11
	Well Motivated	37	46
	Highly Motivated	27	30
25	Level of motivation through non-monetary rewards		
	Never Motivated	0	0
	Sometimes Motivated		
	Neutral	7	9
	Well Motivated	7	9
	Highly Motivated	42	53
		24	30
26	Level of motivation at time of receiving appraisal rating		
	Never Motivated	7	9
	Sometimes Motivated	7	9
	Neutral	2	3
	Well Motivated	41	51
	Highly Motivated	23	29
27	Overall level of motivation of employee		
	Never Motivated	1	1
	Sometimes Motivated	5	6



	Neutral	13	16
	Well Motivated	37	46
	Highly Motivated	24	30
28	Level of Satisfaction through monetary rewards		
	Neutral	2	3
	Well Motivated	38	48
	Highly Motivated	40	50
29	Level of Satisfaction through non-monetary rewards		
	Never Motivated	5	6
	Sometimes Motivated	7	9
	Neutral	22	28
	Well Motivated	33	41
	Highly Motivated	13	16
30	Level of satisfaction at time of receiving appraisal rating		
	Never Motivated	7	9
	Sometimes Motivated	7	9
	Neutral	2	3
	Well Motivated	41	51
	Highly Motivated	23	29

### Anova Test 1

- Null Hypothesis (H0): There is no significant relationship between provision of monetary Rewards and employee motivation.
- Alternate Hypothesis (H1): There is a significant relationship between provision of monetary rewards and employee motivation.

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.006	1	.006	.160	.690 <sup>b</sup>
	Residual	2.741	78	.035		
	Total	2.747	79			
a. Dependent Variable: EmplMotivation						
b. Predictors: (Constant), MontRewards						

Since the Significance level is 0.690, which is more than 0.05, the null hypothesis is accepted. Therefore this table indicates that there is no significant relationship between provision of monetary Rewards and employee motivation.

**Anova Test 2:**

- Null Hypothesis (H0): There is no significant relationship between provision of non-monetary Rewards and employee Satisfaction.
- Alternate Hypothesis (H1): There is a significant relationship between provision of non-monetary rewards and employee Satisfaction.

<b>Anova</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.045	1	.045	.100	.752 <sup>b</sup>
	Residual	35.016	78	.449		
	Total	35.061	79			
a. Dependent Variable: EmplSatisfaction						
b. Predictors: (Constant), NonMontRewards						

Since the Significance level is 0.752, which is more than 0.05, the null hypothesis is accepted. Therefore this table indicates that there is no significant relationship between provision of non-monetary Rewards and employee Satisfaction.

**Anova Test 3:**

- Null Hypothesis (H0) :There is no significant relationship between Employee motivation and Performance appraisal
- Alternate Hypothesis (H1) :There is a significant relationship between Employee motivation and Performance appraisal

<b>Anova</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.012	1	1.012	4.649	.034 <sup>b</sup>
	Residual	16.976	78	.218		
	Total	17.987	79			
a. Dependent Variable: EmpMotivation						
b. Predictors: (Constant), PerfAppraisal						

Since the Significance level is 0.034, which is less than 0.05, the null hypothesis is rejected. Therefore this table indicates that there is a significant relationship between Employee motivation and Performance appraisal.

**SUGGESTIONS**

The researchers have a few suggestions regarding the functions performed in the Five Star Hotel with respect to Employee motivation and Satisfaction. Some of the suggestions are:

- The Hotel can introduce many more activities for increasing the overall employee satisfaction, as there is a recent spike in positive behavior of employees when it comes to participation in activities. They see it as a stress buster.
- The department of human resource at the hotel still follow traditional methods to maintain database of employees for certain processes alone. It is highly recommended that they soon digitalize all their data, So that it would be easier for them to access data when needed, which would also save a lot of time for both the HR department and the Employees.
- A lot of files get lost easily due to the busy schedule of the admin. Better handling of data is advised by all and not only one member of the HR department.
- The Human resource department must have the ability to manage all the other employees in the organization. They must manage the control that they have over them from time to time, when and wherever need. As many procedures are not followed as per the routine due to poor cooperation from other departments. This might be caused due to lack of Employee motivation.

## **CONCLUSION**

The researchers had undergone an internship period of two months, in a reputed five star hotel in Chennai, as part of the course requirement. The objectives of the study were achieved successfully by the researchers. The researchers had successfully studied about the impact of rewards and recognition programs on Employee motivation and satisfaction in A Five Star hotel. During this study the researchers learned about the importance of employee motivation and employee satisfaction. The researchers also realized the importance of the role played by the rewards and recognition programs in the way the employees perform their job and behave at the workplace. They also realized how the monetary and non-monetary rewards affect the employee motivation and employee satisfaction levels respectively. The key results indicate that there is not much of a significant impact on Employee motivation and Employee satisfaction by Monetary Rewards and Non-Monetary Rewards (Recognition activities and Programs) respectively. But there is a significant impact on employee motivation by Performance Appraisal in the five star Hotel. The majority of the employees in the Organization are very much satisfied with the existing reward and recognition programs. The research was performed by collecting data with help of a questionnaire but some of the data was also obtained by observing the functions of the Human Resource department at the five star hotel located in Chennai, which was very helpful.

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