Reward System And Its Impact On Employees' Performance At Hcl Technologoies Pvt Ltd

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ABSTRACT:

The title of the project "A Study on the impact of reward system on employee performance in HCL TECHNOLOGOIES". The reward system plays a crucial role in shaping employee motivation, job satisfaction, and overall performance. This study examines the impact of both monetary and non-monetary rewards on employee productivity, engagement, and retention. The research explores key theories such as Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory, and Vroom's Expectancy Theory to understand how rewards influence workplace behavior.

Using a combination of qualitative and quantitative methods, the study analyzes how different reward structures— such as salary incentives, bonuses, recognition programs, and career development opportunities—affect employee performance. The findings highlight that a well-balanced reward system not only enhances motivation and job satisfaction but also improves organizational commitment and reduces employee turnover.

The study concludes with recommendations for organizations to design effective reward systems that align with business objectives and employee expectations. By implementing a strategic and fair reward structure, companies can foster a high-performance culture, leading to long-term success and sustainability.

1.1 INTRODUCTION

A reward system is important for the employee performance. As employee performance will be more effective to high reward system. That how to be high performance is base high reward vice versa. Job performance is also part of human resources management. Performance is an important for the organization succession and achieving the goals. There is so much changing occurring in the school education in the world every school has much relay on employee's good performance. Rewards are considered an important tool to check the employee's performance in every organization. Management use rewards for employee's motivations. So we can say that effective reward system attracts new employees for organization and motivate existing employees to perform high levels. Employee's good work is necessary to achieve the specific goals. Employees give their good efforts for achieving goals and good effort depends on rewards. In other words we can say that good rewards are most important way to engage the employees with their work and with their organization. Reward system is a very important management tool which is used to motivate workers. In different words, reward system attracts people to join the organization and also helps to reduce turnover intention of employees. It will encourage them to work, and motivate them to perform good. The factors that motivate and affect employee performance are rewards which can be monetary, job security, working conditions, employer-employee relationship, autonomy, relationship with colleagues, training and development opportunities, employee recognition and company's rules and policies for rewarding employees.

1.2 NEED FOR THE STUDY

The study on the reward system and its impact on employees' performance is essential for several reasons:

1. Enhancing Employee Motivation – Rewards play a crucial role in motivating employees. Understanding the right mix of monetary and non-monetary incentives can help organizations boost employee morale and engagement.

2. Improving Productivity and Efficiency – A well-structured reward system can lead to higher productivity by encouraging employees to perform at their best. This study will help organizations identify reward strategies that maximize output.

1.3 OBJECTIVES OF THE STUDY

1) To study the various reward system followed by the HCL TECHNOLOGOIES

2) To study the factors influencing of employee's performance at HCL TECHNOLOGOIES.

3) To offer recommendations on how reward system can be improved for employee performance.

4) To study on the impact of reward system on employee performance in HCL TECHNOLOGOIES

5) To analyze the relationship between **reward systems and employee motivation** – Understanding how different types of rewards (monetary and non-monetary) influence employee motivation and job engagement.

1.5 SCOPE OF THE STUDY

1. Types of Reward Systems – The research will explore both monetary (salary, bonuses, incentives) and non-monetary (recognition, career growth, work-life balance) rewards and their impact on employees' motivation and job satisfaction.

2. Impact on Employee Performance – The study will analyze how different reward systems influence employee productivity, efficiency, engagement, and overall job performance.

3. Employee Perception and Satisfaction – It will investigate employees' perspectives on the effectiveness of reward systems and their level of satisfaction with current incentive programs.

1.6 METHODOLOGY

Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. To achieve objectives of the study, a concrete research strategy is chosen - to collect and analyze data in order to derive meaningful results.

Research Design

Questionnaire Development

The questions were arranged in a logical sequence order. The questionnaire consists of a variety of questions presented to the employees for the response. Dichotomous questions, multiple choice questions, rating scale questions were used in constructing questionnaire.

Sample Size

It refers to the number of items to be selected from the universe to constitute as a sample. In these study 150 employees of HCL TECHNOLOGOIES ; HYDERABAD I was selected as size of sample.

1.7 LIMITATIONS OF THE STUDY

1) The study was conducted only in HCL TECHNOLOGOIES s, Hyderabad hence limiting the scope of findings only to HCL TECHNOLOGOIES s, Hyderabad .

2) The respondents were busy, therefore they found less time to Interact with the researcher.

3) This collection of data is through questionnaire was carried out by direct interview so it may have its own draw backs.

4) The data collected from respondents was qualitative in nature. The sample size was restricted to 150.

2.2 REVIEW OF LITERATURE

1. **Rashid, S. J. M. (2020)**

   The Impact of Reward System on Employee Performance: An Analytical Study of Private Universities in Erbil City
   This study investigates the correlation between reward systems and employee performance in private universities in Erbil, highlighting the significance of both intrinsic and extrinsic rewards. DOI: 10.25212/lfu.qzj.8.4.54

2. **Lehmann, J., & Beckmann, M. (2024)**

   Digital Technologies and Performance Incentives: Evidence from Businesses in the Swiss Economy
   The research examines how digital technologies influence the prevalence of performance incentives in Swiss firms, indicating that improved measurement capabilities enhance the use of performance incentives. DOI: 10.48550/arXiv.2412.12780
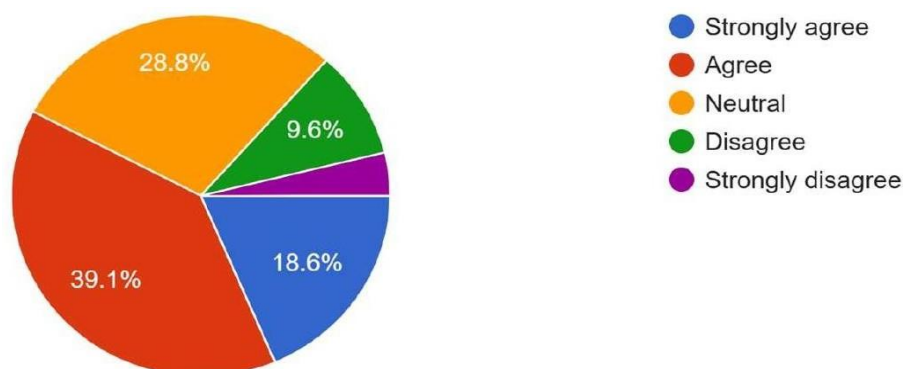
DATA ANALYSIS AND INTERPRETATION

4.1

idea in the organization.

TABLE 4.1.25 DO YOU THINK THAT REWARD SYSTEM SHOULD INCLUDE CAREER PLAN BASED ON PERFORMANCE

S. No.	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Strongly agree	72	18.6
2	Agree	63	39.1
3	Neutral	12	28.8
4	Disagree	03	9.6
5	Strongly disagree	NIL	NIL
TOTAL		150	100

Inference:

From the above table it is inferred that, 18.6% of the respondents have chosen strongly agree, 39.1% of the respondents have chosen agree, 28.8% of the respondents have chosen neutral, 9.6% of the respondents have chosen disagree and 3.8% of the respondents have chosen strongly disagree.

TABL 4.1.26 TREATING OF NON-PERFORMERS IN YOUR ORGANISATION

S. No.	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	TRAINING TO DEVELOP THEIR SKILLS	108	72
2	ANY COUNSELLING BEEN DONE	42	28
3	ANY OTHER MEASURES	NIL	NIL
TOTAL		150	100

CHART 4.1.26 TREATING OF NON-PERFORMERS IN YOUR ORGANISATION

Inference:

From the above table it is inferred that, 72% of the respondents are given training to develop their skills, 28% of the respondents are given any counseling been done to treat non performers in the organization.

4.2. CORRELATION ANALYSIS

- **Null hypothesis (H0):**

    There is negative relationship between reward system in the organization and improves employee motivation.

- **Alternate hypothesis (H1):**

    There is positive relationship between reward system in the organization and improves employee motivation.

		Reward System	Employee Motivation
Reward System	Pearson Correlation	1	.627**
	Sig. (2-tailed)		.000
	N	150	150
Employee Motivation	Pearson Correlation	.627**	1
	Sig. (2-tailed)	.000	
	N	150	150

$$r = \frac{N\sum XY - \sum X \sum Y}{\sqrt{N\sum X^2 - (\sum X)^2}\sqrt{N\sum Y^2 - (\sum Y)^2}}$$

6

r= .627

INFERENCE:

There is positive relationship between reward system in the organization and improves employee motivation.

TEST OF HYPOTHESIS

Hypotheses:

- **Null Hypothesis (H₀):** There is no significant positive relationship between the reward system in the organization and employee motivation/performance.

- **Alternative Hypothesis (H₁):** There is a significant positive relationship between the reward system in the organization and employee motivation/performance.

Variables Used:

- **Independent Variable:** Reward System

- **Dependent Variable:** Employee Motivation/Performance

Likert Scale Table:

The data for testing is taken from Likert-based responses (Questions 19 & 25), which capture the perception of the impact of the reward system on employee performance:

But	Likert Scale	Description	% Response (Q19)	% Response (Q25)	Average (%)
1	5	Strongly Agree	18.6%	18.6%	18.6
2	4	Agree	39.1%	39.1%	39.1
3	3	Neutral	28.8%	28.8%	28.8
4	2	some	9.6%	9.6%	9.6
5	1	Strongly Disagree	3.8%	3.8%	3.8
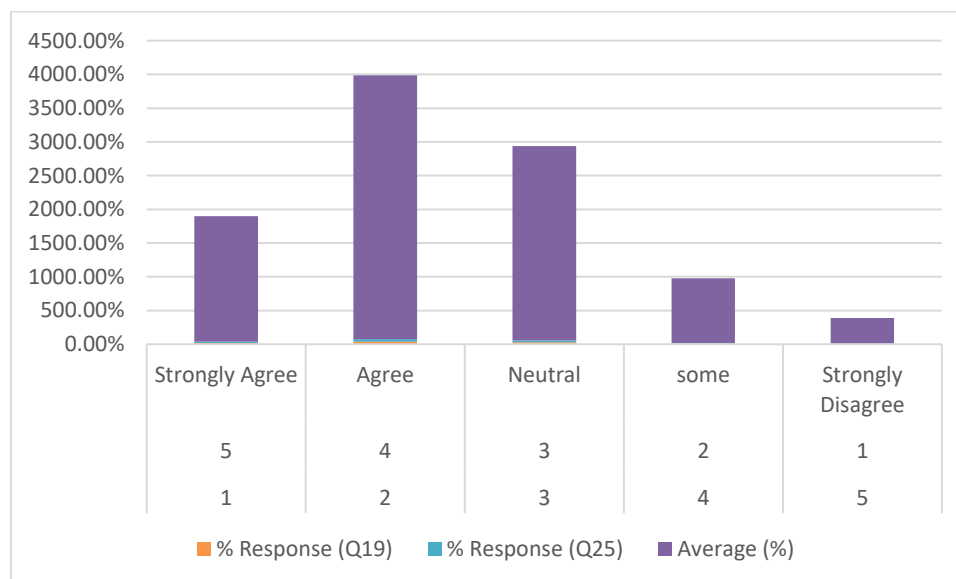
Weighted Average Calculation:

To determine the central tendency and overall perception, we calculate the **weighted average score** from the Likert scale:

Result Interpretation:

- The **weighted average is 3.588**, which falls between **Yes** and **Agree (4)**.

- This implies that **most employees agree** that the reward system has a **positive** on their motivation and performance.
- Since the majority chose "Agree" or "Strongly Agree" (totaling 57.7%), we **reject the null hypothesis (H_0)**.

   Test Result:

- **Null Hypothesis (H_0): Rejected**
- **Alternative Hypothesis (H_1): Accepted**

   Conclusion:

   There is a **significant positive relationship** between the reward system and employee motivation/performance at HCL Technologies Pvt. Ltd.

5.1 FINDINGS

1. 100% of the respondents are Male and female in the organization.

2. 4% of the respondents are between the age of 21 – 25 yrs., 36.67% of the respondents are between the age of 26 – 30 yrs., 39.33% of the respondents are between the age of 31 – 35 yrs. and 20% of the respondents are between the age of 36 – 40 yrs.

3. 2**%** of the respondents are PUC/HSC, 40% of the respondents are Diploma, 18% of the respondents are under graduate and 40% of the respondents are Post graduate in the organization.

4. 26% of the respondents are 4 – 7 yrs. in the organization, 44% of the respondents are 7 – 10 yrs. in the organization and 30% of the respondents are above 10 yrs. in the organization.

5. 86% of the respondents are Formal policy and 14% of the respondents are Informal policy is implemented in your organization.

1. ## 5.2 SUGGESTIONS

   The recommendations that the researcher has gathered from the result of this research are:

1. Rewards are rewarded to individual or teams based on their performance. An organization has to critically analyses weather investing their time and money on evaluating the performance of a particular team or individual is worthwhile.

2. The primary intention of rewards is to recognize an employee's effort and to reward his

3. effort. An organization has to make sure that an employee has been rewarded at the right time for his effort, which causes a greater positive impact on employees and motivates them to work towards betterment.

4. The reward system schemes shall be updated for every six months to one year based on

5. the upcoming future trends.

6. The bonus and the reward amount should be increased for the benefit of the organization and the employees.

5.3 CONCLUSION

This research has provided an insight into the factor that impact reward systems on employee performance at **A study on the impact of reward system on employee performance in HCL** . The model used in this study allowed for an analysis of the independent variables. Moreover, the use of the correlation analysis was particularly useful to determine the overall fit of the model.

The present research has sought to assess occupational health and safety reward schemes. However, it appears that there is very little evidence to make any judgement regarding the "effectiveness" or otherwise of reward schemes. While some of the schemes have stated that they were evaluated they were unwilling to provide detailed information on the evaluation process or allow the researchers the documentation. Additionally, the sample size of reward schemes in the area of occupational health and safety is limited, and restricts the generalizations that can be made. The goals of the schemes are clearly an issue, and they appear to focus on giving 'gongs' rather than providing a process in which organisations can engage to reinforce and promote good practice. The main findings from the present research are consistent with those of Parr (2004) who conducted research on six workplace award schemes within the UK, and found that the schemes were operating with a lack of resources, that there was a lack of monitoring and evaluation and a lack of evidence of effectiveness. As with the present research the "benefits" from these schemes were purely anecdotal . To recapitulate, the study states that salaries, bonus, commission and working conditions have a positive relationship with performance of employees in business process outsourcing. Thus there is a positive relationship between rewards and employee performance . The purpose of rewards is to motivate employees thereby increasing the result of the organization

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