iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 6 **Issue:** V **Month of publication:** May 2018

DOI: http://doi.org/10.22214/ijraset.2018.5250

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 6.887
Volume 6 Issue V, May 2018- Available at www.ijraset.com

A Study on Performance Related Pay and Reward System in Private Organisations with Reference to Vihaan Lifecare Pharmaceutical Company Bilaspur (C. G.)

Rishika Singh[1], Dr. Niket Shukla[2], Dr. C.V.Raman
[1]*M. Phil Scholar, Department of Commerce and Management, University, Bilaspur, Chhattisgarh, India.*
[2]*Asst. Prof. Dr. C.V. Raman University, Kargi Road, Kota, Bilaspur*
[3]*University, Bilaspur, Chhattisgarh,*

***Abstract:** The purpose of the thesis was to investigate and analyze how well the current PRP and Reward system of Vihaan Lifecare helps generate employee work motivation. More specifically it aimed to find out which aspects of the PRP & reward system functions well, and which aspects could be further developed and improved in order to increase employee satisfaction. The theoretical part of the study introduces different theories of motivation and rewarding. The empirical part of the thesis was conducted by using a Exploratory and descriptive research design. Stratified and Quota sampling has been used to select a sample from the population. The researcher contacted 90 employees in office and request was made to them to fill up the questionnaire with correct and unbiased information. The aim of the research was to compare the different reward systems used in Vihaan Lifecare results revealed how they can develop their reward system by including the employees in the decision - making process. The research supports the assumption that a well developed and functional PRP &reward system can increase employee motivation and satisfaction.*

I. INTRODUCTION

Performance-related pay or pay for performance, not to be confused with performance-related pay rise, is a salary or wages paid system based on positioning the individual, or team, on their pay band according to how well they perform. Car salesmen or production line workers, for example, may be paid in this way, or through.

Reward Managing reward is largely about managing expectations what employees expect from their employers in return for their contribution and what employers expect from their employees in return for their pay and the opportunity to work and develop their skills. Expectorations are built into the employment relationship, the starting point of which, from the rewards point of view, is an undertaking by an employee to provide effort and skill to the employer, in return for which the employer provides the employee with a salary or a wage. The purpose of managing the system of rewards within the organisation is to attract and retain the human resources the organisation needs to achieve its objectives. To retain the services of employees and maintain a high level of performance, it is necessary to increase their motivation and commitment. In effect the organisation is aiming to bring about an alignment of organizational and individual objectives when the spotlight on reward management.

Vihaan life care is a pharmaceutical company situated in Bilaspur Chhattisgarh. It is into manufacturing of Drugs & Medicines. They have different manufacturing and distributing units. Each units have around 60 employees. They conduct performance appraisal twice a year and reward system and increment depends on that performance appraisal.

II. OBJECTIVES OF THE STUDY

A. To study the effect of PRP on employee performance.
B. To identify various rewards and other benefits provided to motivate private sector employees.
C. To identify the most influencing factor to employee performance with PRP.
D. To find out extent of correlation between pay system and performance of employees at vihaan lifecare.
E. To know about the employee perception and satisfaction with respect to PRP policy at vihaan lifecare.

©IJRASET: All Rights are Reserved

F. Hypothesis

1) *H01*: Reward system and PRP are the most powerful factor to employee's motivation
2) *H02:* There is no significance impact of PRP on employee performance and PRP.
3) *H03*: There is no significance difference in organizational performance of selected organization of pharmaceutical company
4) *H04*: Employees of vihaan lifecare are satisfied with their PRP polic
5) *H05*: There is no significance difference in employee perception regarding PRP in prevailing organization.

III. RESEARCH METHODOLOGY

A. Research Design

Research Design is a plan, structure and strategy of investigation so as to obtain answer to research question and to control variance. A good research design has the characteristics which is problem definition, specific methods of data collection and analysis. The function of research design is to ensure that the required data collected accurately and economically. Exploratory and descriptive research design has been used in the study. In the present study, an attempt has been made to discuss various aspects of performance related pay and reward system practices and its impact on organizational performance.

B. Sampling Plan

Sampling is an effective step in collection of primary data and has a great influence on the quality of results. Population of the study includes various categories of employees of Vihaan pharmaceutical. Stratified and Quota sampling has been used to select a sample from the population. The researcher contacted 90 employees in office and request was made to them to fill up the questionnaire with correct and unbiased information. The duly filled in questionnaires were edited by the researcher in accordance with the requirements of the objectives and hypothesis.

C. Sample Size

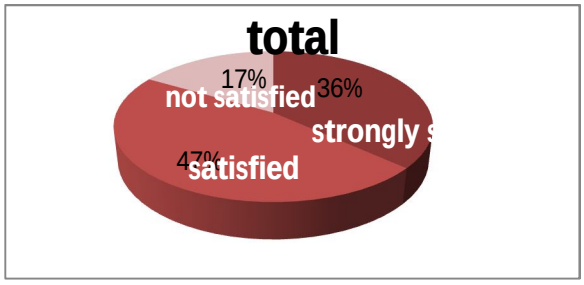
Sample size for research is 30 respondents which include different classes of employees of Vihaan life care. Selection of the employees is done on the basis of convenience sampling and respondents on the basis of non- probability sampling. The formed questionnaire was mailed to the employees in order to gain the highest possible response rate. In order to minimize the frustration of the respondents and hence the amount of uncompleted questionnaires, the number of questions was limited to a minimum. The questions were written as short as possible and the respondents did not need to write down any answers, only mark with a tick whether they strongly agree, agree, or disagree.

IV. RESEARCH FINDINGS AND ANALYSIS

This research studies whether or not a reward system helps generate employee motivation in vihaan lifecare. More specifically it aims to reveal what reward system would be best suited for the company in question and how to increase employee motivation and satisfaction. The population size of this study was limited to 30. 30 individuals answered the questionnaire which gives a response rate of 100%.

A. Employee satisfaction vihaan- lifecare's PRP & reward systems

The questionnaire was designed to show how the reward system and PRP of vihaan lifecare
Satisfy employees. The questions were designed to measure fairness, work climate, work attitude, the effect the reward system has on work effort and the overall satisfaction with the reward system. The results of the study show that the majority(47%) of the respondents were satisfied with the PRP, Rest 36% and strongly satisfied and 17% are not satisfied.



©IJRASET: All Rights are Reserved

A. Results Concluded

Based on the research conducted by analyzing the employees' attitudes towards the PRP & reward systems of vihaan lifecare and the overall work motivation of the employees, we can draw following conclusion:

1) Regarding the most motivating factors, the majority of the employees agree tha airness, personal growth, salary, recognition, work environment and responsibility are most important. The work itself and the success of the company were not considered as motivating

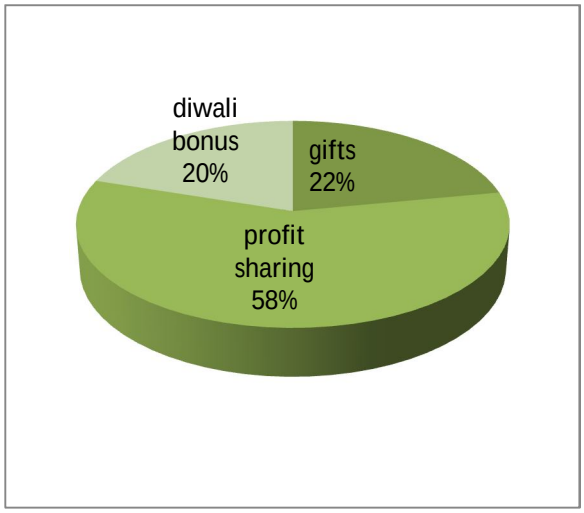
2) The results of the questionnaire elaborate that a combination of material reward and verbal recognition as well as encouragement would be the essential

3) In order to make the rewards more motivating the employer should include the employees to a greater extent in the decision making process and development of the reward

4) Profit sharing was considered as the most motivating reward due to the fact that, it is fairly distributed and the employees themselves can decide how to invest the money. The majority of the respondents felt that they were ready to increase their work effort in order to receive the reward

5) The Diwali bonus was the least motivating reward due to the reason that it is was however perceived to have a positive impact on work atmosphere

6) The Gifts were preferred as reward because they are linked to individual work performance and not company performance. The majority of the respondents felt that the reward did not motivate them because it does not match their work effort.



V. CONCLUSION

Employee motivation is one of the most essential parts in a company's development and success. It is hence vital for an employer to understand what motivates the employees

and how to maximize their overall job performance. Based on the results of this study I have come to the conclusion that there are two major factors that have a profound effect on work motivation in Vihaan lifecare. One is intrinsic motivation which comes from inside the employee and is related to his or her feelings. Examples on this are personal growth, the feeling of achieving something, responsibility and freedom to act. The other factor is extrinsic motivation where outside factors such as salary, rewards and criticism motivate the employee's. The reward was found to best match the individual work effort and was motivating due to the fact that the employees had the opportunity decide how to invest the money.

REFERENCES

[1] Armstong, Michael. 1977,Human Resource Management Practice, 7th edition.
[2] Mikander, Carolina. 2010, The impact of a reward system on employee motivation in Motonet-Espoo.

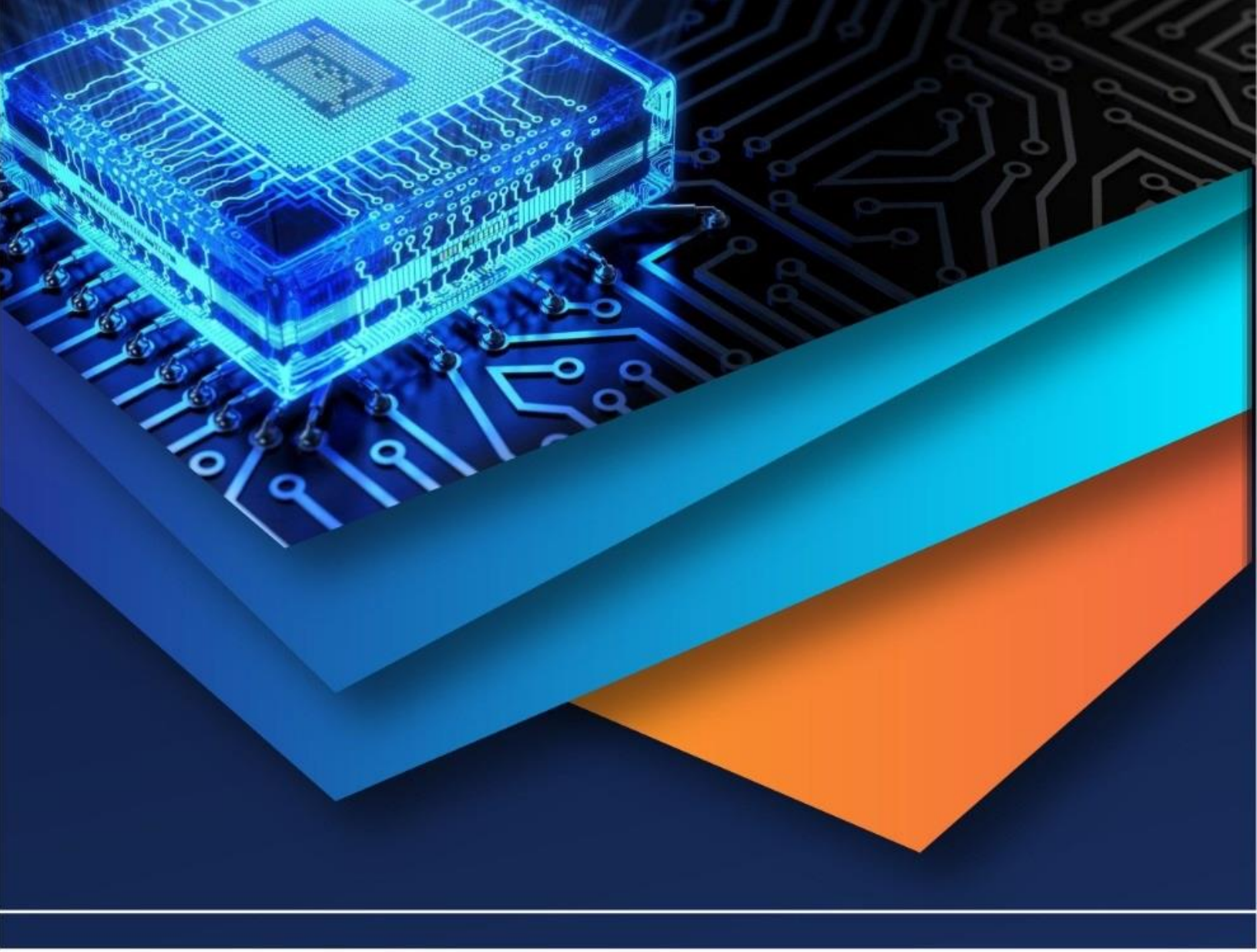
©IJRASET: All Rights are Reserved

AUTHORS



Rishika Singh pursuing M.Phil.in management from Dr. C.V. Raman University Kargi Road, Kota, Bilaspur, Chhattisgarh, MBA in finance and human resource management.

©IJRASET: All Rights are Reserved



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Call : 08813907089 (24*7 Support on Whatsapp)