

A STUDY ON EMPLOYEES ATTITUDE TOWARDS MONETARY AND NON MONETARY REWARDS

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ABSTRACT

The research explores the concept of employee's attitude towards monetary non-monetary rewards. This research indicates performance based rewards are rated as the most important form of monetary compensation. Achievements are found to be important indicators of the job satisfaction. This research is based on employee's attitude towards monetary and non-monetary rewards. An employee's attitude can be defined as a persistent tendency to feel and behave in a particular way towards some object.

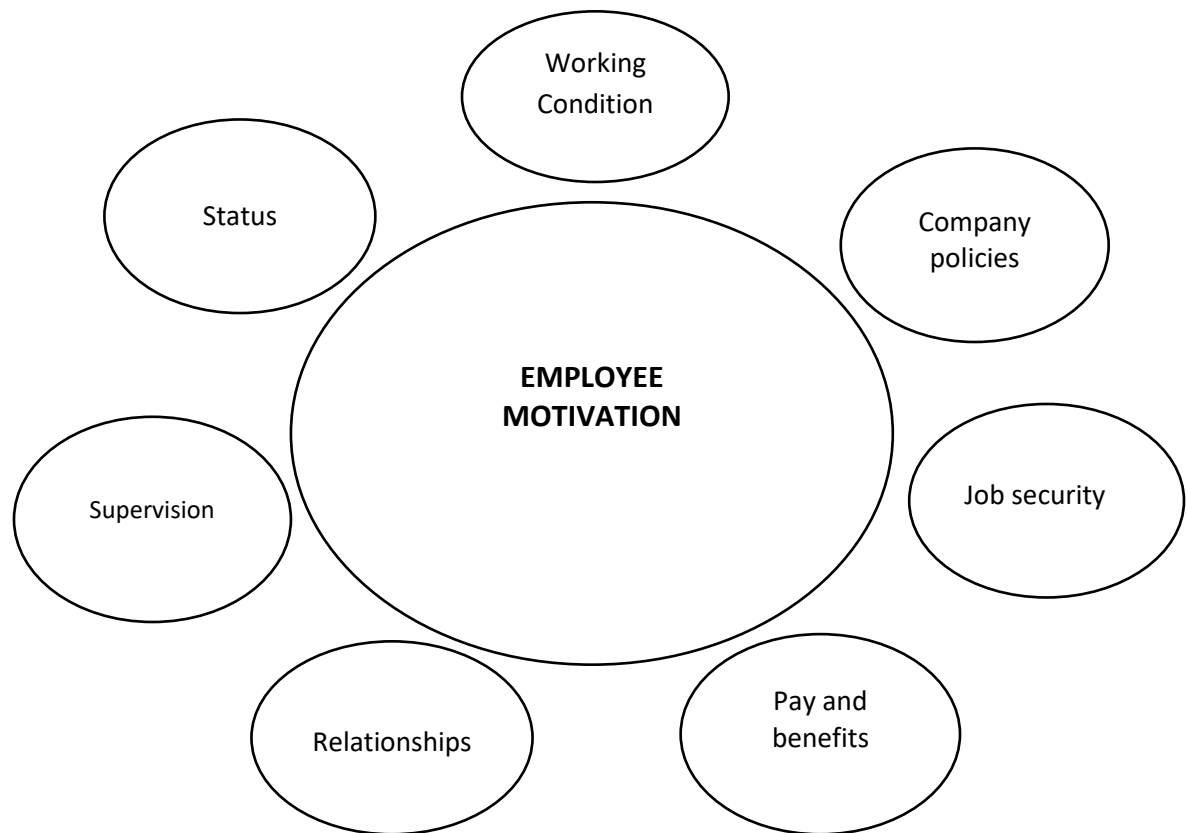
The need for the study arose because of the employee's attitude on monetary and non-monetary rewards which are an important issue. Researching this issue will reduce turnover and attrition rate such a background has resulted in the current research. The research was conducted from a sample of 100 was selected & data gathered from the respondents were carefully analyzed and interpreted. I found that highest number of respondents seems to have a positive attitude towards their job

Keywords: Employee Attitude, Monetary Rewards, Non-Monetary Rewards

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BACKGROUND OF THE STUDY**Motivational factors**

Monetary factors/ incentives	NON-monetary factors/incentives
Attractive salary/wages and allowance	Job security and job enlargement
High rate of bonus.	Fair treatment to employees.
Liberal monetary incentives	Recognition of good work.
Allowances such as over time allowance, medical Allowance, leave and travel allowance	Encouragement for self-development and career development.
House rent, educational and recreation Allowances	Delegation of authority to subordinates
Special incentives	Congenial working conditions, Helpful attitude of management, Fair opportunity of promotion



Executive Compensation:

The pay of executive is merely a special case within the topic of compensation: Executives Salaries: Organizations justify such extra ordinary salaries for their executives.

Stock options:

Stocks options have been a common incentives offered to executives. They generally allow executives to purchase, at some time in the future a specific amount of the company's stock at a fixed price.

Voluntary Benefits

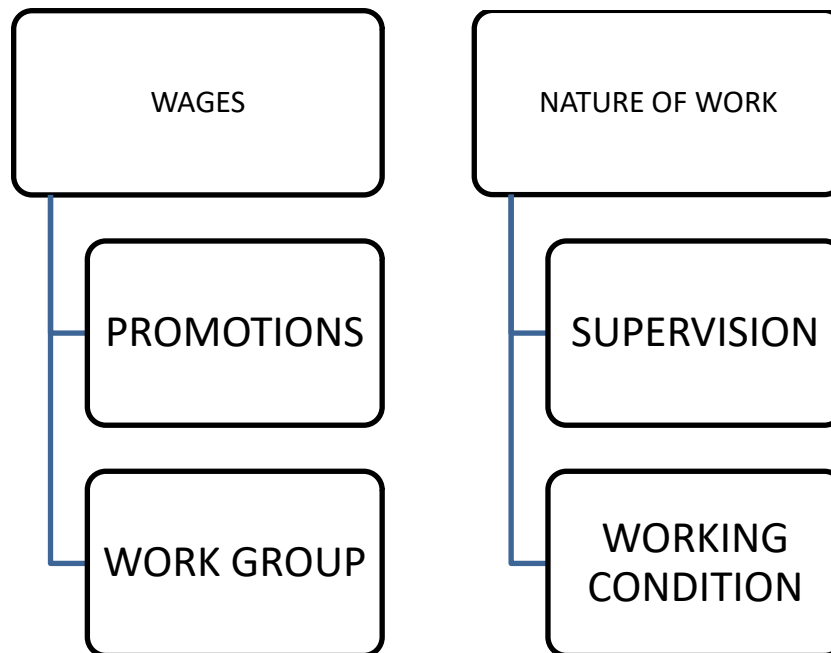
- insurance
- Rest periods
- Holidays and vacations
- Leaves of absence
- Pension programs capital Accumulation plans and

Theoretical Background:

Job satisfaction: “The term job satisfaction refers to an individual’s general attitude towards his or her job. A person with high-level of job satisfaction holds positives attitude towards the job, while a person who is dissatisfaction with his or her work holds negatives attitudes about the job”.

Source of the satisfaction:

Several job elements contribute to job satisfaction. The most important among them are the wages Structure, nature of work, promotion chance, quality of supervision, workgroup, working conditions.

**Wages:**

Wages play a significant role influencing job satisfaction. This is because of two reasons, money is and an important instrument in fulfilling ones needs and two employees often sees pays a

reflection of management concern for them. Employees want pay system, which is simple, fair and in line with their expectations.

Nature of work:

Most employees have intellectual challenges on job. They tend to prefer being, given opportunities to their skills and skills and abilities and being offered a variety of tasks, freedom and feedback on how well they are doing. These characteristics make jobs mentally challenging.

Promotions:

Promotional opportunities affect job satisfaction considerably. The desire for promotion is generally strong among employees as it involves changes in job content, pay responsibility, independence, status and like.

Supervision:

There is a positive relationship between the quality of supervision and job satisfaction. Satisfaction who establish a supportive personal relationship with subordinates and take a personal interest in them contribute to their employee satisfaction.

Work group:

The work group does serve as a source of satisfaction to individual, employees. It does so primarily by providing group members with opportunities for interaction with each other. The work group is even stronger source of satisfaction when members have similar attitudes and values.

Working Conditions:

Working condition that are comparative with an employee's physical comfort and facilitate doing a good job contribution to job satisfaction.

Turnover:

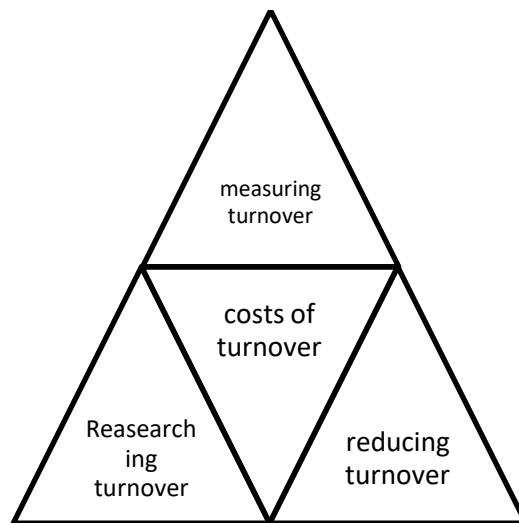
Most movement takes place through employee promotions, demotions and transfer; another form of employee motivation involves turnover; the movement of employees out of the organization.

Turnover result from resignations transfers out of employees out of the organizational units, discharges, retirement and death. A certain amount of turnover is expected unavoidable and considered beneficial to the organization. New employees may inject fresh blood into the firm by introducing new ideas and methods and innovative, more effective ways of doing things. In addition, turnover may help to rectify poor hiring and placement decisions. Turnover that hurts organization is known as dysfunctional turnover .the costs of turnover to American industry is estimated to be several billion dollars a year. Examples include the following

1. Increased recruitment, selection and placement costs.
2. Increased T&D costs.
3. Lower productivity and more accidents scrape page and quality problems.
4. Distribution in programs and as projects as managers and administrations
5. Leave.

Types of turnovers:

- Measuring turnover
- Researching turnover
- Reducing turnover
- Costs of turnover



➤ **Measuring Turnover:**

To help the companies analyze their turnover rates the bureau of national affair collects turnover data in the its regular survey. This data concerns monthly turnover rates turnover rates and is reported on a quarterly basis.

The producer for calculating turnover rate is

$$\text{Monthly/ yearly turnover rates} = \frac{\text{Number of separation during month/year} \times 100}{\text{Average number of employees on payroll during monthly/year}}$$

The number of separations includes all permanent separations except those who have been laid off. Persons who have been laid off are excluded from the calculations entirely. Therefore, the BNA's is report is primarily a measure of how many people have quit or have been dismissed.

➤ **Researching turnover:**

Like absenteeism, turnover may stem from a variety of causes. Therefore, it is generally prudent to research the problem by using a variety of research methods. When researching turnover management is usually concerned only with learning more about voluntary turnover the reasons why good employees quit those who are retire of terminated for unsatisfactory performance are generally not the focus of research. Because job satisfaction is a significant cause of turnover, researchers often pinpoint specific areas of work that are causing high levels of dissatisfaction. Attitude surveys and interview can be most useful for this purpose: exit interview are particularly

Valuable in discovering the causes of the turnover.

Turnovers: highly dissatisfied at work, free of external pressure to stay and will quit at the first chance.

➤ **Reducing turnovers:**

In a meta-analysis on turnover that summarized many studies, several approaches to reduce turnover were reported. Programs designed to enhance job satisfaction may reduce turnover because of the link between job satisfaction and turnover, such programs include fair wages and

salary structures, competitive benefits packages, T&D, opportunities for advancement and employee grievance procedures.

Selection procedures that place the right person in the right job. Proper orientation procedures.

Close contact between the supervisor and new employee so that the supervisor may iron out early job problem and support the employee. Supervisor training and pen lines of communication between the supervisor and the employee. Explaining benefits to employees and showing how their total wage and benefits package compare favorably to that of the other firms in the area of discontent.

➤ **Costs turnover:**

Like absenteeism the costs turnover is surprising high much higher than most people suspect. These costs includes the direct employment costs of recruiting, interviewing, testing, checking on the references and previous work experience, moving expenses, and constructing a new employee file. The severance costs such as pay, terminal, vacations and unemployment compensation; and the other indirect costs of the lost production while the new employee develops new skills. Review helps this study relation to employee's attitude on monetary and non-monetary rewards and efforts and its effect on attribution concept in a broader aspect. Through reviews, it is possible to assimilate and deduce the relation between monetary and non-monetary rewards and attribution.

Theories of job satisfaction:

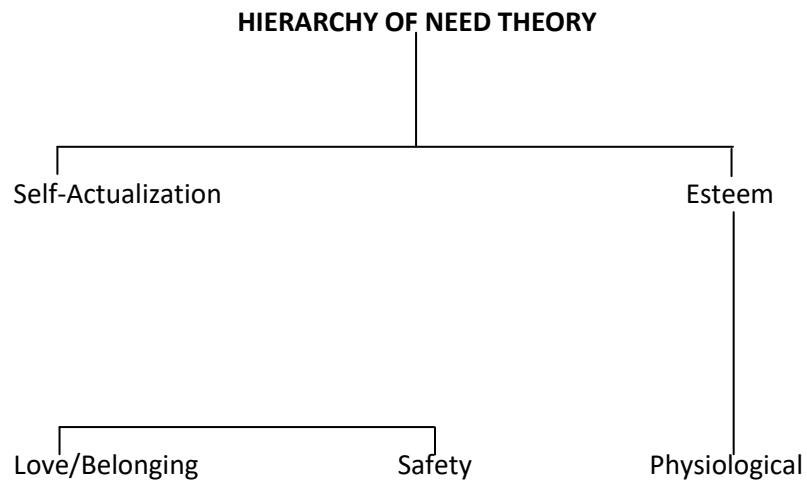
Herzberg's Two-Factor theory Motivation-hygiene

Job satisfaction	Herzberg's two-factor principle	Job satisfaction
Influenced by Hygiene Factors	Improving the satisfier Factors increases job satisfaction	Influenced by satisfier factors
<ul style="list-style-type: none"> • Working conditions • Coworker relations • Policies and rules 	<ul style="list-style-type: none"> • Improving the Hygiene factors • decreases job satisfaction 	<ul style="list-style-type: none"> • Achievement • Recognition • Responsibility • Work itself

<ul style="list-style-type: none">• Supervisor quality		<ul style="list-style-type: none">• Advancement• Personal growth
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Motivation: Acknowledge what you need to do plan what you will do

Hierarchy of needs theory:



Self –fulfillment needs:

Self -actualization: achieving one’s full potential including creative activities.

Esteem needs: Prestige and feeling of accomplishment.

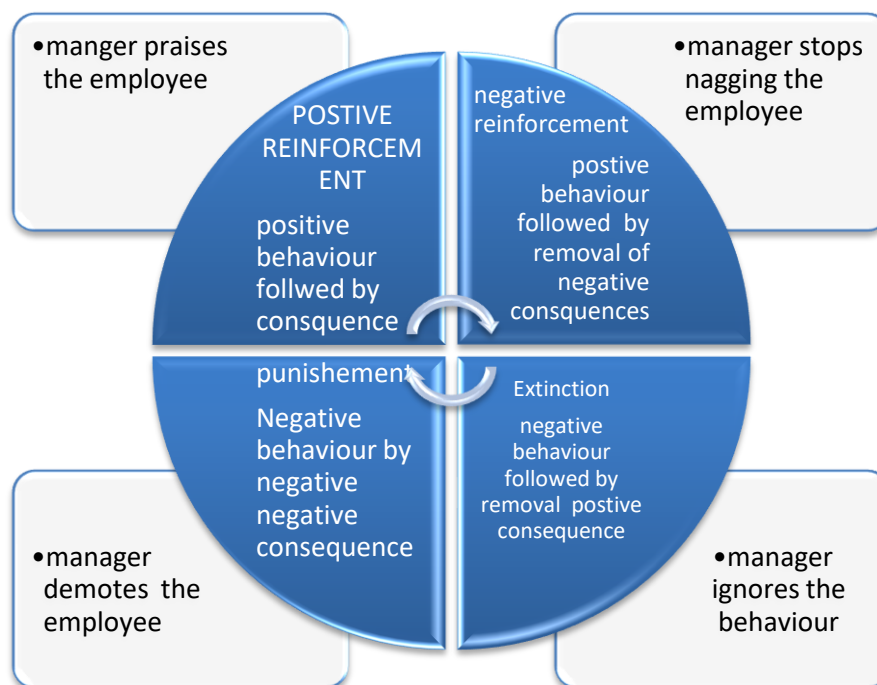
Belongingness and love needs: intimate relationships, friends

Safety needs: security, safety

Physiological needs: food, water, warmth, rest

REINFORCEMENT THEORY:

The assumption that behavior is a function of its consequence - Concepts: behavior is environmentally caused, behavior can be modified by providing (controlling) consequences. Reinforced behavior tends to be repeated various reinforcement schedules are in use. Contradictory to goal-setting theory which is a cognitive approach (individual’s purposes direct his behavior). Theory ignores feelings, expectations, attitude, etc of a person to affect his behavior.



ERG THEORY:

In ERG theory Clayton Alderfer developed a new model to explain the simultaneous nature of Maslow's five needs. Alderfer compressed Maslow's hierarchy of needs from five to three

1. Existence needs: includes all material and physiological desires (food , water , air ,safety, physical love and affection).
2. Relatedness needs: Encompass social and external esteem; relationships with significant others like family, friends, co-workers and employers. This also means to be recognized and feel secure as a part a group or family.
3. Growth Needs: internal esteem and self actualization; these impel a person to make creative or productive effects on himself and the environment.

Expectancy theory:

Expectancy theory considers

Motivation = expectancy * instrumentality * Valence

Expectancy	Instrumentality	valence
<ul style="list-style-type: none"> • “Can I achieve the desired level of work performance?” 	<ul style="list-style-type: none"> • “What work outcomes will be received as a result of the performance?” 	<ul style="list-style-type: none"> • “How highly do I value work outcomes?”
<ul style="list-style-type: none"> • Perceived probability that effort will lead to good 	<ul style="list-style-type: none"> • Perceived probability That good performance will lead to desired outcomes 	<ul style="list-style-type: none"> • Value of expected outcomes to the individual

Equity theory:

A person feels equitably treated when his outcome/input ratio is equal to other person's outcome/input ratio

First developed in 1993 by John Stacey Adams

Employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outcomes of others.

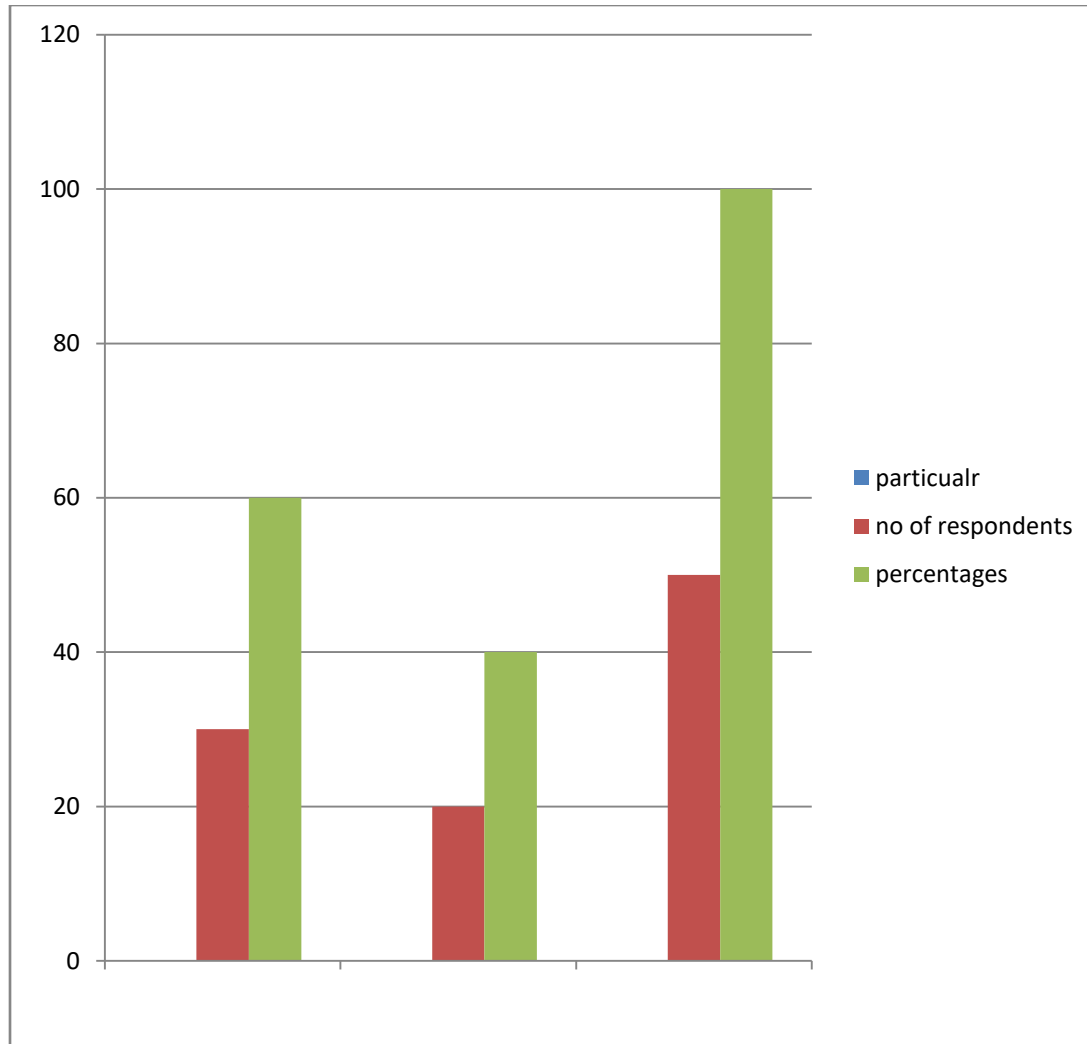
The structure of equity in the work place is based on the ratio of ratio of inputs to outcomes

Satisfaction = individual's input – output = referent other's input – other's output

1. Interest towards job for respondents:

Particular	No of respondents	Percentages (%)
Yes	30	60
NO	20	40
Total	50	100

Graph indicating interest towards job

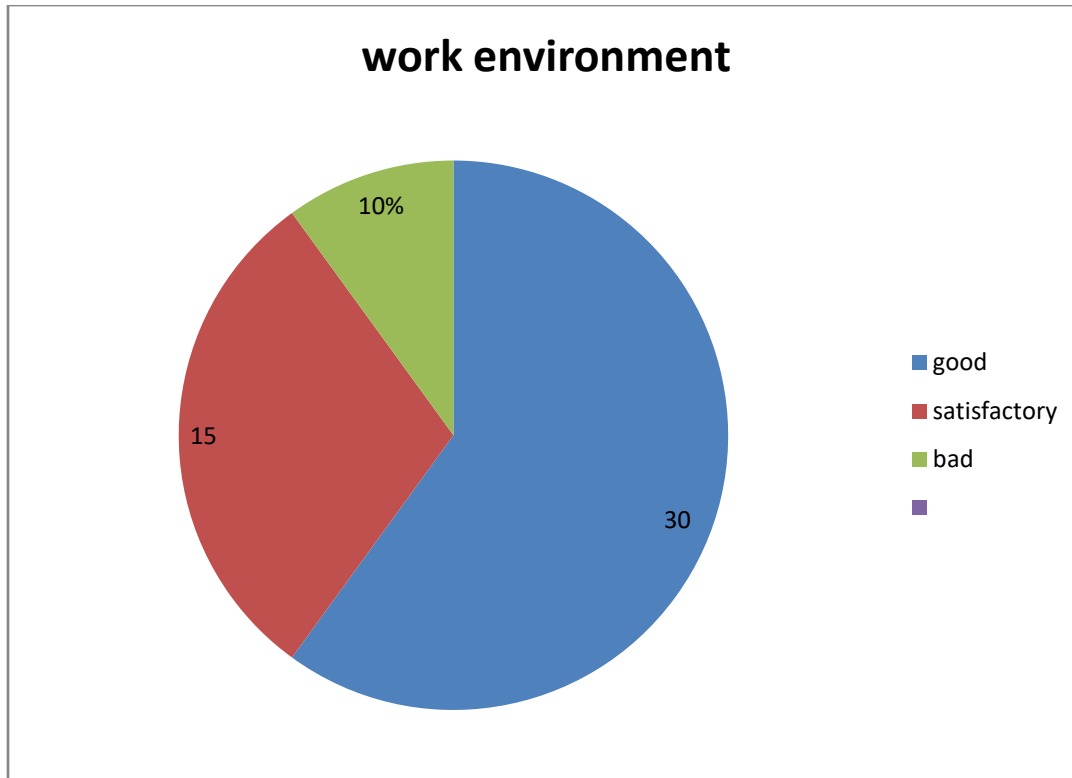


The above graph indicating that 60% of respondents say yes there is interest towards a job. 40% of respondents say that there is no interest towards job.

2. Work environment :

SL.NO	Particulars	Response	Percentage
1	Good	30	60%
2	Satisfactory	15	30%
3	Bad	5	10%
Total		50	100

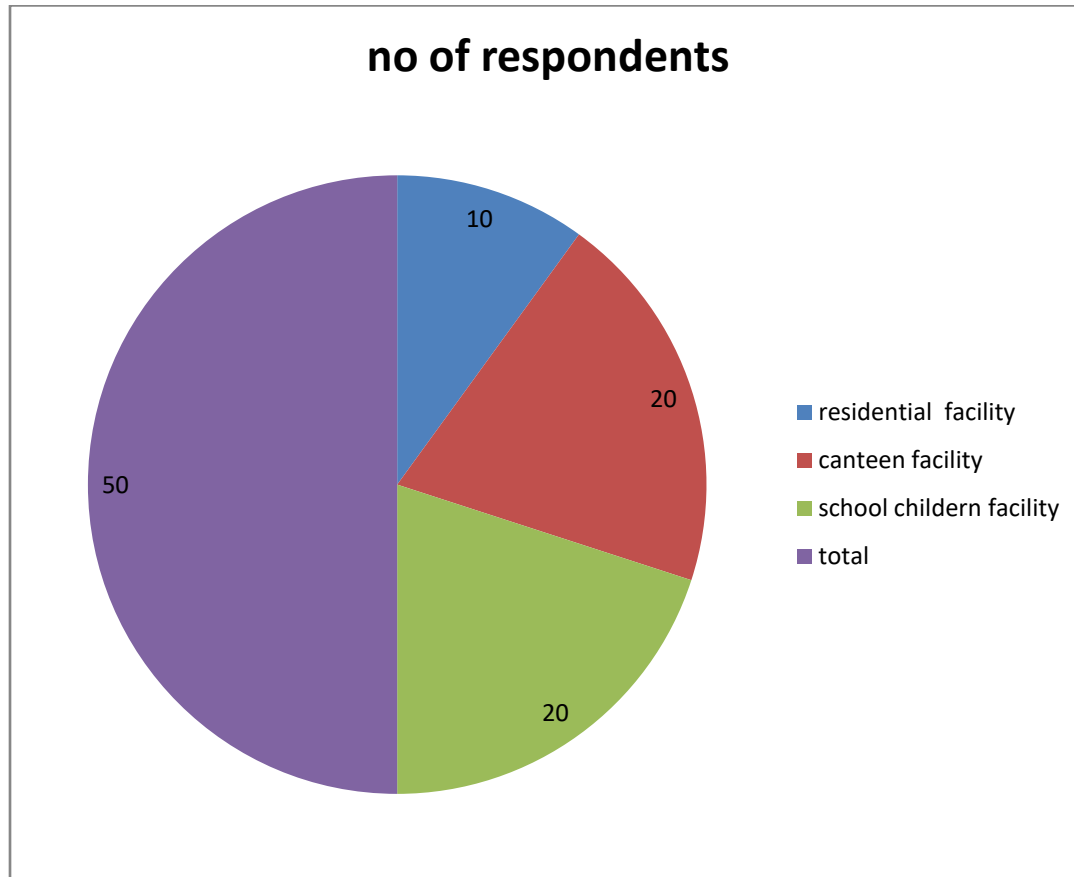
This graph indicating work environment of respondents

**Interpretation:**

The above chart it is observed that 60% of the employees liking of their working environment, 30% of employees are satisfaction with their work environment, 10% of employees feel bad about their work environment.

3. Kind of facilities provided by the organization

SL.NO	Options	No of respondents	percentage
1	Residential facility	10	20%
2	Canteen facility	20	40%
3	School children facility	20	40%
Total		50	100%

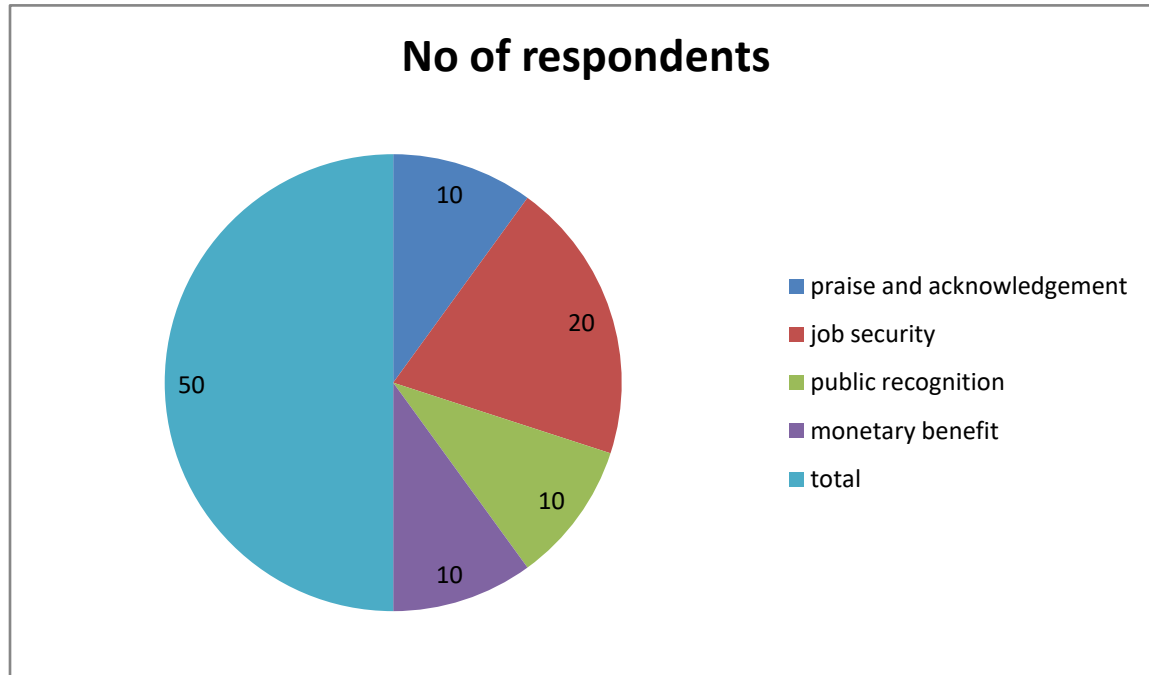
No of respondents**Interpretation:**

The tables showing that respondents opinion about kind of the facilities are provided by the all the above and canteen facility is 40% and school children facility is 40% and residential is 20%

4. Factors of motivation affect the level of motivation towards work

SL.NO	OPTIONS	NO OF RESPONDENTS	PERCENTAGE
1	Praise And Acknowledgement	10	20%
2	Job Security	20	40%
3	Public Recognition	10	20%
4	Monetary Benefit	10	20%
Total		50	100%

Graphs indicating the factors affect level of motivation towards work



The above table shows that 40% of the respondents says that job security is effect the level of motivation towards work, 20 % of the respondents says that public recognition affects the motivation towards 20% of respondents says that praise and acknowledgement affects the level of motivation towards work, 20% of respondents says that monetary benefits affects the levels of motivation.

Objectives:

- To investigate the effectiveness of financial incentiveness.
- To investigate the importance of non-monetary and rewards.
- To determine which reward best motivates employee's.
- To study importance of improvement in performance and efficiency of employee.
- To study the deep knowledge and understanding about what should constitute the rewards.

Research Questions:

While doing research on employees attitude towards monetary and non-monetary rewards

I came across some question it is as follows:

1. Employees motivation depends on the following
 - a. Salary
 - b. Responsibility
 - c. Better growth
 - d. Rewards
2. Employees interest towards job?
 - a. Yes
 - b. No
3. What are the facilities provided by the organization?
 - a. Canteen Facilities
 - b. Schools children facilities
4. What factors affect the level of motivation towards the work?
 - a. Job security
 - b. Public recognition
 - c. Monetary benefits
 - d. Praise and acknowledgement
5. What is the significance of employee motivation?
6. What are the different financial and non financial rewards that can be used to motivate employee's?
7. What are the employee's attitude towards monetary and non-monetary rewards?

Hypotheses :

I generally review each individual performance against agreeing objective. Employee Attitude towards monetary and non-monetary rewards and effects on motivation and levels of motivation are important for the staff motivation attitude behavioral develop communicating individual as well as organizational aim and having positive relationship between management and staff and also increases the level of competence among the employees of organization. Monetary and non-monetary rewards for sharing knowledge increase the performance at group levels of the employees.

Research methodology:

Type of research is qualitative in nature. Research is a systematic method of finding solutions to the problems. It is essentially an investigation recording and an analysis of evidence for gaining knowledge, the data were tabulated and itemized according to the Responses sought in the questions

Types of data

Primary data: To study the important factors which are needed to motivate the employee. The information collected through the interaction with H.R manager, departmental head and the other employees from the company.

Secondary data: Internet, Journals , Books and other sources

Statement of the problem:

Employee attitude in the organization greatly influence performance, productivity and motivation. Research is needed to explore and improve employee attitude. Therefore this research aims to study employee attitudes towards monetary and non-monetary rewards, its effects on attribution and level of motivation in the organization.

I recommend the following points:

- ❖ Provide better training facilities for the employees.
- ❖ Recognize individual goals and ambitions and ensure qualitative work environment conducive for the facilitating growth and learning.
- ❖ Customize compensation and incentive plans.

- ❖ Provide an open work culture facilitating individual growth.
- ❖ Ensure transparency in all processes.
- ❖ Provide incentive such as stock options and higher job positions.
- ❖

References:

1. *Organisational Behaviour, Millennium edition, Internet, Journals, etc.*