

## **Impact of Reward System on Job Satisfaction in Automobile Industry in Uttar Pradesh**

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### **Abstract**

This study investigates how reward structures affect job satisfaction in the Indian state of Uttar Pradesh's automotive sector. The study's goal is to examine the connection between different reward system components and workers' degrees of job satisfaction. Incorporating both quantitative surveys and qualitative interviews, a mixed-methods approach was used.

Employees from a range of positions in the automotive sector, including manufacturing, sales, marketing, and customer service, made up the study sample. 200 workers in the Uttar Pradesh automotive industry were given standardized questionnaires to fill out, and the results were used to gauge job satisfaction and perceived reward system effectiveness. A subset of participants was also subjected to in-depth interviews in order to acquire a deeper understanding of their perspectives and experiences.

The study's conclusions show that employees in the auto industry are significantly less satisfied with their jobs as a result of the compensation system. It has been discovered that financial incentives, such as compensation, bonuses, and incentives, play a significant role in influencing job happiness. Non-monetary incentives including praise, opportunity for advancement, and work-life balance were also noted as key factors.

The study also showed that the perceived fairness of the incentive system is a significant factor in determining job satisfaction. Comparatively to workers who thought the system was random or biased, those who thought the rewards were fair and transparent indicated higher levels of satisfaction.

Based on these conclusions, it is advised that organizations in Uttar Pradesh's automobile industry concentrate on creating complete reward systems that include both monetary and non-monetary incentives. A culture of fairness and openness in the distribution of awards must also be established if employers want to increase employee work satisfaction.

The findings of this study add to the body of knowledge on reward structures and job satisfaction, specifically in the context of Uttar Pradesh's automobile sector. The research findings can serve as a roadmap for human resource management strategies, assisting businesses in creating rewarding programmes that enhance employee engagement, contentment, and productivity.

**Keywords-** Reward System, Job satisfaction, Automobile industry, Uttar Pradesh, Motivation, Monetary, Non-Monetary, Incentives

## Introduction

In India's Uttar Pradesh, the automobile sector has a big impact on job prospects and economic growth. With so many automotive businesses operating in the area, the industry plays a vital role in the state's overall development. Given that job satisfaction has a direct impact on employees' performance and organisational outcomes, it is crucial to concentrate on these issues when studying the automotive business.

The reward system that organisations use is one such important component that has an impact on job satisfaction. Long recognised as strong motivators that affect employee behaviour, engagement, and general job satisfaction, rewards can be either intrinsic or extrinsic. The reward system includes a variety of components, including as monetary incentives, acknowledgment, promotions, benefits, and programs to promote work-life balance. Thus, it becomes important to understand how the compensation system affects job satisfaction in the context of Uttar Pradesh's automobile industry.

An important concept, job satisfaction measures how content, happy, and fulfilled someone feels at work. Employee satisfaction is related to increased levels of dedication, output, and loyalty, which improves organisational performance. Dissatisfied workers, contrasted with, can exhibit decreased motivation, greater intents to leave the company, and diminished organisational commitment, all of which could have a negative impact on the efficacy and efficiency of the car industry.

While studies have looked at the connection between pay structures and job satisfaction in a variety of industries, the Uttar Pradesh automobile industry's particular environment has received comparatively little attention. By examining the impact of the compensation structure on employees' job satisfaction on the automobile industry in Uttar Pradesh, this research intends to close this gap. It is possible to get important insights that will help to improve employee wellbeing, retention, and overall organisational success by analysing and being aware of the relation between rewards and job satisfaction.

Examining the sorts of rewards used in Uttar Pradesh's automobile sector, measuring employee job happiness, and examining the link between the reward system and job satisfaction are the main goals of this study. The survey also looks for any notable variations in job satisfaction depending on demographic factors such age, gender, education, and work experience.

## Review of Literature

The literature suggests that rewards can be both intrinsic and extrinsic. Intrinsic rewards include recognition, job satisfaction, and a sense of accomplishment. Extrinsic rewards include pay, bonuses, promotions, and other monetary benefits. Several studies have shown that a well-designed reward system that is perceived as fair and just by employees can significantly improve job satisfaction. Herzberg's Two-Factor Theory states that, rewards such as pay, promotions, and recognition can be classified as hygiene factors, which can lead to dissatisfaction if not present, but their presence does not necessarily lead to job satisfaction. However, if these

hygiene factors are combined with motivators such as challenging work and opportunities for growth, they can lead to job satisfaction.

Other studies have also shown that employees' perception of fairness in the reward system is a crucial factor that influences their job satisfaction. Employees who perceive the reward system as fair are most likely to be satisfied with their jobs than those who perceive the system as unfair.

**Jitendra Kumar Singh & Dr. Mini Jain (2013)** Employees that are content with their jobs are more likely to be successful. In order to maintain the efficiency of the organisation by keeping their employees consistently engaged and motivated, employee job satisfaction is crucial. The management is also challenged by environmental challenges, rising healthcare expenditures, and a variety of worker needs. This could be avoided by building a work climate that encourages exceptional performance at the workplace while also maintaining employee job happiness and achieving work-life balance. This essay provides a general overview of the different factors that affect employee happiness as well as several strategies for enhancing it. Employee job satisfaction can rise with a positive work environment and conditions, and motivated staff members will work more and produce better work.

**Sandeep Dubey & Rohit Dubey (2020)** In the workplace, employee satisfaction affects motivation, retention, and goal achievement. An employee satisfaction survey is used to gauge employee satisfaction. Topics covered in these surveys that may affect employee satisfaction include promotion policies, working conditions, job duties, career prospects, relationships between upper and lower-level management, teamwork, resources, etc. The primary goal of the research study is to investigate employee satisfaction and the degree of employee satisfaction in the automotive industry. According to the research study's conclusions, there are numerous ways that employee happiness is impacted. Rewards, stress, time off, benefits, and remuneration provided by management are all factors that have an impact on employee happiness and are crucial for raising motivation levels.

**Dr. M. Rajarajeswari (2018)** Because of the complexity of human psychology, a manager cannot directly affect an employee's inner state. Employee performance and organisational goals are thus encouraged and motivated by the physical working environment and incentive system. As a predictor of work behaviour, job satisfaction can be a key indicator of how people feel about their work. According to the report, most employees are happy with the many aspects of their jobs that affect their satisfaction. In summary, work-related elements including recognition, performance reviews, handling of complaints, the organization's reputation, personal objectives, etc. have an impact on the relationship between contentment and productivity. Employees are therefore more important to recognise than any other factor in a company's competitive position. For the organisation to maintain a competitive advantage, employee engagement should be a constant activity.

**C. Swarnalatha and G. Sureshkrishna (2012)** In order to analyse the job satisfaction of the employee among the workforce of automotive companies in India, this article examines management practices by incorporating employee compensation, management leadership, employee empowerment, and teamwork. The survey, which

involved 234 automotive industry workers in India, found that employees' job satisfaction levels are only moderate, and that top management leadership should pay special attention to raising these levels. The outcome demonstrates that 1) employee empowerment, 2) teamwork, 3) employee compensation, and 4) management leadership have a substantial link.

**Bhavani, Sharavan and Arpitha (2015)** In Automotive Axles Ltd., this study is conducted to determine the level of employee engagement inside the company. The level of dedication and connection a worker has with the company and its principles is known as their level of employee engagement. An engaged employee is acutely aware of the business environment and collaborates with coworkers to enhance job performance for the organisation. It is a positive attitude that the staff members have towards the company and its core values. Kahn defined workplace engagement as the 'harnessing of organisational members' selves to their job. According to the research, employees have opportunities for promotion. The majority of respondents concur that there is open, two-way communication with motivated staff and that employees are respected and cherished. The majority of responders are driven by the need to better reward and recognise their employees for their contributions to the success of the business.

**Bidyut Bijoya Neog & Dr. Mukulesh Barua (2014)** One of the key sectors for the economy of the nation is the automobile industry. The primary goal of the conducted study of this research is to identify the variables that affect employees' job satisfaction. In this essay, we will investigate the connections between fair remuneration and job satisfaction, job security and job satisfaction, supervisor support and job satisfaction, and working environment and job satisfaction. The outcome showed that the greatest influence on an employee's ability to be happy in their employment is their wage. The influence of supervisor support, a healthy workplace, a high job satisfaction level, a good work-life balance, career opportunities and promotion, and appropriate training and development opportunities have all been found to be very important factors for determining an employee's job satisfaction in addition to pay. The study's findings indicate that employees' job satisfaction levels are generally average, and they urge management to focus on raising these levels. The relationship between numerous aspects is discussed in this paper, along with recommendations for raising employee work satisfaction.

**Prathima Murali (2018)** A great business strategy must include employee motivation. Low morale and a lack of motivation among employees could be a major issue for businesses that want to turn a profit in the marketplace, regardless of how attractive the products and services a company is offering, how effective the company's business and marketing strategy are, and what size of budget a company has to operate. The purpose of this study is to investigate how labour welfare policies affect work satisfaction. The management will benefit from knowing the factors that have a big impact on how satisfied employees are with their jobs. The purpose of this study is to determine how motivating factors and employee job satisfaction are related. The investigation has uncovered how employees feel about the organization's facilities, work atmosphere, and welfare programs.

**Kalyana Janaki Raman & Dr. D. Anitha Kumari (2022)** The corporate environment is dynamic by nature, and for organisations to survive in such an unpredictable market, they must build on their advantages to provide them a competitive edge. The assets of an organisation are its people. Because of this, people need to consistently feel acknowledged and motivated for the work they put in. Money, however, does not necessarily spur workers to put in extra effort (Ganta, 2014). The desired outcomes may be attained with the aid of a strong reward system. This study focuses on the car industry, where the workload can be demanding and employee morale maintenance is crucial. Since the only purpose of such rewards is to acknowledge the value gained from employees' labour, non-financial bonuses and prizes may have a direct impact on the performance of the employees. Non-financial rewards have been demonstrated to have a substantial impact on employee dedication and productivity in the automobile industry.

## Objectives

Investigating the effect of the reward system on job satisfaction in the automotive industry in Uttar Pradesh is the main aim of this study. While the following are some of the specific objectives:

- To research the connection between monetary reward and employees' job satisfaction.
- To identify benefits of non-monetary rewards which leads to employees' job satisfaction.
- To examine the impact of rewards on employees' job commitment.
- To identify the different factors which improve the satisfaction level of employees.

## Research Methodology

The term "research" is used to refer to a variety of related and frequently overlapping activities involving a fact-finding effort. One source can typically be located for a search that is more focused on information than expertise or analysis. Identification of problems must stop. The review of literature shows how crucial the research is and how effective employee benefits have been raising employee productivity.

- This study used **quantitative method** of research.
- **Primary Data:** For the primary data, a well-structured questionnaire has been prepared. The respondent of these questionnaire will be employer and employees of automobile sector.
- **Data Source:** Primary as well as Secondary source.
- **Sample Size:** 200 employees engaged in various automobile industry of Uttar Pradesh.
- **Sampling Technique:** Convenience sampling
- **Research Design:** Descriptive Research Method

## Data Analysis & Data Interpretation

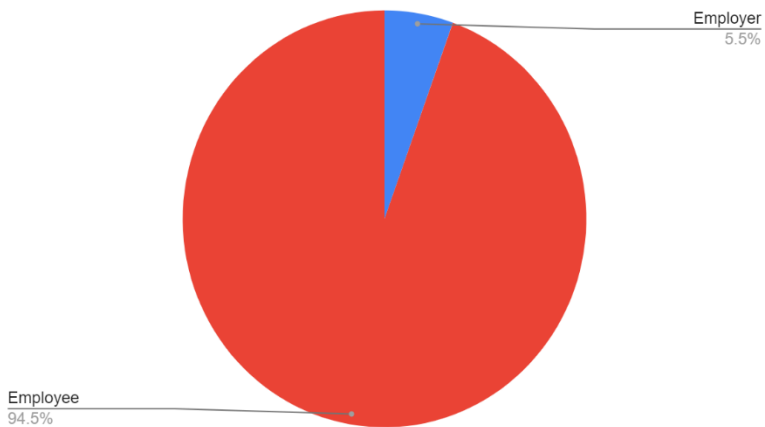
Since this research was descriptive in nature, the frequency of responses was plotted on bar graph and pie chart to understand the major trends.

Gender



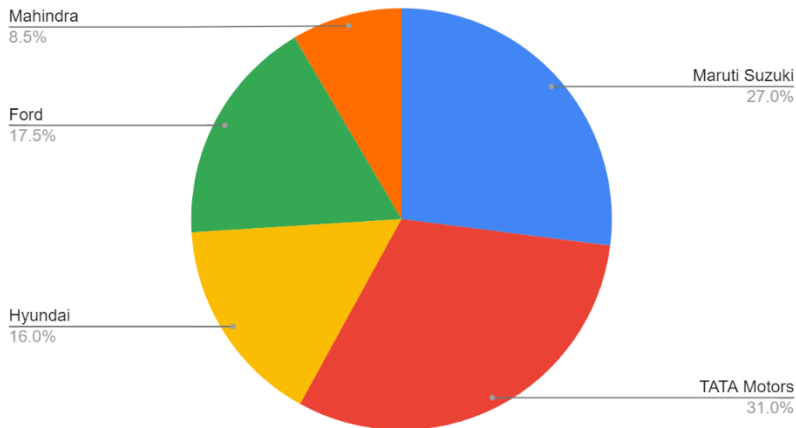
The respondents were male and female, the males are 54.5% and females are 45.5%.

Designation



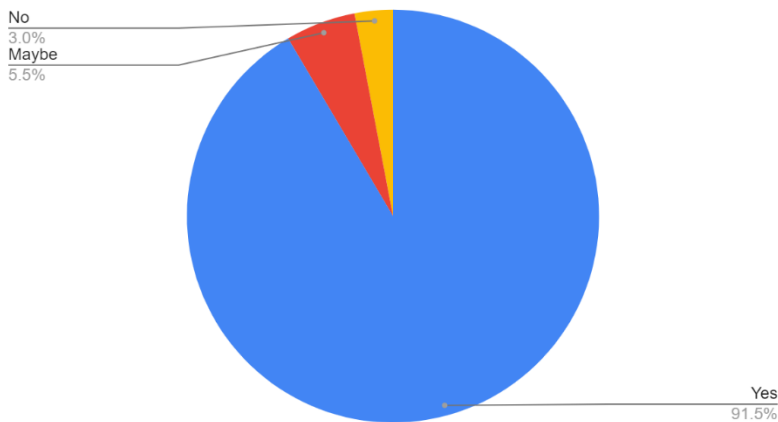
The respondent's designation were employer and employee, employer is 5.5% and employee is 94.5%.

From which automobile company you are connected?



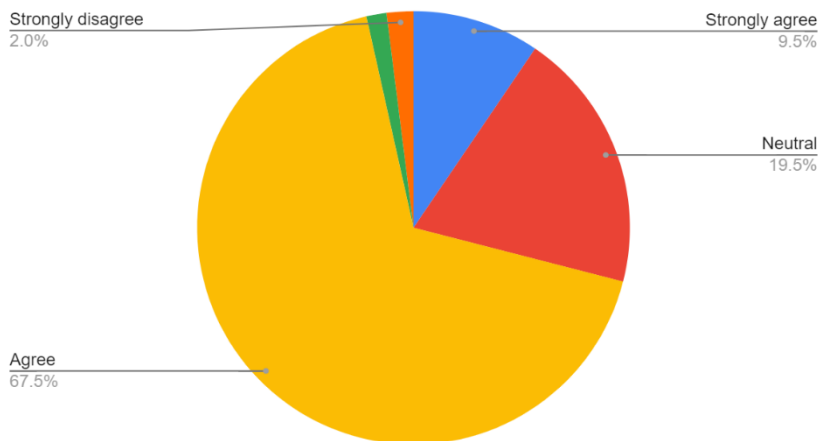
When respondents were asked about which automobile company they are connected (question no.1), 31.0% majority of them are connected with TATA Motors.

Is the reward system achievable?



When respondents were asked about whether reward system achievable which help employee motivation (question no.2), 91.5% majority of them agreed that the reward system is achievable.

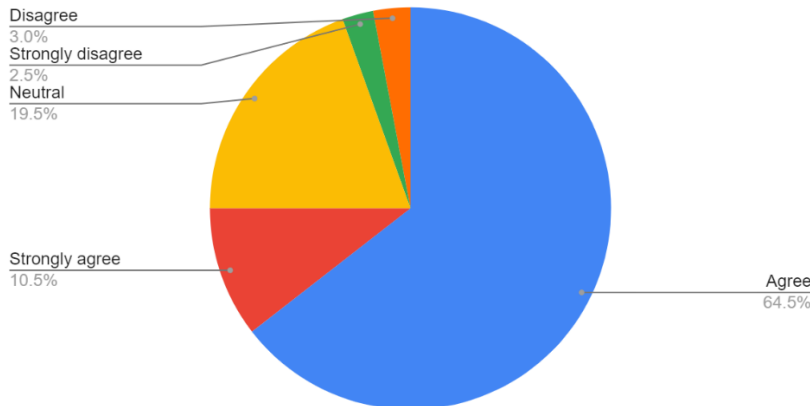
Is reward system fair and transparent?



When respondents were asked about whether reward system fair and transparent that helps in employee position development (question no.3), 67.5% majority of them agreed that the reward system is fair and transparent.

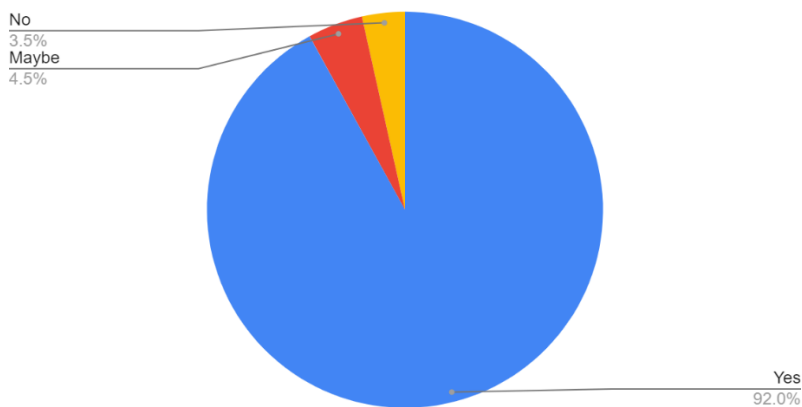


Is equal opportunity provided to every staff for performing his/her best?



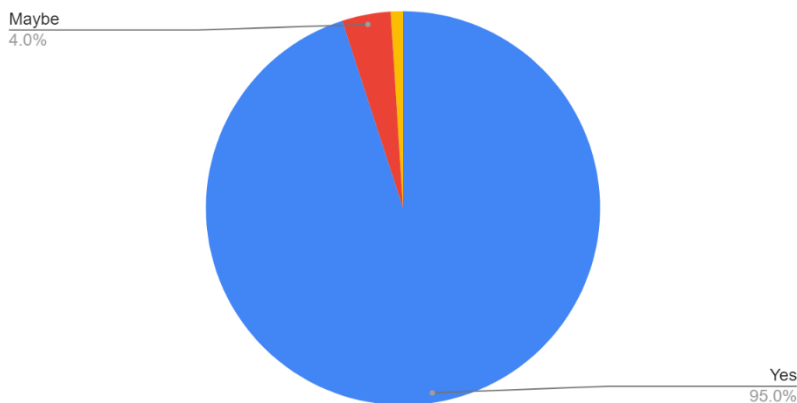
When respondents were asked about whether they are provided equal opportunity at all organizational position (question no.4), 64.5% majority of them agreed that they are provided.

Do you feel that you are rewarded fairly for the work that you do?



When respondents were asked about whether they are rewarded fairly for their work (question no.5), 92.0% majority of them agreed that they are rewarded fairly.

Do you have a clear understanding of what you can do to progress or see an increased reward for your work?



When respondents were asked about whether they have clearly known that what they have to do for their progress (question no.6), 95.0% majority of them agreed that they have clear about their work to perform.

monetary rewards, additional leave, edible gifts, stock options.

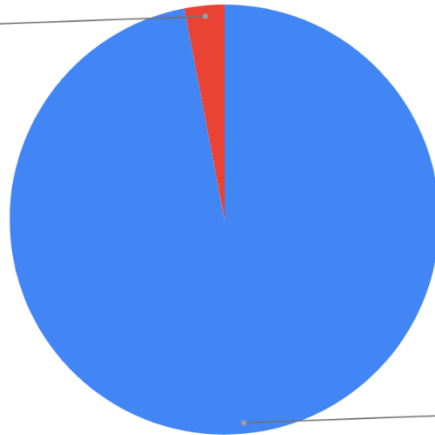
When respondents were asked to rank their monetary rewards, additional annual leave, edible gifts, stock options (question no.7), majority of them agreed that they get



Rank the following types of reward in order of their value to you-

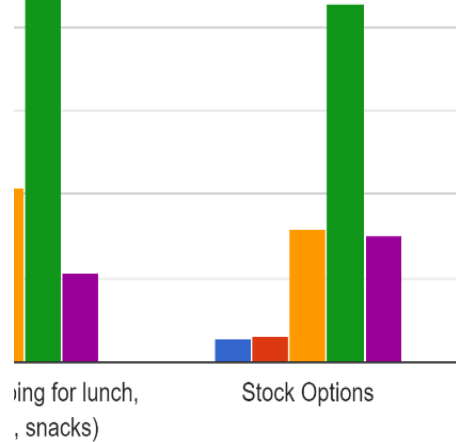
What type of reward do you value most?

Non-monetary  
3.0%



Monetary  
97.0%

Strongly agree

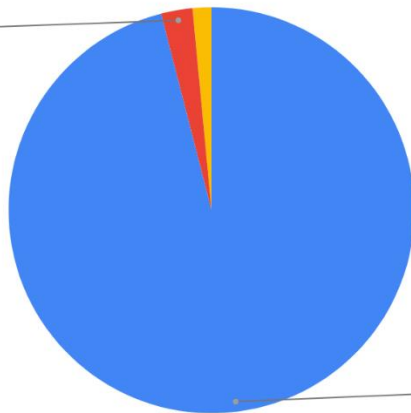


When

respondents were asked about what types of 'reward' they prefer for their achievements most (question no.8), 97.0% majority of them agreed that they prefer monetary rewards.

Does reward system must depend on workload and employee ability?

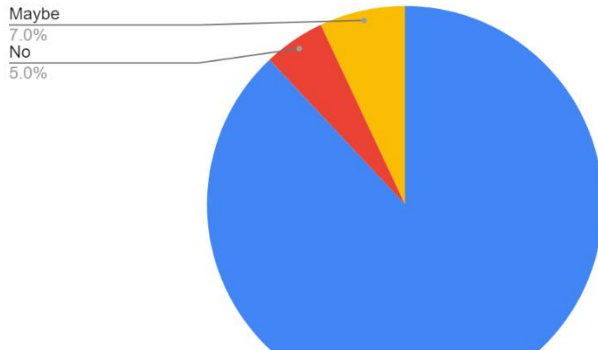
No  
2.5%



Yes  
96.0%

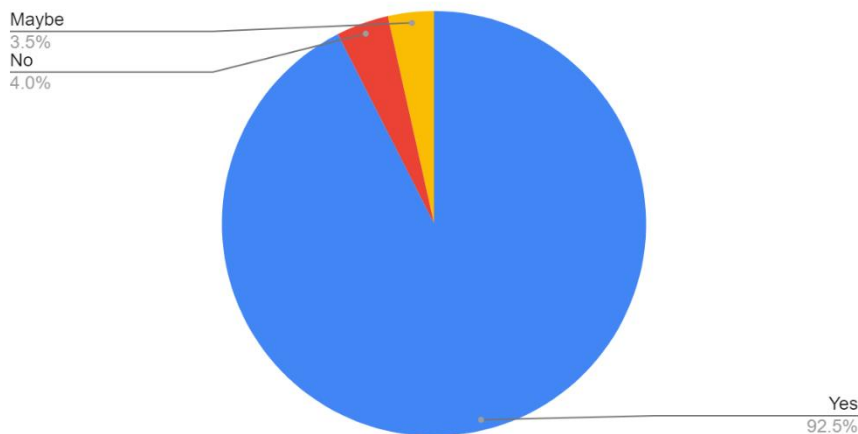
When respondents were asked about whether reward system depend on workload and employee ability what type of reward (question no.9), 96.0% majority of them agreed that reward system depend on workload and employee ability.

Does your company pay more attention to incentives and perks offered to you?



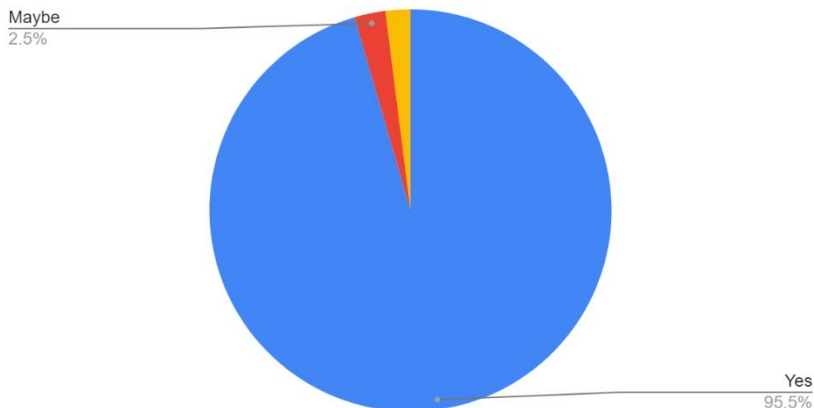
When respondents were asked about whether their company pay more attention to incentives and perks offered to them (question no.10), 88.0% majority of them agreed that their company pays attention towards their perks and incentives.

Do you get recognition/reward that you deserve for your performance?



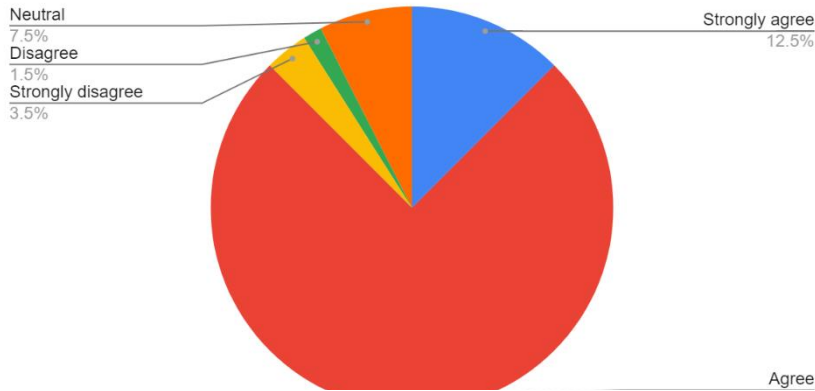
When respondents were asked about whether they get recognition/reward that helps in the development of the organization (question no.11), 92.5% majority of them agreed that they get recognition according to their performance.

Do you think that the implementation of three R's (recognition, reward & respect) will increase job satisfaction?



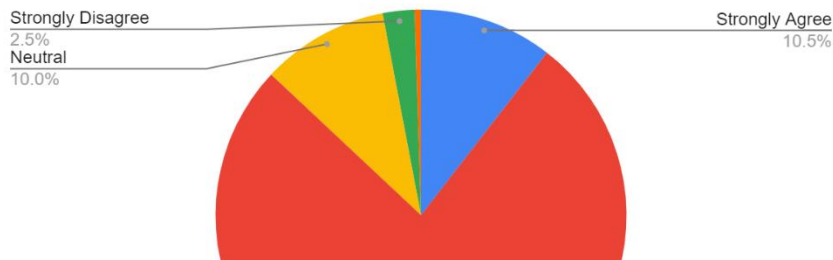
When respondents were asked about whether r's (recognition, reward, respect) will increase employee retention that helps in development of the organization (question no.12), 95.5% majority of them agreed that r's (recognition, reward, respect) do not help that much in employee retention.

Do you agree that reward periodically for your performance is necessary?



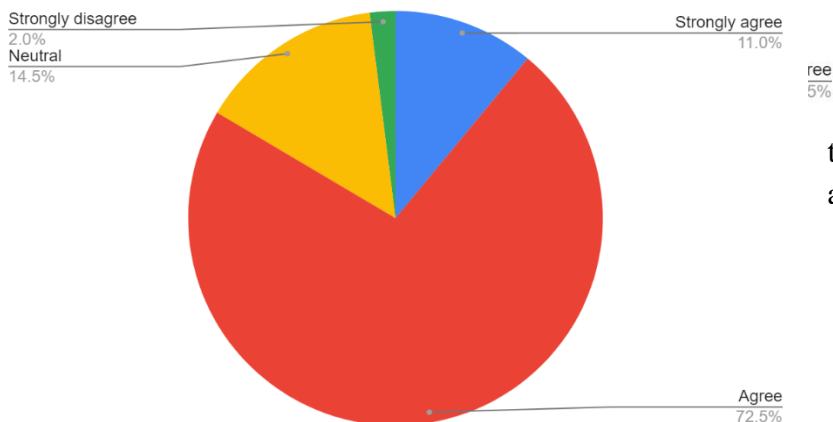
When respondents were asked about whether you rewarded periodically for their performance that helps in development of the organization (question no.13), 75.0% majority of them agreed that they do not reward periodically for their performance.

Is it important that appreciation and rewards for your work by your coworkers and supervisors is necessary?



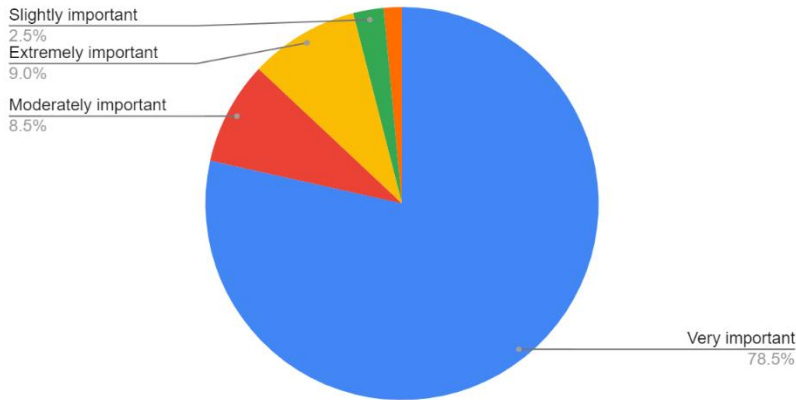
When respondents were asked about whether they get appreciation and rewards for your work by your coworkers and supervisors for their performance (question no.14), 76.5% majority of them agreed that they do not get that much appreciation and reward.

Employee's ability to have an impact on the job?



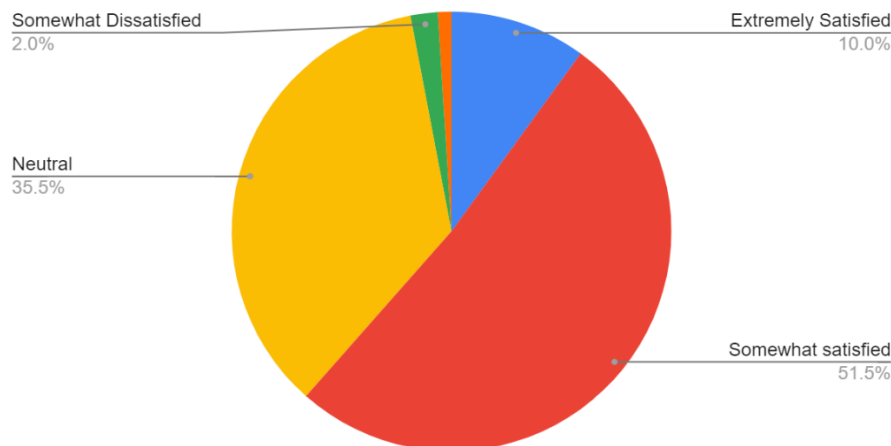
When respondents were asked about whether their ability impact on their job (question no.15), 72.5% majority of them agreed that there is less impact of their ability on their job.

How important is monetary reward to you in determining job satisfaction?



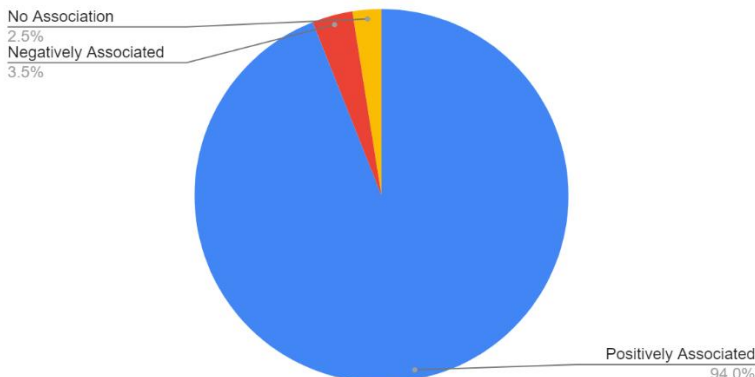
When respondents were asked about whether they have to rate their job satisfaction (question no.16), 78.5% majority of them agreed that there is less satisfaction level.

How satisfied are you with the way your organization provide reward ?



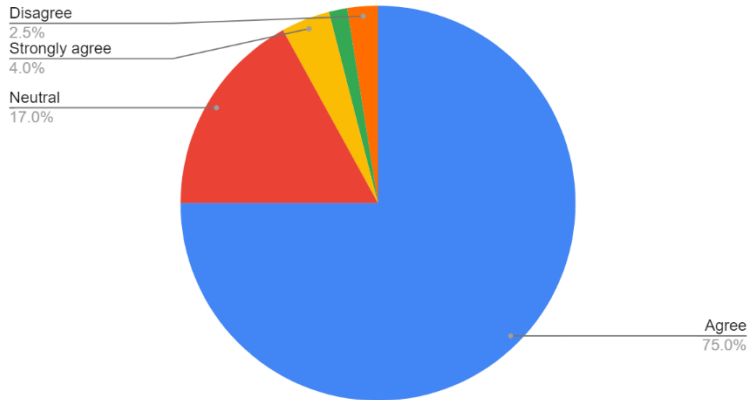
When respondents were asked about that how satisfied the way they get their rewards (question no.17), 51.5% majority of them are less satisfied.

In your opinion, is reward system in the workplace positively or negatively associated with employee job satisfaction?



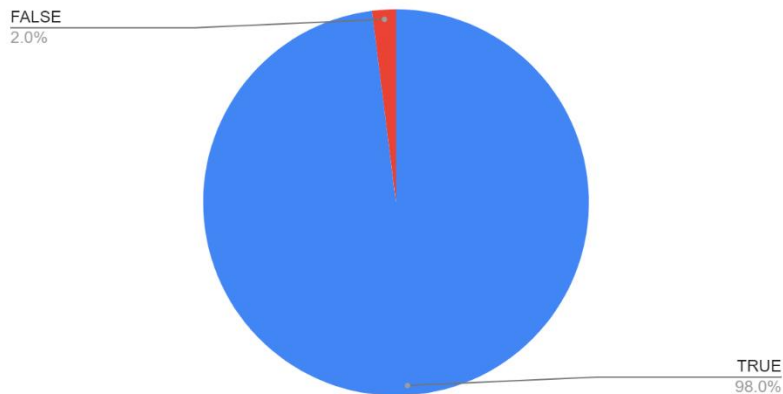
When respondents were asked about whether job satisfaction is related to their reward system that (question no.18), 94.0% majority of them agreed that job satisfaction is related to their rewards.

The one reason for job satisfaction is reward ?



When respondents were asked about whether reward system is the only reason for job (question no.19), 75.0% majority of them agreed that rewards are the only reason for job satisfaction.

People with chronically low job satisfaction tend to experience negative moods in all aspects of their lives?



When respondents were asked about whether they experience negative moods in all aspects of their lives by low job satisfaction (question no.20), 98.0% majority of them agreed that experience negative moods when not satisfied with their jobs.

## Findings

The key findings of the study "Impact of Reward System on Job Satisfaction in Automobile Industry in Uttar Pradesh" are:

- In Uttar Pradesh's automobile industry, there is a major positive association between reward system and job satisfaction. The perception of a fair and open incentive system among employees has been linked to better levels of job satisfaction.
- The questionnaire was filled by 200 respondents and it was found that most of the employees are male.
- Most of the employees were satisfied with their job responsibility.
- It was found that there is participative working environment in their organizations.
- Work is being assigned according to the specific qualification and skills of the employees.
- Organizations not only appreciate the employees for their work but also focus on their career planning.

- Salary plays an important role in motivating the employees.
- Most employees were satisfied by the facilities provide to them by the organization.
- Organization recognize and acknowledge the works of employees.
- Organization provides fair salary scheme to the employees according to their work.
- Maximum number of employees were satisfied from their organization.
- Age, gender, education, and years of experience in the sector all have an impact on job satisfaction.
- The study highlights the significance of having a transparent and fair incentive system in the automobile industry to raise employee job satisfaction.

**Overall**, the study highlights the significance of a well-designed reward system that takes into account both intrinsic and extrinsic benefits in raising job satisfaction among employees in the Uttar Pradesh automobile industry. The study's findings may help managers and decision-makers create rewarding systems that are efficient and profitable to raise worker happiness in the workplace.

## Conclusion

In conclusion, the research on how reward systems affect job satisfaction in the Uttar Pradesh car industry has illuminated the critical connection between these two variables. The research's findings provide important light on the role of rewards play in raising employee happiness and, by retention & their general performances in the workplace.

It is clear from a thorough analysis of the different reward system components, including monetary incentives, recognition, career advancement opportunities, and work-life balance initiatives, that professionals in the Uttar Pradesh automobile industry can experience a significant increase in job satisfaction from a well-designed and implemented reward system. According to the survey, employees report better levels of job satisfaction and are more motivated and committed to their work when they feel that their efforts and contributions are valued and adequately compensated.

Furthermore, in the context of Uttar Pradesh's automobile sector, this research emphasizes the significance of matching the compensation system with the unique demands and preferences of employees. The study found that many demographic parameters, including age, experience, and job functions, can affect how effectively rewards are perceived and how they affect job satisfaction. Therefore, to maximize their beneficial impact on employee satisfaction, reward systems must be designed with a personalized approach that takes individual characteristics into account.

This study has important consequences for businesses and decision-makers in the automobile sector. Organizations may put different tactics into place that encourage a healthy work environment, boost employee morale, and ultimately improve productivity and retention rates by recognising the connection between reward systems and job satisfaction. These results can be used by policymakers to create frameworks and standards that support the adoption of successful reward systems, enhancing employee wellbeing and the industry as a whole. It's crucial to recognize the limits of this study, though. The research's exclusive put emphasis on Uttar Pradesh's

automobile sector limited the applicability of its findings to other areas or industries. Furthermore, the majority of the study's measurements were self-reports, which could induce response biases. Future studies should make an effort to overcome these constraints by using a more diversified sample and a variety of data collection techniques.

As a result, this study emphasizes how crucial reward structures are in determining job satisfaction in Uttar Pradesh's auto sector. Organizations have the opportunity to have a more pleased and engaged workforce, which will increase performance and competitiveness in the industry by recognizing and meeting the needs and expectations of employees through well-designed reward programs and maintain a healthy work environment.

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