

Exploring Relationship among Rewards, Recognition and Employees' Job Satisfaction: A Descriptive Study on Libraries in Pakistan

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Abstract: In today's competitive environment organizations striving to attain competitive advantage by applying different strategic tools. Due to extensive competitive pressure organizations are trying to gain competitive edge by using employees' skills, abilities and expertise. To make the proper utilization of employees' services firms offer different incentives, rewards and recognition programs. Satisfied employees become more committed, dedicated and loyal with their firms as compared to others employees. The core objective of current study is to exploring relationship among rewards, recognition and job satisfaction in employees of libraries. Questionnaire method adopted to collect the responses. Data collected by using the simple random sampling technique. After applying different statistical tools results indicated that rewards and recognition positively related with employees' job satisfaction. Positive correlation exists between reward, recognition and employees job satisfaction. This study provide insight understanding that how organizations can motivate employees by introducing effective rewards and recognition programs.

Key words: Rewards • Recognition • Job Satisfaction • Libraries

INTRODUCTION

Due to intensive competitive environment, organizations have to work very hard to boost up the products, services, internal & external operations and performance of business. Organizations' keen focus is to attain the desired goals in effective and efficient manner. Competition among businesses breaks the organizations to reach their goals and objectives. To achieve desired goals and objectives motivation is a good tactic. Motivated employees produce quality work and accomplish their work with great courage and commitment. So motivation is a momentous factor for making development and progress of a business. In this era of globalization, organizations are trying to improve processes by adopting different tools and techniques. Different resources of organizations support to develop these processes. Human resource is the most important resource for organizations. Organizations hire competent workforce to compete in global environment and to achieve their goals and objectives. To retain workforce into organizations, they have to offer better working environment, job security, empowerment and market based salaries. Top management of organization tries to

equilibrium the relationship between the organization and employees by fulfilling the needs of both the parties. Expectations from organizational point of view are to follow rules, regulations and policies and in return employees' expectations are better working conditions and fair pay.

Rewards are focal device to improve motivation among employees. No organization can imagine reaching its objectives without its motivated employees. Motivated employees are more refreshed and devoted in achieving organizational objectives as compared to those employees who are less motivated. There are two types of rewards; financial and non-financial rewards. Financial rewards include performance bonus, commission, tips and gifts. Non-financial rewards include recognition, praise and appreciation. Recognition is one of the strong motivation factors. Employees feel comfortable when they are praised and recognized. Recognition of an employee enriches his or her energies towards accomplishment of organizational goals and objectives. It must be consistent and given on regular basis. There are two forms of recognition; informal and formal. Job satisfaction is a mixture of opinions and feeling of personnel about their existing job. Level of job satisfaction of employees can be ranged from extreme

satisfaction to extreme dissatisfaction level. Organizations are facing several challenges; the most imperative is the welfare of employees. Employees devote most of their time within organization but they are not quietly gratified. Satisfaction is not only significant for employees' comfort but also for the improvement of organizations' performance.

First segment is about introduction of the topic which we have already described, second segment deals with literature review. Hypothesis and framework is developed in third segment. Methodology study is described in forth segment, which explain sampling and scaling tools and techniques, data collection methodology and measurement methods. Segment five explains the hypothesis testing by applying different statistical tools. The six and seven segments enlighten the description of findings, conclusion, limitations and recommendations for future research.

Literature Review :

Rewards and Recognition: Ali and Akram [1] examined the impact of rewards and motivation on satisfaction. The result indicated that there is significant positive relationship between rewards, motivation and satisfaction of pharmaceutical industry's employees. Employees play crucial rule in the success of business so their motivation through rewards and recognition is necessary, similarly Ali and Ahmad [2] checked the impact of rewards and recognition programs on employee's motivation and satisfaction. This study suggested that there is positive relation of rewards and recognition on job satisfaction. In order to fulfill needs of both the organization and the employees, the top management must develop a good relationship between them. According to Victoria Okojie [3] the study was ranked the twenty factors that influence the reward policy of National Library of Nigeria and also examine the reward policy of the library. The results showed that in library, employees are motivated through job security, salary and interesting work respectively. Sometimes Tangible incentives to employees are more important to achieve desired results and stated goals for an organization. Further Jehanzebet *al.*[4] noted the impact of rewards and motivation on job satisfaction in both the public and private banks of Saudi Arabia. The results indicated that rewards and motivation have positive relationship with job satisfaction. The employees of the banks are motivated through financial rewards than other kinds of rewards. Incentives, rewards and recognition are the most important factors of motivation. In developing countries, employees prefer financial

benefits rather than non-financial benefits. Similarly, Arokiasamy *et al.* [5] investigated the effect of rewards system and motivation on job satisfaction, evidence from education industry in Malaysia. The results indicated that there is positive relationship between rewards and motivation with job satisfaction. In order to enhance the satisfaction among employees organizations have to use different tools like rewards.

In performance and growth of organization, rewards to employees play an important role. Further Rafiq *et al.* [6] implied the impact of extrinsic and intrinsic rewards on job satisfaction in employees of call centers of telecom organizations in Pakistan. Results indicated that rewards have positive relation with job satisfaction. Employees prefer extrinsic rewards rather than intrinsic rewards. Satisfaction through motivational factors is not only for the wellbeing of the employee but it also for the better performance of the organization. Employee performance plays crucial role in organization's performance. Further Bari *et al.* [7] noted the impact of non-financial rewards on employee attitude and performance in work place in the business institute of Karachi. The results indicated non-financial rewards have positive impact on employee attitude and performance of employee. Higher performances of employees depend upon the rewards system of the organization. The attitude of employees has also great impact on business. Reward is important factor in motivating employees. Similarly, Aktaret *al.* [8] examined the impact of rewards on employee motivation as well as identified that relationship between extrinsic and intrinsic rewards. The results indicated that all the independent variables have positive relationship with dependent variable. Some employees want to acquire pay and bonuses while other are motivated with empowerment and recognition. Employee satisfies and gives more work when he/she feel that his/her efforts will be awarded by management. To gain competitive advantage, human assets are most important for an organization. Similarly, Hafiza *et al.* [9] examined the relationship between rewards and employee's motivation in non-profit organizations working in Khyber Pakhtonkhuwa province of Pakistan. The result indicated that extrinsic rewards have direct relationship with motivation and intrinsic rewards have indirect relationship with motivation. Acquiring right workforce and then train that workforce is very crucial in today's business world. Pay and fringe benefits are more powerful factor of motivation but appreciation, recognition and empowerment are weak effect on motivation. Human resource is most important resource for an organization among all resources. In

addition, A.S *et al.* [10] noted the effect of rewards on employee performance in selected manufacturing companies of Ibadan, Oyo State, Nigeria. The result depicted positive relationship between rewards and employee performance. Employees are encouraged and work harder when they get appreciation and financial rewards from their employer. Furthermore Khalid *et al.* [11] identified the effect of rewards and motivation on job satisfaction between public and private water utility organization in Malaysia. The result showed that rewards and motivation has positive relation with job satisfaction. There are many factors influence job satisfaction other than the amount of pay. Job satisfaction depends upon the fair and good rewards system of the organization. An organization has many resources but the most important resource for an organization is human resource Danish and Usman [12] investigated the impact of rewards and recognition on job satisfaction. The results show that there is positive relationship between rewards, recognition and job satisfaction.. Motivation to employee is very crucial for the better performance of an organization. To retain efficient and experience workforce organization offers different kinds of rewards. Motivated workforce work help organization to gain competitive advantages profitable situation. To motivate employee, organizations have different types of rewards systems, rewards can be in form of financial and non-financial. As Fatima & Naqvi [13] proposed the impact of group based rewards on employee's perceptions in Pakistani organizations. The results of the study indicated that group based rewards have significant impact on employee's perception.

Job Satisfaction: Employees are motivated when they are willing to perform particular task or job. Ahmad *et al.* [14] analyzed the effects of motivational factors on job satisfaction in context of non-academic staff of Punjab University. This study concluded that intrinsic motivational factors have significant effect on job satisfaction and extrinsic motivational factors have insignificant relationship with job satisfaction. Employees of treasury department are more satisfied than employees of examination and students' registration department. Female employees are more satisfied than male employees. Human resource is most important asset for an organization. If employees are neglected they can't perform well. Further, Saleem *et al.* [15] investigated the impact of work motivation on job satisfaction in telecommunication industry of Pakistan. The result showed that there is significant effect of work motivation on job satisfaction. Under stress the person feels that he will not be paid according to his or her efforts. As

Mansoor *et al.* [16] noted relationship between job stress and job satisfaction. Job stress has been measured by work load, role conflict and physical environment. This study showed that job stress has negative impact on job satisfaction it means that if employees are more stressed than they are less satisfied. Employees are the assets for an organization. When organization motivates employees through empowerment, they produce unexpected results. Similarly, Hunja *et al.* [17] noted the relationship between employees' empowerment and job satisfaction in Pakistan service industry. Results showed that there is significant and positive relationship between employee empowerment and job satisfaction. For the growth of an organization, empowerment is extraordinary factor. Empowerment creates a spirit of encouragement and quality of in performing job responsibilities in employees. Organizations need to formulate its rules, regulations and procedures that provide opportunity to employee to work well and get rewards and appreciation. Furthermore, Manzoor [18] proposed the relationship between motivation and organizational effectiveness and employee's motivation. This study examined that there is positive relation of empowerment and recognition on employee motivation and positive relation of motivation on organizational effectiveness. The motivated employees work well to achieve organizational stated goals which lead them to achieve prosperity, growth and productivity. Organization needs to formulate policies and structure in such a way that help employee recognition and empowerment. Many motivational factors play important role in improving job satisfaction of employee that lead towards organizational performance. Furthermore, Chaudhary [19] summed up the impact of employee motivation on job satisfaction and organizational performance. The study showed the positive relation of employee motivation on job satisfaction and organizational performance. Motivated employee is a valuable asset for an organization. Satisfied employees have positive attitude towards organization and their jobs. Satisfaction increases the quality and quantity of employees' performance. As Pushpakumari [20] described the impact of job satisfaction on performance. The study indicated that there is significant impact of job satisfaction on performance of employees in private sector organizations. If employee is satisfied it increases the performance of the organization because satisfied workers have commitment and loyalty towards organization, suggest new ideas, willing to accept responsibility and less absenteeism. Satisfied workers try to fulfill their duties with hardworking and commitment.

Hypothesis: This is quantitative research study. This kind of study provides quantitative measures after applying different statistical tools and techniques. For this purpose hypothesis are developed. The hypotheses for our study are as under;

Hypothesis 1: There is significant relationship between rewards and job satisfaction

Hypothesis 2: There is significant relation between recognition and job satisfaction

Gap Identification: A lot of research is available on the motivation and job satisfaction both on international and national level. Many articles are accessible on the motivation and job satisfaction. In library sector, there is less literature available in Pakistan. So we chose libraries as sector for our research survey. We conducted our research to check the impact of rewards and recognition on job satisfaction in employees of different libraries in Lahore, Pakistan.

Theoretical Framework: This study involves rewards and recognition is independent variables and job satisfaction as dependent variable. Relationship between under study variables is shown in following Figure:



Problem Statement: In today's competitive environment organizations are striving to gain maximum output by using different tools and techniques. To gain competitive edge and core competency, sometimes organizations ignore the rights of employees which enhance the job turnover in organizations but in this competitive era, the performance of employees is considered business performance. Same is the case in libraries, to reduce turnover organizations are offering different kinds of rewards and motivating employees in different ways. So we conducted our research to examine the impact of rewards and recognition on job satisfaction of employees of libraries.

Scope and Objectives of Study: The focal objective of this study is to find out effect of rewards and recognition on job satisfaction of employees of libraries in Lahore, Pakistan. The others objectives are as follow;

- To examine the effect of rewards on job satisfaction
- To Investigate the impact of recognition on job satisfaction
- To examine the relationship between rewards and recognition

MATERIALS AND METHODS

Research Instrument: Instrument comprises two sections. First section is about personal profile of respondents including their including age, gender, education, library's name, nature of employment and length of service of respondents, these all items are measured by nominal scale. Second section is related to variables including rewards, recognition and job satisfaction. Rewards (Independent Variable) is measured by scale which is used in Carolina Mikander's [21] thesis namely "The impact of a reward sytem on employee motivation in Motonet-Espoo". Recognition (Independent Variable) is measured by scale of De Beer [22]. Job Satisfaction (Dependent Variable) is measured by scale of Saleem *et al.* [15]. Likert 5 scale point is used for this purpose. In order to analyzed data, SPSS (Statistical Package for Social Sciences) software is used.

Data Collection: This is an empirical study established on primary data. To examine the impact of rewards and recognition on job satisfaction survey method is used. Questionnaire is used to collect data from respondents. It is the most inexpensive way to use to gather primary data. The data were collected from employees of libraries of Lahore, Pakistan. We distributed 120 questionnaire out of which 100 correctly responded by respondents. These respondents were selected randomly from 12 different libraries of Lahore. The survey has been conducted from librarians as well as from staff members of libraries.

Demographics: 120 questionnaires were distributed to respondents out of which 100 questionnaires were correctly answered. Male and female respondents were filled 70 and 30 whose percentage is 70% and 30% respectively. 31% respondents were aged upto 25 years. Between the ages of 26-45 were 57%. 12% were between the ages of 46-55 and 0% respondents were 56+ year old. Additionally respondents were 79%, 21% and 0% belonged to bacholar, master and PhD respectively. Among the respondents 87% were on contractual basis and 13% were permanent. Furthermore 9%, 35%, 41% and 15% respondents had length of service upto 1 year, 2-5 years, 5-10 years and 10+ years respectively.

RESULTS AND DISCUSSION

To analyze the impact of rewards and recognition on job satisfaction we used the multiple regression analysis and to find the connection between variables we used Pearson correlation. To check the inclination of respondents, we calculated mean and standard deviation in descriptive statistics.

Table 1.1 shows that the mean value of Rewards is 2.3100 which is near to 2 and it means that most of the responses of respondents are positive and their responses in support of Rewards at 5 likert scale and these responses can deviate 0.85233 from the average responses of the respondents. The mean value of Recognition is 2.4275 which are near to 2 and it means that the most of the people are satisfied with their jobs. Responses can deviate .86551 from average responses of the respondents. The mean value of Job Satisfaction is 2.4586 which is also near to 2, it means that most of the people respond positively. The responses of people can deviate 0.72823 from average responses of respondents.

Table 1.2 indicates that rewards is positively correlated with job satisfaction with the value of 0.775 which is significant at 1%. Recognition is also positively related to job satisfaction with the value of 0.766 which significant at 1%. The correlation of 0.775 shows that rewards and job satisfaction explain the variance in one another to the extent of 60.0% $(0.775)^2$. The correlation of 0.766 explain the variance in one another to the extent of 58.% $(0.766)^2$. Furthermore to check the impact of rewards and recognition on job satisfaction multiple regression analysis was used with Durbin-Watson for the investigating the nature of correlation.

Table 1.3 shows the complete summary of findings. R square indicates the variation in the Job Satisfaction (Dependent Variable) due to the impact of Rewards and Recognition (Independent Variable). R square is 0.692 it shows that independent variables (Rewards and Recognition) have 69.2% influences on dependent variable (Job Satisfaction). To observe the types of correlation among the under study variables either correlation is

Table 1.1: Descriptive Statistics

		Rewards	Recognition	Job Satisfaction
N	Valid	100	100	100
	Missing	0	0	0
Mean	2.3100	2.4275	2.4586	
Std. Deviation	.85233	.86551	.72823	

Table 1.2: Correlations

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.351	2	18.175	109.158	.000 ^a
	Residual	16.151	97	.167		
	Total	52.502	99			

a. Predictors: (Constant), Recognition, Rewards

b. Dependent Variable: Job Satisfaction

Table 1.3: Model Summary

		Rewards	Recognition	Job Satisfaction
Rewards	Pearson Correlation	1	.717**	.775**
	Sig. (2-tailed)		.000	.000
	N	100	100	100
Recognition	Pearson Correlation	.717**	1	.766**
	Sig. (2-tailed)	.000		.000
	N	100	100	100
Job Satisfaction	Pearson Correlation	.775**	.766**	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Table 1.4: ANOVA

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	T
1	(Constant)	.656	.129		5.097
	Rewards	.397	.069	.465	5.753
	Recognition	.365	.068	.433	5.365

a. Dependent Variable: Job Satisfaction

Table 1.5: Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832 ^a	.692	.686	.40805	2.090

a. Predictors: (Constant), Recognition, Rewards

b. Dependent Variable: Job Satisfaction

positive, negative or zero, Durbin-Watson test was used. The value of Durbin-Watson 2.090 which is nearly 2 and it exhibit that positive autocorrelation among the study variables.

Table 1.4 indicates the significant level whether it is acceptable or not. Results in this table show that significant level is 0.000 which is less than 0.05. Thus it is acceptable and indicates strong impact of rewards and recognition on job satisfaction.

Table 1.5 indicage the beta values which mean individual independent variables' influence on dependent variable. Reuslt show that rewards has the strong infulence on job satisfactation with beta value 0.465. It explains that 46.5% variation in job satisfaction is due to rewards which significant at 0.000 and it supported H1. Similarly recognition has also strong influence on job satisfaction with beta value 0.433. It explain that 43.3% variation in job satisfaction is due to recognition which is significant at 0.000 which supported H2.

In the end, we concluded that rewards and recognition has strong positive impact on job satisfaction. Results indicate that employees' motivation and satisfaction with job rely upon rewards and recognition. Rewards have positive influence on job satisfaction. Recognition has also positive relationship with job satisfaction.

Conclusion, Limitation and Further Research: Every organization attempts to increase its market share and wants to attain competitive edge through different tools and techniques. To gain competitive edge, organizations use the abilities of its employees because firms believe the performance and satisfaction of employees increases the business performance. Motivation is a helpful tool for organizations to attain competitive advantage. There are lots of factors in motivation which support organizations in this matter. Rewards and recognition considered the important elements of motivation which helps employees to satisfy with their job and work with whole heartedly.

The purpose of this study was to examine the impact of rewards and recognition on job satisfaction in employees of libraries in Lahore, Pakistan. For this purpose questionnaire method was used to collect data. After using different tests in SPSS results showed that rewards and recognition has strong positive impact on job satisfaction. These results also supported by previous studies "[1-13]". Employees of libraries in Lahore are satisfied with quantity and quality of rewards and recognition they get from their bosses and universities' management in which library is situated. Results indicated that rewards and recognition positively related with employees' job satisfaction. Positive correlation exists between reward, recognition and employees job satisfaction. This study provide insight understanding that how organizations can motivate employees by introducing effective rewards and recognition programs.

Small sample size is the limitation of this study. Due to time constraints research is unable to be done in all the libraries of Pakistan. For this study, we only focused on librarians and staff of libraries in Lahore. 100 respondents are involved in this study. This study ignored the other variables which can contribute towards the employees' satisfaction.

In addition this research can be more accurate in future. Further research can be done by using following methods;

- Sample size can be enhanced.
- Study can be extent to other cities of Pakistan irrespective of Lahore.
- Researchers can include other ignored dimensions of rewards and recognition for having deep and insight understanding.
- Qualitative method of gathering data can also be used.
- Other sectors instead of libraries can also be used for gathering data.

Practical Implications: In today's environment organizations have to use different tools and techniques to satisfy their employees to gain maximum work. So firms need some standards and rules to do this. In this regard, different libraries can use our research's results to promote their rewards and recognition mechanism to enhance the performance and productivity of their employees. As results revealed that rewards and recognition has positive association with job satisfaction, so organizations can improve standards of rewards and recognition.

CONCLUSION

Employees of libraries in Lahore are satisfied with quantity and quality of rewards and recognition they get from their bosses and universities' management in which library is situated. Results indicated that rewards and recognition positively related with employees' job satisfaction. Positive correlation exists between reward, recognition and employees job satisfaction. This study provide insight understanding that how organizations can motivate employees by introducing effective rewards and recognition programs.

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