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Impact of reward system on employee performance in manufacturing industry

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Abstract

The report illustrates how employee performance is affected by reward systems. Employees with high levels of motivation are more likely to be dedicated, content, and productive. The purpose of this project is to look into how employee performance and reward systems are related. Gaining a better understanding of how reward systems affect employee performance is the study's main goal. A reward system's influence on employee performance is wider and impacting not only the organization overall but also different facets of an employee's experience. Inspired. Incentives can motivate them to go above and beyond and help the company succeed. Throughout the investigation, primary data was gathered using questionnaires with some structure. Library resources and e-journals provided secondary data. The researcher was able to gather comprehensive data on the topic thanks to the semi-structured questionnaire. Forty respondents from different departments and levels of the organization participated in the survey. Using a mix of closed-ended and open-ended questions, the survey was created to gather both quantitative and qualitative data. The study's conclusions are as follows:

Knowing what genuinely drives each employee is essential to a reward system's success.

We can design a program that not only inspires workers but also helps the business reach its strategic goals by carefully matching rewards with organizational objectives.

Keywords: Financial incentives, recognition, promotions, career development opportunities employee, performance, motivation, productivity, job satisfaction, engagement manufacturing, industrial employee motivation, performance enhancement, reward management

Introduction

In today's generation maintaining the reward system is most important part and need to balance environment for the employees is mandatory. To do this, reward systems are a tactical instrument. This introduction examines how reward systems affect worker performance, emphasizing the possible advantages and the significance of comprehending this relationship. Employee Motivation and Performance: For the employees motivation R&R (Reward and Recognition) system is useful. Because they acknowledge and reinforce desired behaviors and accomplishments, reward systems have the potential to be a potent motivator. Rewards' Types and Effects: Incentives can be monetary (bonuses, commissions) or non-monetary (public recognition, extra responsibilities). It's critical to comprehend each type's impact. A sense of accomplishment and security can be obtained through financial rewards, but non- financial rewards can promote a feeling of worth and inclusion. Extrinsic Reward: In the extrinsic rewards sociality matters and the private offices as well as for getting promotion. And it will be helpful for the future scope of organization. Extras: Bonuses are given out annually to encourage employees to give their jobs their all throughout the year in order to achieve satisfactory results. Organizations have different bonus schemes. How do financial rewards, recognition, and other incentives influence performance? Need of Employee: Reward and reorganization system needed for the accomplishment and achievement of employee. Performance measures: Are the right behaviors and Achievements.

Objectives of the Study

1. Understanding of the role reward systems play in employee performance.
2. To analyses the various types of reward systems, including financial and non-financial rewards.

3. To evaluate the potential drawbacks of reward systems and how to mitigate them.

Literature Review

Impact of Reward System on Employee

Performance: Concurrently Associations face more challenges to stay competitive in the operating diligence and gain sustainable competitive advantage. Currently almost companies manage workers of different ethnicities, societies and social backgrounds which make the miracle of hand retention indeed more grueling. In the globalized world of advanced technology and internet, consumers have come educated about the products, services, business practices and particular rights as no way ahead, hence, taking further skillful and efficiently trained pool from companies. Nurul Asyiqin Noorazem and A Sabiroh Md Sabri also The Eliy Nazira Mat Nazir, It is regarding reward System on the employee's Performance. Price system which consists of fiscal prices and non-financial prices has come essential to an association in managing workers performance. Motivated workers can be a significant factor in organizational success. When workers are motivated to work at advanced situations of productivity, the association as a total will run more efficiently and is more effective at reaching its pretensions. Emmanuel, N. & Nwuzor, J. (2021) ^[1] Hand and Organizational Performance Workers Perception of natural and foreign prices System. The dynamics of moment's business terrain is so violent that association are constantly in hunt of ways tore-main competitive and give unmatched client concentrated products and services. This is indeed more important given that association guests (internal and external) have lots demanding their attention, guests thus give more precedence to those enterprises who can give the stylish of services and product through innovative process at a lower cost and resource. To remain innovative and creative in meeting the everlasting client needs the internal client needs to be motivated to gives their stylish. A definite agreement is also lacking in the field because of other extraneous variables that might bump on the relation- boat between prices and hand performance. Similar extraneous variables include the fact that commercial culture cannot be wholly generalized and basically differ from one association to the other. Nonetheless, justifying commercia opinions on the design and perpetration of price systems calculate on objective depiction of the relationship between the factors of the two variables. The study aimed to estimate the perception of workers on both natural and foreign price system and whether price system impact their performance and the association performance at large. PLS- SEM result revealed that both foreign and natural prices have positive and significant impact on hand performance, although, foreign appear more potent than natural prices. Hand and Organizational Performance Workers Perception of natural and foreign prices System. A study conducted by Latham (2012) ^[17] to motivate and keep the workers motivated is an essential part of mortal coffers and operation within associations. There is associations must develop programs similar as price systems to fulfil workers requirements and motivate them to work. The enterprise included new and modified base pay, short- and long- term incitement, benefits, and perquisite/life prices Initiative success was measured on seven factors, and ten conditions were measured for action success. Follow- up telephone calls to

utmost repliers handed further detail for exemplifications. Unexpectedly, success in plan design wasn't a significant explicatory variable in reaching success on any criterion of prices action success. Fay, C.H.

Workers will vary in their responses, because some workers value financial prices, whereas others value scheduling inflexibility, especially training and development openings. Price system is a frame to produce performance reports in associations. This approach enables operation to restate charge pretensions and vision of the company, colorful business units and duties of director's pointers affiliated to performance evaluation (Bruggeman and Decoene, 2002. natural prices are deduced from the content of the task itself and include similar factors as intriguing and grueling work, tone- direction and responsibility, variety, creativity, openings to use one's chops and capacities and sufficient feedback regarding the effectiveness of one's sweats. For illustration, a commuter would be happy to get some tickets for the coming machine. still, a man may spend all his time with his children without doing commodity productive and end up wasting. When awarding one, the director needs to choose if he wants to award an individual, a platoon or a whole Organization. One will choose the price compass in harmony with the work that has been achieved (Khan *et al.* 2017). Salima Barkat Ali, Kalpina Kumari, 2021 ^[24].

Examining the part of provocation and price in workers' Job Performance through Interceding Effect of Job Satisfaction. An Empirical substantiation. Provocation is a generally used word deduced from the word motive, having different meanings, similar as a person' solicitations, requirements, wants, and drives (Badura *et al.*, 2020) ^[16]. Hand provocation is astronomically distributed into two forms, i.e. foreign and natural provocation. Get mandated by internal stations and motivated by internal prices is classified as natural provocation.' Also, alternately known as "motivators" or "satisfiers." These factors also serve as a fresh source of increased hand job satisfaction (Catharina & Victoria, 2015) ^[15]. On the negative, forces that are present in the external terrain connected to your working terrain are known as foreign factors.

Data collection and Preparation

The researcher has used Descriptive Research Design to Study & Analysis the Impact of reward system on employee performance. It is the process of different styling data and techniques which are need to identify, choose, procedure, and also examine the regarding data. In the examine information, the methodology part affected the reader to identify the material of a study and the overall research paper will useful and reliability.

Method of study

Primary research is a method of research in which the data is collected by the researcher himself while secondary research is based on the information gathered from previously conducted research studies by other researchers. Secondary research includes doing research through the already available information in textbooks, magazines, news articles, research articles, papers and internet. Primary data: In the duration of study, primary data was collected through structured questionnaire part. Secondary data was obtained from e-journal, magazine, library materials. Secondary Data: It is the data which is available on some research papers. It should be collection of data from magazines,

research papers, library materials and from the journals too. It may be different way of collection data from readable part.

Sampling Design

The survey was conducted among 111 respondents from various departments and levels within the organization. The survey was administered electronically, and participants were assured of confidentiality and anonymity to encourage honest and unbiased responses.

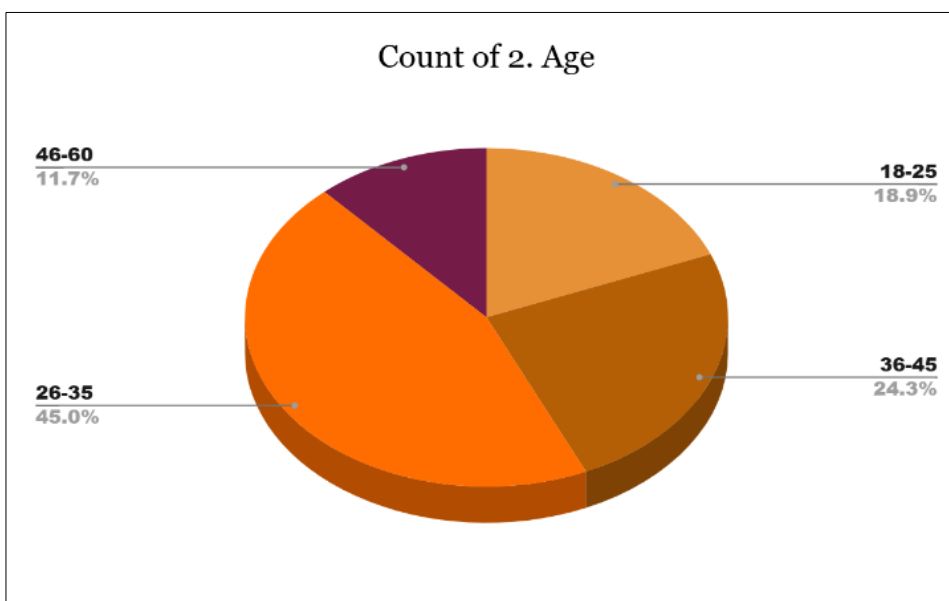
Designing the Research Instruments

Based on this questionnaire, researcher has conducted personal interviews to collect the opinions personally.

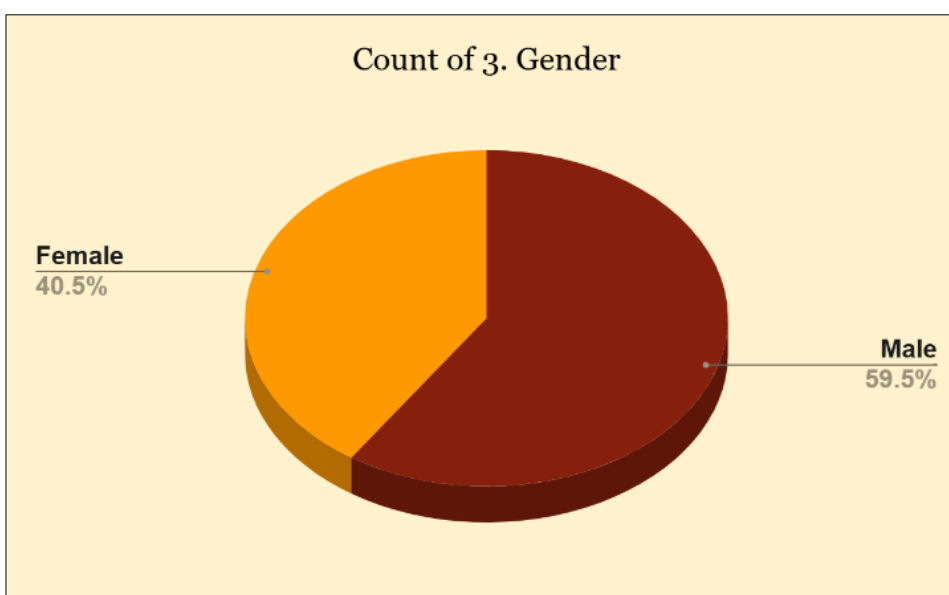
- **Data Collection:** Data was collected through personal interviews and circulating a Google form collecting the responses. C. Data Analysis: Data analysis was carried out using Tools like MS Excel.
- **Statistical tools used:** Data Visualization: Data visualization techniques such as bar charts, line charts, pie diagrams can be used to visually represent the data and facilitate understanding of patterns and trends in the data.
- Used Excel Pi-charts.
- Used Histogram.
- Used Pivot table.

Demographic Information

1. Total Employees Count	111
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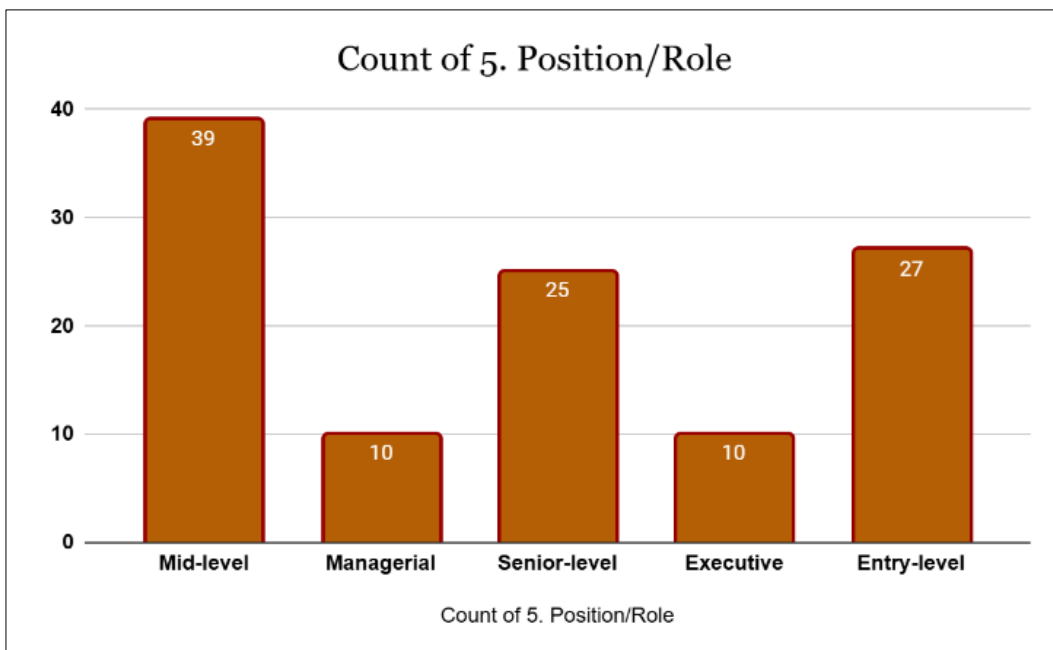
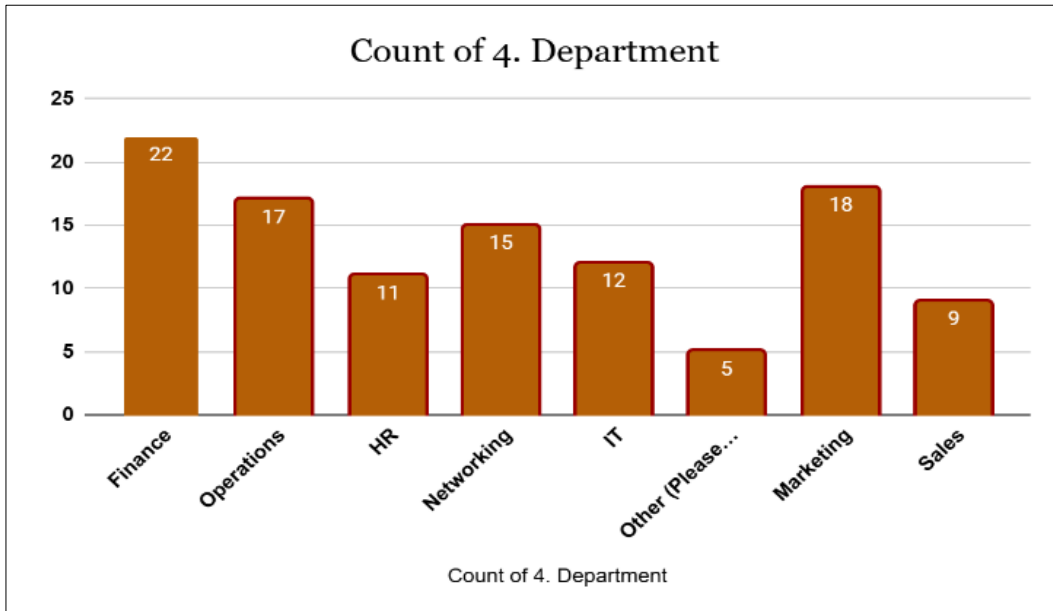


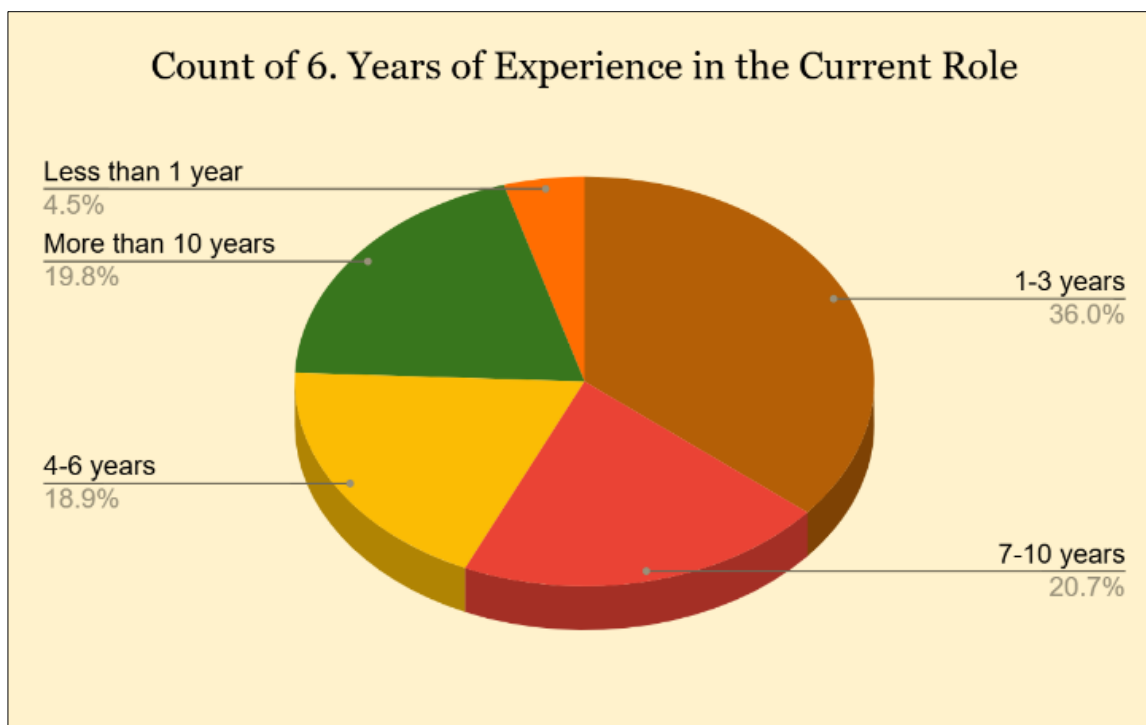
Age	18-25	26-35	36-45	46-60	Grand Total
Count of Age	21	50	27	13	111



<i>Gender</i>	Female	Male	Grand Total
Count of Gender	45	66	111

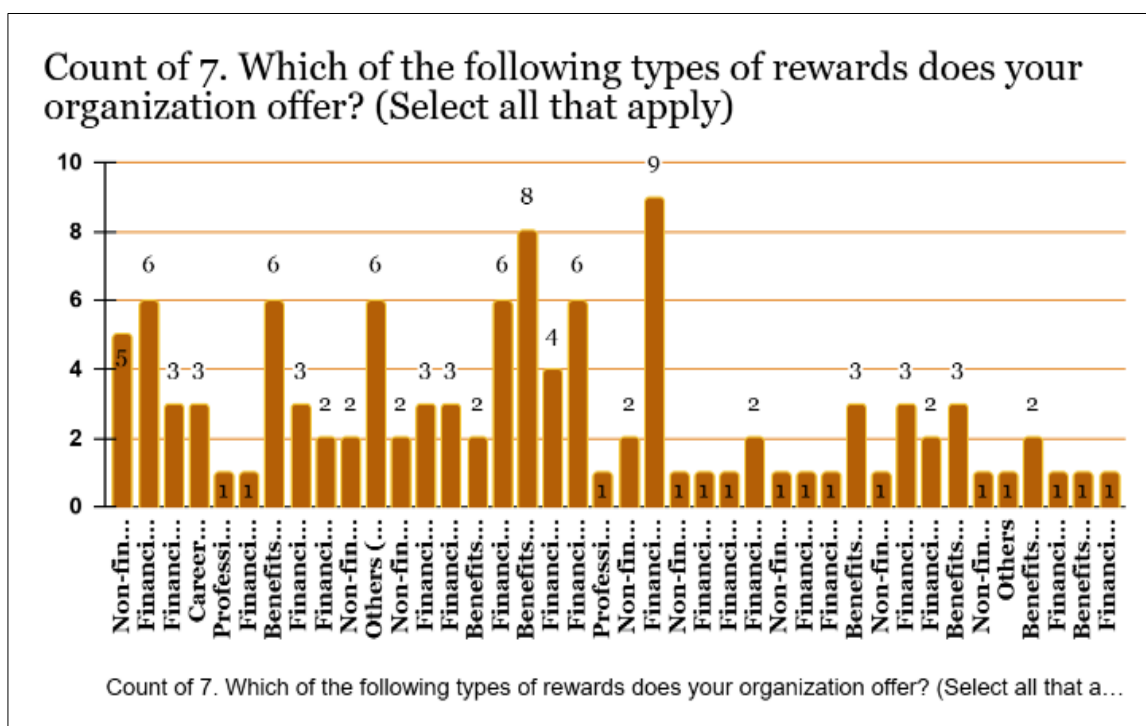
Sr. No.	Category	Responses	%
1	Finance	22	20.2%
2	HR	11	10.1%
3	IT	12	11%
4	Marketing	20	18.5%
5	Networking	15	13.8%
6	Operations	17	15.6%
7	Others	5	4.6%
8	Sales	9	8.3%





Year of Experience in the Current Role	4-6 years	7-10 years	Less than 1 year	More than 10 years	Grand Total
Count	21	23	5	22	111

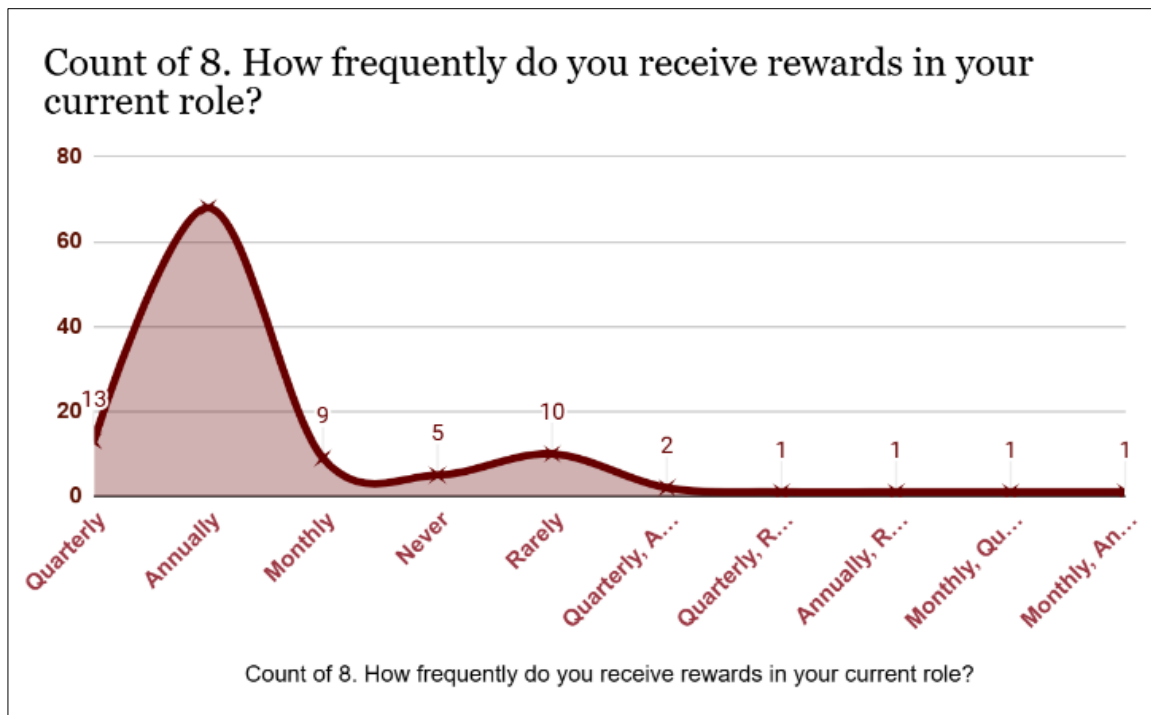
B. Data Analysis



Analysis

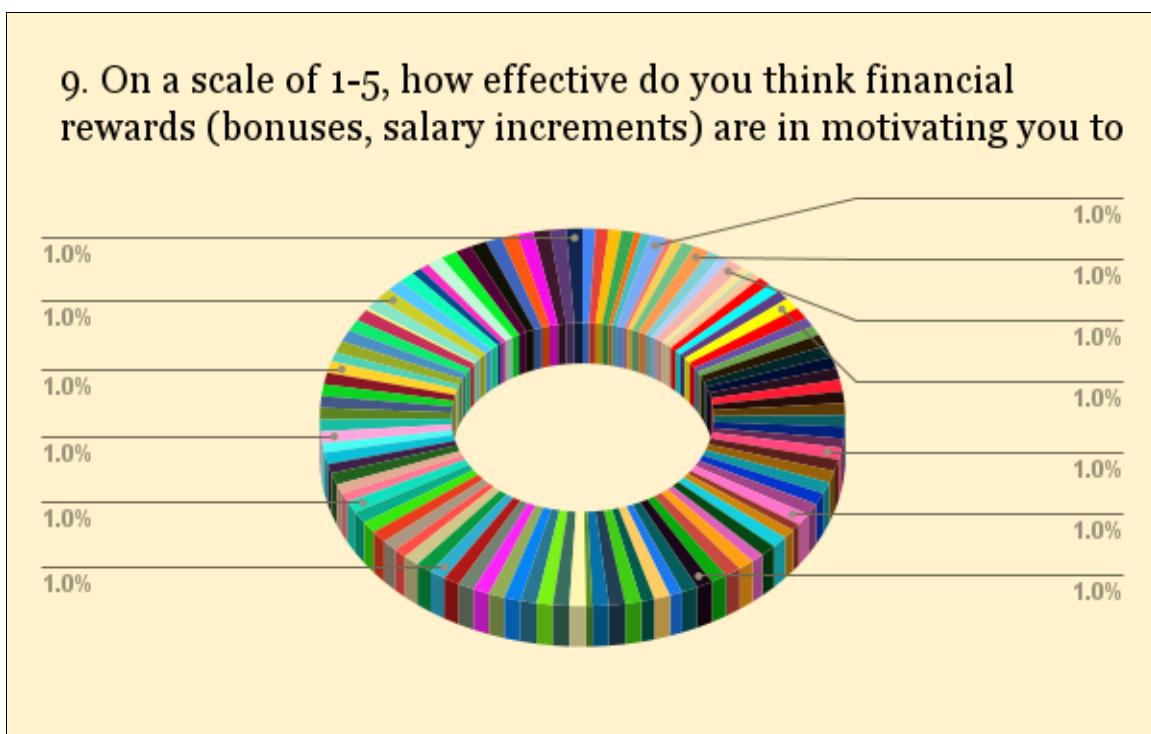
Such type of industry rewards getting monthly, quarterly, annually and somewhere it is getting rarely and somewhere never getting any rewards. In our observation annually

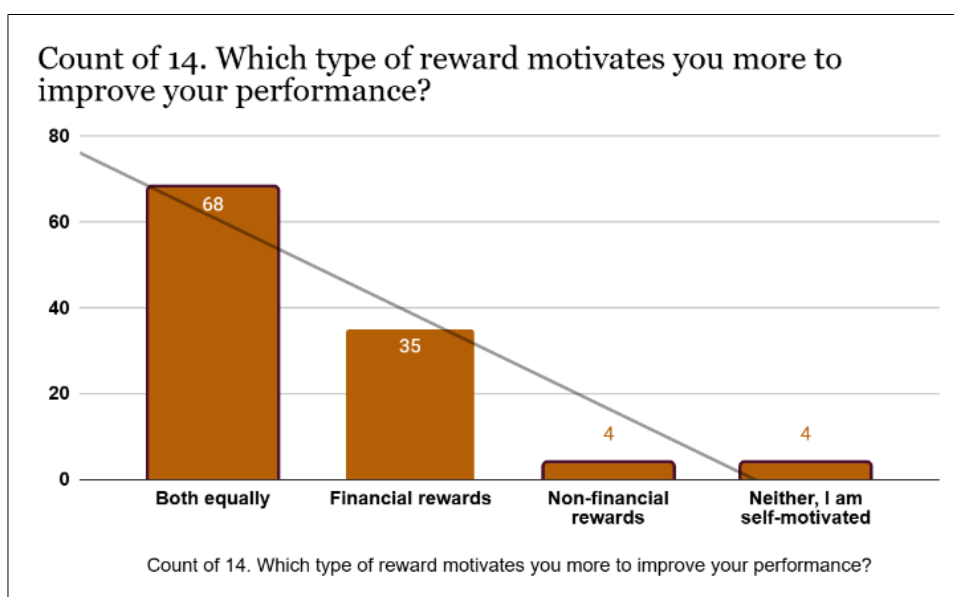
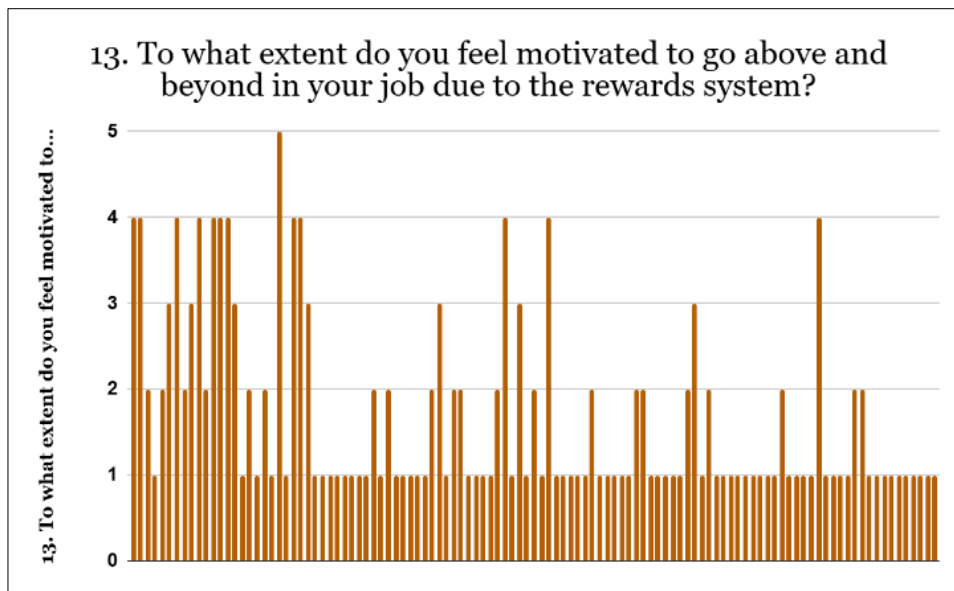
rewards system is greater than never getting rewards. Most of the employees getting rewards annually, and after our survey in our observation there are 65.8% of employees getting annual rewards.



Analysis: Such type of industry rewards getting monthly, quarterly, annually and somewhere it is getting rarely and somewhere never getting any rewards. In our observation annually rewards system is greater than never getting rewards.

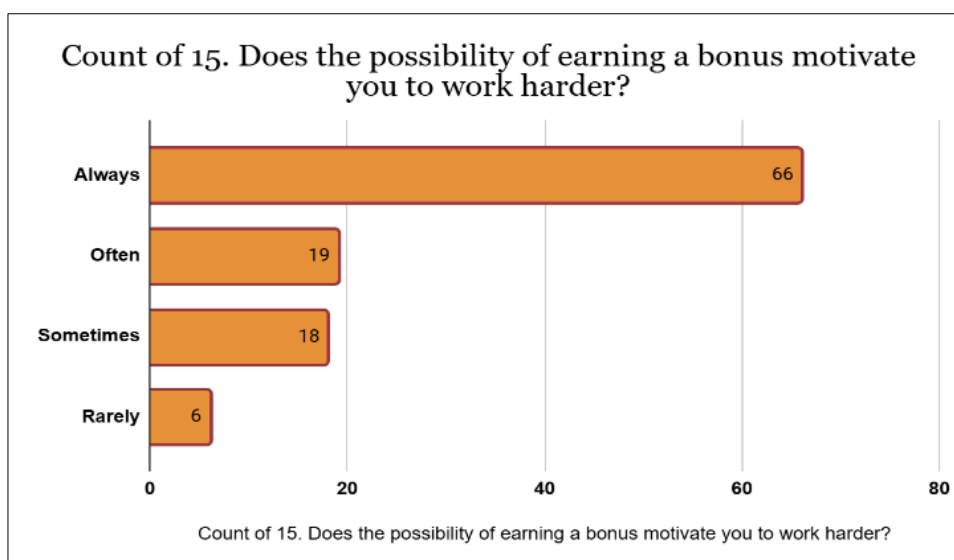
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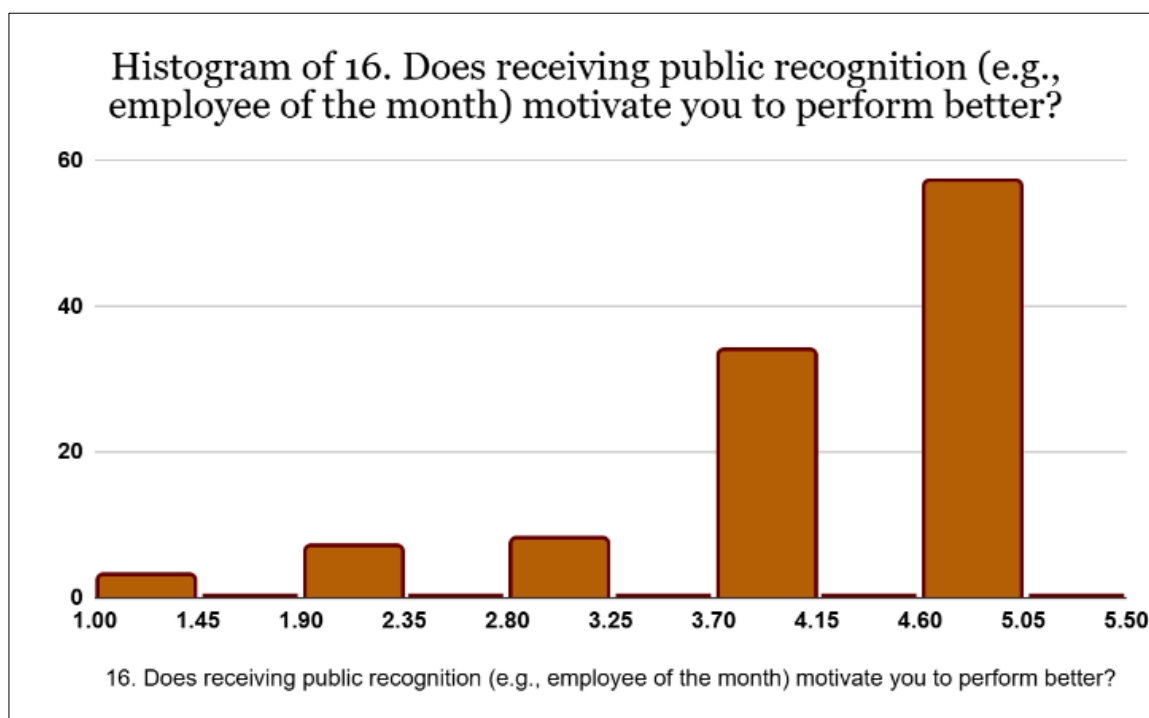
Analysis: Based on employee survey financial rewards and non - financial rewards both equally motivated to improve employee performance. The total number of employees for financial and non - financial rewards are 61.3% which is

majority of responses. And response are getting very less for neither. It is 3.6% And only for non - financial awards also getting 3.6% because only 4 number of employees respond.



Analysis: Basically, the survey indicates the most common response (60.6%) is that people believe their salary always reflects their job responsibilities and effort. The next most common response (16.5%) is that it sometimes reflects it. This suggests that a majority of the respondents (85%) feel there is a strong connection between their pay and their work.

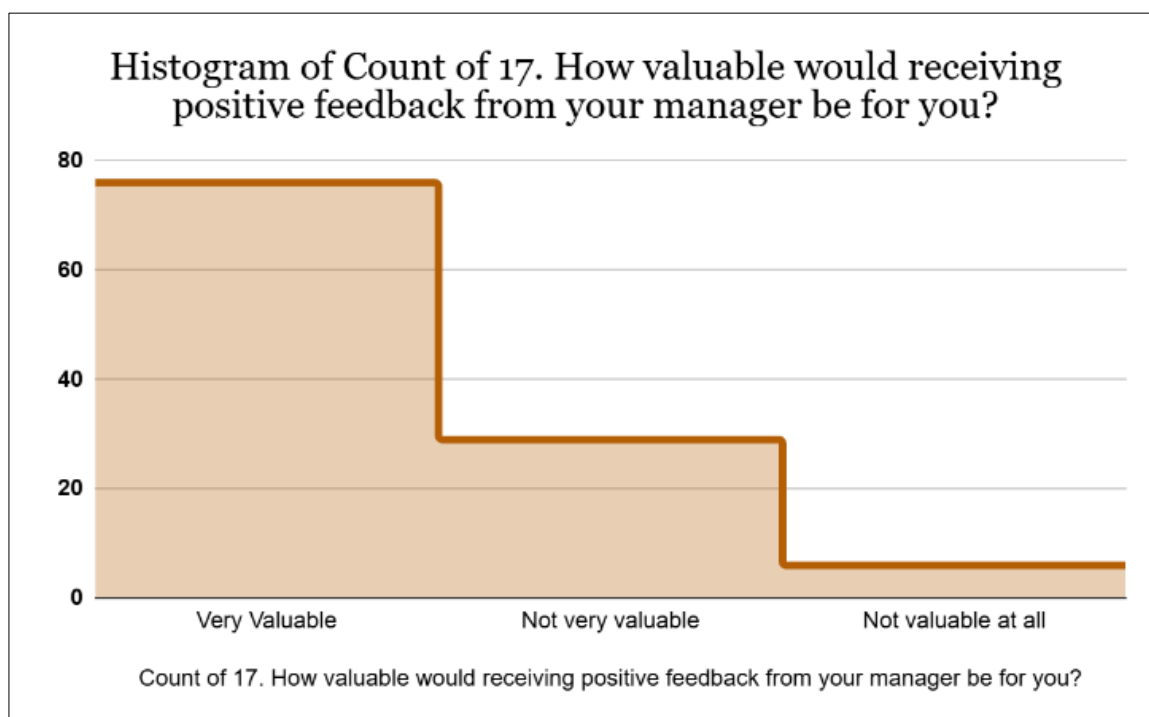
Significantly, few people responded that their salary shows often (17.4%) or rarely (5.5%) reflects their job responsibilities and effort, and none said never. Based on this pie chart, it appears that most respondents believe their salary is strongly related to their job responsibilities and effort.

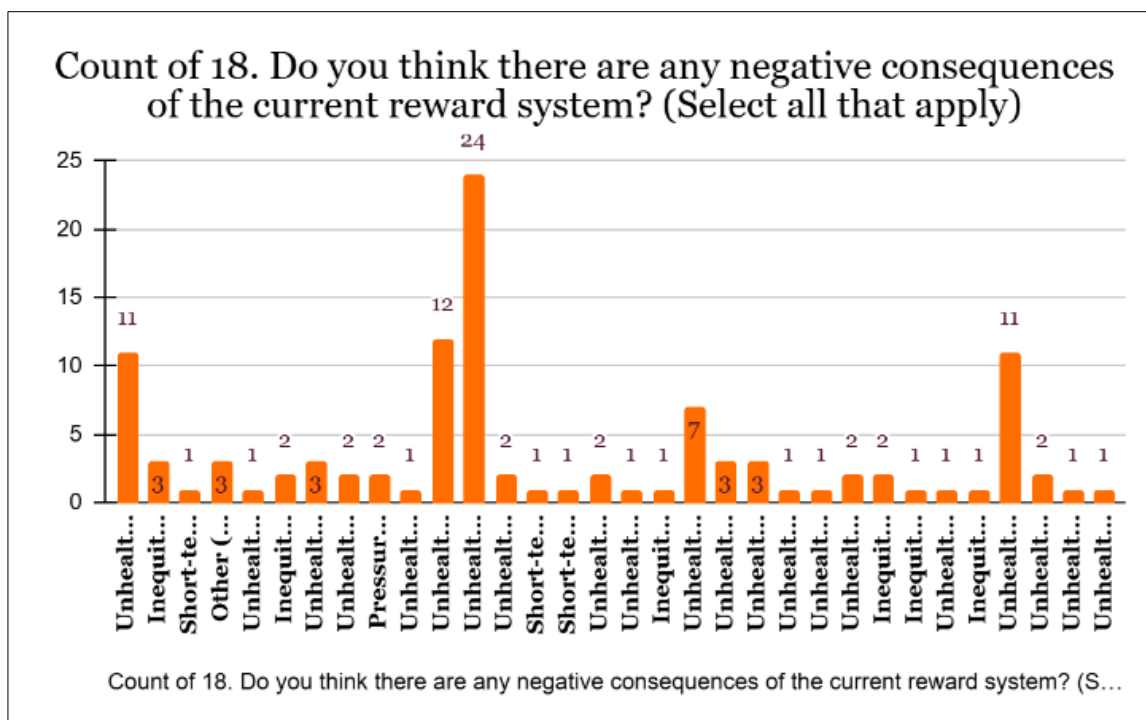


Analysis: Here, the survey indicates a majority of employees 52.3% of responded with a 5, which likely represents a that public recognition motivate respondents to perform better.

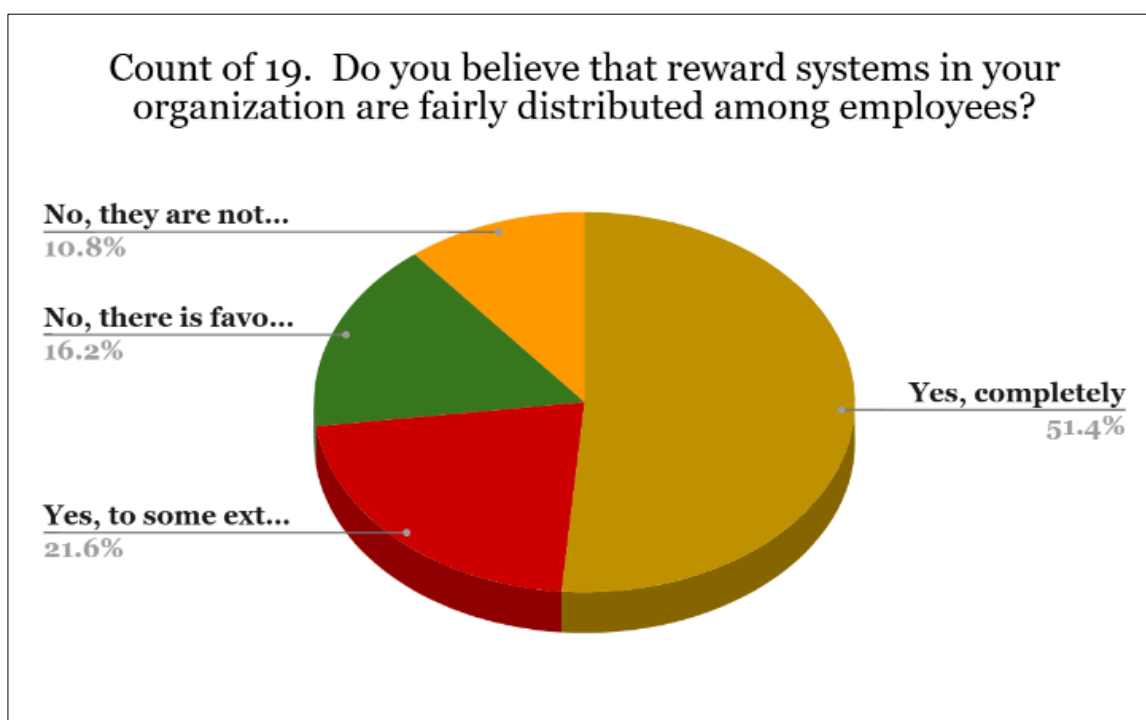
There seems to be a higher dissatisfaction with fairness in

promotions than satisfaction. More employees responded with 3 with 7.3% and 4 is with the 31.2% than 1 with 2.5% and 2 is 15%. This could indicate potential issues with the transparency or fairness of the promotions process at the organizations.



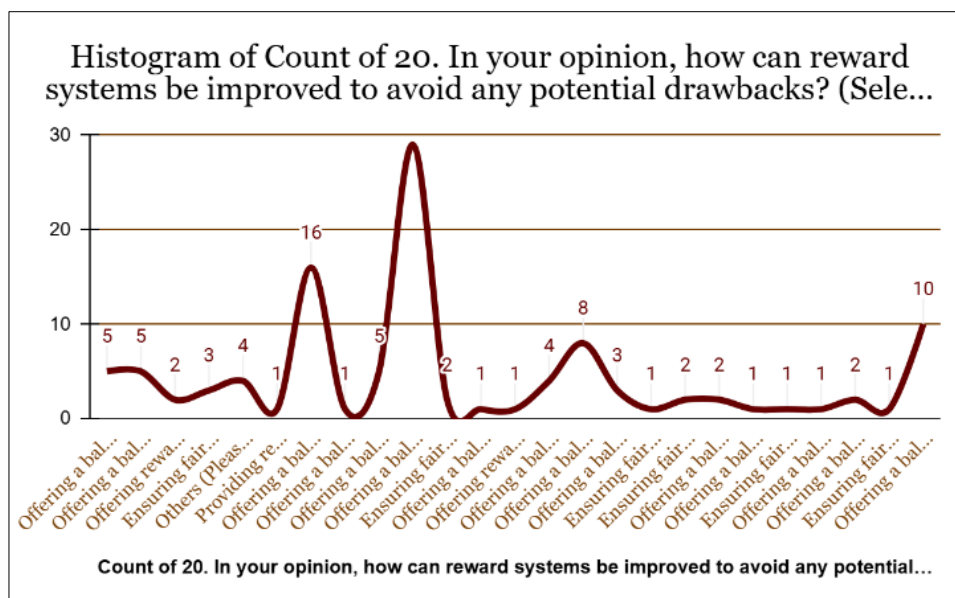


Analysis: The survey indicates here, majority responses for unhealthy competition among employees is 83.6% and the negative consequences for the current reward system's less response is 12.7% with others factors.



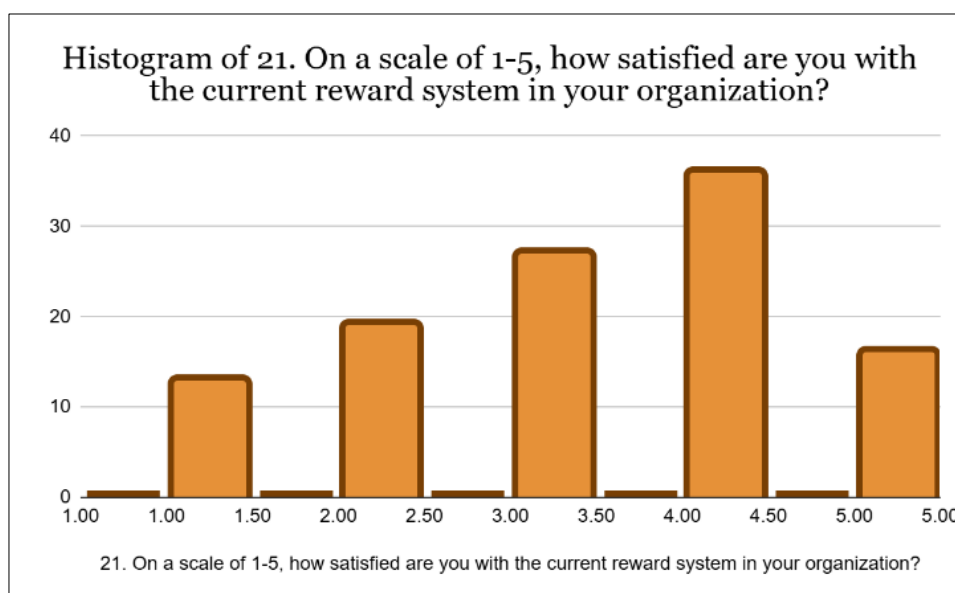
Analysis

A portion of respondents are major as they believe that reward systems in organization are fairly distributed among employees and 51.4% of employees shows positive response. And the 10.8% of employees are not fairly distributed at all for the reward system in company. For the such of organization's employee shows their response for some extent with 21.6%. And in some company there is favoritism which is 16.2% with 18 responses.



Analysis: According to survey, reward systems be improved to avoid any potential drawbacks is majority for the Offering a balanced mix of financial and non-financial rewards is 83.8% and less responses for the others. Similar

as for the ensuring fairness and transparency in reward distribution and providing rewards based on long-term, sustainable performance are 80.2%. And offering rewards that are aligned with personal goals and values are 75.7%.



Conclusion

In conclusion, the project has convincingly demonstrated the positive impact that well designed reward systems can have on employee performance. By fostering motivation, boosting morale, and promoting employee loyalty, effective reward programs can be a significant driver of success for any organization.

Strategic reward systems contribute to higher employee satisfaction and retention, reducing costly turnover. A well-structured program can generate additional benefits such as lower absenteeism and enhanced customer satisfaction. By strategically aligning rewards with organizational goals, you can create a program that not only motivates employees but also propels the company towards achieving its strategic objectives. The study expects to find a positive correlation between well-structured reward systems (both financial and non-financial) and improved employee performance, motivation, and job satisfaction. The research may suggest

that while extrinsic rewards (like bonuses and salary raises) are effective for short-term performance boosts, intrinsic rewards may have a more significant long-term impact on employee satisfaction and performance. Organizational culture, leadership, and employee perceptions may significantly affect how rewards influence performance.

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