THE EFFECTIVENESS OF REWARD SYSTEM ON THE MOTIVATIONAL LEVEL OF EMPLOYEES AT Dr. REDDYS LABORATORIES

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Abstract: The study constitutes an evaluation of the impact of reward systems on employee motivation levels, delving into the understanding of reward systems, their various types, and their significance as effective motivational strategies. It emphasizes the necessity for organizations to strategically align their reward policies and types with the individual aspirations of employees to optimize overall productivity. The research centers on the intricate relationship between employee engagement and job involvement, exploring the factors that contribute to making employees genuinely engaged. Additionally, the paper scrutinizes the Gallup 12-point questionnaire, a survey comprising twelve questions designed to identify and measure strong indicators of employee engagement. Furthermore, the study outlines actionable steps that companies can take to cultivate and sustain high levels of employee engagement.

I. INTRODUCTION

The study concentrated on understanding the primary drivers of employee motivation, recognizing that motivation is the force behind behavior change. It is a compelling drive that propels individuals to act, steering human behavior towards specific goals. Motivation can be intrinsic, stemming from personal interests, desires, and the need for fulfillment. Simultaneously, extrinsic factors like rewards, praise, and promotions also play a crucial role in influencing motivation, as defined by Daft (1997), who describes motivation as "the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action."

Employees committed to achieving organizational objectives typically outperform those lacking commitment. Intrinsic rewards derived from workplace accomplishments contribute to job satisfaction and are often associated with individuals possessing high self-esteem. Therefore, a vital aspect of management involves enhancing job satisfaction and rewards, ensuring consistent employee motivation aligned with organizational goals.

Understanding what motivates individuals is crucial for managers to design effective policies, procedures, functions, and systems that foster a motivated and content workforce. A key tool for steering employee motivation is the reward system, which aims to attract individuals to join, retain their commitment, and motivate them to perform at high levels. This system encompasses all organizational components, including people, processes, rules, and decision-making activities involved in allocating compensation and benefits in exchange for employee contributions. For organizations to meet obligations to shareholders, employees, and society, top management must establish a dynamic relationship that addresses the evolving needs of both parties. Employees expect fair pay, safe working

conditions, and equitable treatment, while management often anticipates initiatives, self-supervision, skill development, and responsiveness to business needs. Fulfilling these expectations necessitates a comprehensive understanding of employee motivation (Beer et al., 1984).

Motivation, as defined by Baron (1983), involves processes that energize and direct behavior toward achieving goals. Managers, tasked with guiding employees toward organizational objectives, must comprehend these psychological processes, according to Kreitner and Kinicki (1992). Schermerhorn, Hunt, and Osborn (1991) conceptualize motivation through content and process approaches, emphasizing the reasons behind motivated behavior and the psychological processes causing voluntary actions.

Establishing a balance and meeting employees' needs is a primary reason, according to Deeprose (1994), for implementing reward and recognition programs. A formal reward program includes financial incentives like salaries, fringe benefits, bonuses, promotions, or share schemes.

II.   BACKGROUND OF THE STUDY

Organizations are increasingly recognizing the importance of establishing a fair balance between employee contributions and the organization's reciprocation. Creating this equilibrium is a fundamental reason for rewarding employees. A strategic approach to achieving this balance focuses on the three main components of a reward system: compensation, benefits, and recognition. Research indicates that organizations often overlook the crucial component of recognition, which is a low-cost, high-return element in a well-balanced reward system. Recognition aims to make employees feel appreciated and valued, leading to higher self-esteem, increased confidence, a greater willingness to take on new challenges, and enhanced enthusiasm for innovation, as supported by existing studies.

III.   NEED FOR THE STUDY

The outcomes of this project will furnish management with insights into the key motivating factors for employees. Subsequently, this information will guide the design of policies and procedures aimed at maintaining a consistently motivated workforce.

OBJECTIVES OF THE STUDY

● To investigate the significant factors influencing employee motivation.

● To examine the impact of monetary and non-monetary benefits provided by the organization on employee performance.

● To assess the effects of performance appraisal on employee attitudes.

● To gauge employee satisfaction with interpersonal relationships within the organization.

● To analyze customer responses regarding motivational practices at Dr. Reddy Laboratory Limited.

IV.   SCOPE OF THE STUDY

The study encompassed a sample of one hundred employees from Dr. Reddy Laboratory. Its primary goal was to identify the predominant motivating factor for employees and ascertain their motivational profiles based on age. The findings of the study are anticipated to provide valuable insights for the organization, shedding light on the factors that most effectively motivate its workforce.

V.   RESEARCH METHODOLOGY

The chosen sampling method was random sampling, aiming to include employees at all hierarchical levels. A sample of respondents was selected from each level of hierarchy across all departments and services. The sample size was set at 50 individuals, representing four categories: Scientific Staff, Technical Staff, Administrators, and Supporting Staff.

PRIMARY DATA:

The collection of primary data was executed through a well-structured questionnaire, ensuring comprehensive coverage of all necessary information for the study. Personal interviews and interactions with officials and staff within the organization also contributed to the acquisition of primary data.

SECONDARY DATA:

Secondary data was gathered from various sources, including the organization's annual reports and manuals. Additionally, information was extracted from the organization's website. Data was also sourced from publications such as HRM Review, HRD, SAP, PeopleSoft, Oracle HR Payroll Process, and policy-related journals like the Indian Journal of Industrial Relations, incorporating various articles published in these publications.

LIMITATIONS OF THE STUDY

1. The study's sample size was restricted, precluding the inclusion of all organization employees.
2. The inclusion of a neutral answer choice posed challenges in determining the attitudes and profiles of specific respondents.
3. Contradictions were identified in certain responses.
4. Some respondents selected multiple options when only a single response was required according to the question.

VI.   REVIEW OF LITERATURE

At one point in time, employees were viewed merely as inputs in the production of goods and services. The shift in thinking about employees can be attributed to the Hawthorne Studies, a series of research conducted by Elton Mayo from 1924 to 1932. These studies revealed that employees are not solely motivated by monetary incentives, and their

behavior is intricately linked to their attitudes. The Hawthorne Studies marked the initiation of the human relations approach to management, emphasizing the needs and motivation of employees as the primary focus for managers.

Motivation is an internalized drive that propels individuals towards the dominant thought of the moment (Rabby, 2001). It plays a pivotal role in individual performance, contributing to organizational performance and acting as a catalyst for the collective effort of employees within an organization. Panagiotakopoulos (2013) emphasizes that factors influencing staff motivation, particularly when financial rewards are minimized, significantly impact employee performance.

Management holds the responsibility of motivating employees to enhance organizational performance. Dysvik and Kuvaas (2010) found that intrinsic motivation strongly predicts turnover intention, with the relationship between mastery-approach goals and turnover intention being positive only for employees low in intrinsic motivation. Providing employees with ample resources and platforms is crucial, as highlighted by Kuo (2013), to ensure a successful organization that combines the strengths and motivations of internal employees and responds promptly to external changes.

Various motivation techniques, derived from existing literature, have been incorporated in this paper to create a seamless flow of motivation across employees of different age groups. The understanding of this motivational flow assists managers in cultivating a culture where employees are consistently motivated to perform better (Barney and Steven Elias, 2010).

In a complex and dynamic environment, leaders create an empowering atmosphere where employees feel trusted and empowered to make decisions, ultimately boosting motivation levels and organizational performance. Smith and Rupp (2003) assert that performance is influenced by individual motivation, organizational strategy, structure, and resistance to change.

Luthans and Stajkovic (1999) suggest that human resource advancement through rewards, monetary incentives, and organizational behavior modification has been a topic of considerable debate. Orpen (1997) emphasizes the positive relationship between mentors and mentees in formal mentoring programs, leading to increased motivation and commitment.

Malina and Selto (2001) demonstrate through a case study that positive motivation results in enhanced organizational outcomes. Strategic alignment, motivation, and organizational performance are interconnected, as illustrated by Decoene and Bruggeman (2006). Leaders who encourage participative work designs and responsibility foster motivation and high-performance culture (Aguinis et al., 2013).

Garg and Rastogi (2006) highlight the importance of a dynamic managerial learning framework to meet global challenges and enhance employee performance. Motivation, as emphasized by Vuori and Okkonen (2012), aids in sharing knowledge through intra-organizational social media platforms, facilitating the organization in achieving its goals.

Den and Verburg (2004) explore the impact of high-performing work systems on perceptual measures of firm performance. Ashmos and Duchon (2000) recognize the holistic nature of employees, seeking meaning and purpose in their work, contributing to high-level performance.

VII.   COMPANY PROFILE

Corporate Overview: Dr. Reddy's Pharmaceuticals

Dr. Reddy's Pharmaceuticals, with a workforce of 20,000 employees, is united by a simple yet powerful motto: 'Good Health Can't Wait.' This guiding belief underscores their commitment to viewing medicines not merely as molecules but as instruments for restoring patients' health. Positioned as a leader in the pharmaceutical industry, the company embraces the ethical responsibility to ensure accessible healthcare, prioritizing the well-being of individuals globally.

Historical Journey: A Legacy of Innovation

Established in 1984, Dr. Reddy's initially focused on manufacturing active pharmaceutical ingredients and expanded operations to include branded formulations in 1986. Within a short span, the company introduced Norilet, its first recognized brand in India. Notably, Omez, a breakthrough omeprazole medication for ulcers and reflux oesophagitis, was launched at a revolutionary price point. By 1987, Dr. Reddy's achieved the milestone of being the first Indian company to export pharmaceutical active ingredients to Europe, marking a pivotal shift towards manufacturing pharmaceutical products.

Mission and Vision: Guided by Principles

Dr. Reddy's core beliefs, embodied in the principles of Empathy and Dynamism, steer their present actions and inspire future endeavors. The company pays homage to its founder, Dr. K Anji Reddy, a distinguished scientist, philanthropist, and entrepreneur. Driven by a passion for drug discovery and a commitment to making medicines affordable, Dr. Reddy's traces its roots to the visionary ethos instilled by its founder.

Awards and Recognitions: Celebrating Excellence

Over the years, Dr. Reddy's Pharmaceuticals has earned numerous accolades, reflecting its commitment to excellence in the pharmaceutical industry. Some notable awards include the National Award for Best Biotechnology Company by AIBA (1998-99), National Awards for R&D Efforts in Industry (1999), and the FICCI Award for Excellence in Science, Technology, and Technological Innovation (2006-2007). The company's contributions to biotechnology, technological development, and commercialization have consistently garnered recognition, solidifying its position as a trailblazer in the field.

Visionaries in Healthcare: Dr. Krishna Ella's JRD TATA Best Entrepreneur Award (2012)

Dr. Krishna Ella, the Chairman and Managing Director of Bharat Biotech, a part of the larger Dr. Reddy's Pharmaceuticals ecosystem, received the prestigious JRD TATA Best Entrepreneur Award in 2012. This acknowledgment further underscores the commitment to excellence and entrepreneurial spirit within the organization.

In essence, Dr. Reddy's Pharmaceuticals stands at the forefront of healthcare innovation, driven by a legacy of visionary leadership, a commitment to affordability, and a steadfast dedication to improving global health outcomes.

**DATA ANALYSIS AND INTERPRETATION**

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

1. WHAT IS THE AGE GROUP OF THE RESPONDENT?

S.NO	AGE	No. Of respondent	Percentage
1	15-24	22	15
2	25-34	38	25
3	35-44	60	40
4	Above 45	30	20
	Total	150	100

INTERPRETATION

From the above table it is inferred that 40% of the respondents age group is 35-44, 25% of the respondents are in the age group is 25- 34, 20% of the respondents are in the age group above 45 and 15% of the respondents are in the age group of 15 -24.
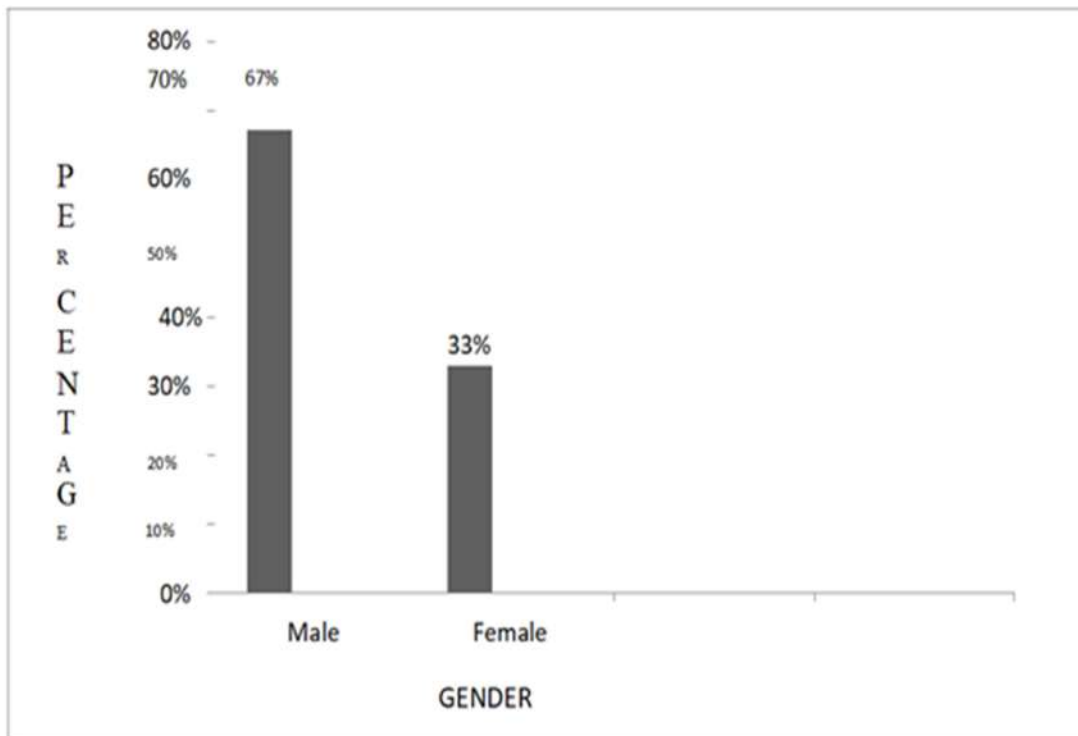
AGE GROUP OF THE RESPONDENTS
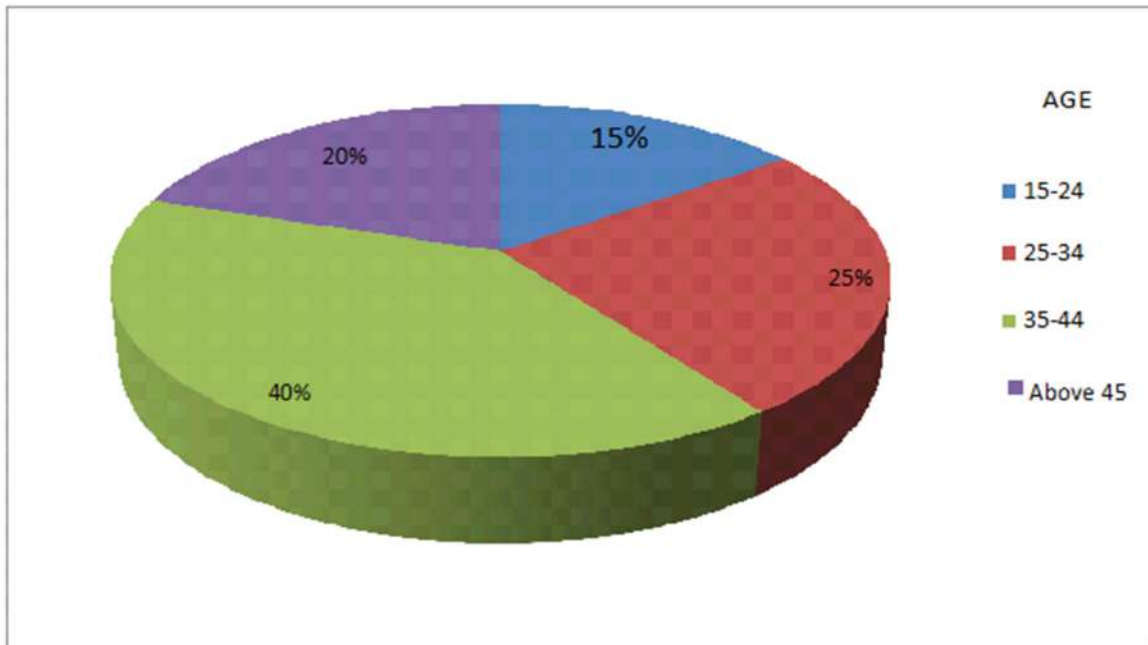
2. WHAT IS THE GENDER OF THE RESPONDENT?

S.NO	Gender	No. Of respondent	Percentage
1	Male	100	33
2	Female	50	67
3	Total	150	100

INTERPRETATION:

From the above table it is inferred that 67% of the respondents are male and 33 %of the respondents are female.

GENDER OF THE RESPONDENT

3. WHAT IS THE EDUCATION QUALIFICATION OF RESPONDENTS?

S.NO	Educational qualification	No. of respondent	Percentage
1	SSLC	38	25
2	Hsc	32	21
3	Graduate	37	25
4	Diploma	20	13
5	Other specify	23	16
	Total	150	100

INTERPRETATION

From the above table it is inferred that 25 % of the respondents completed SSLC & Graduation respectively, 21% of the respondents completed HSC,13 % of the respondents completed diploma and 16 %the respondents completed technical courses.
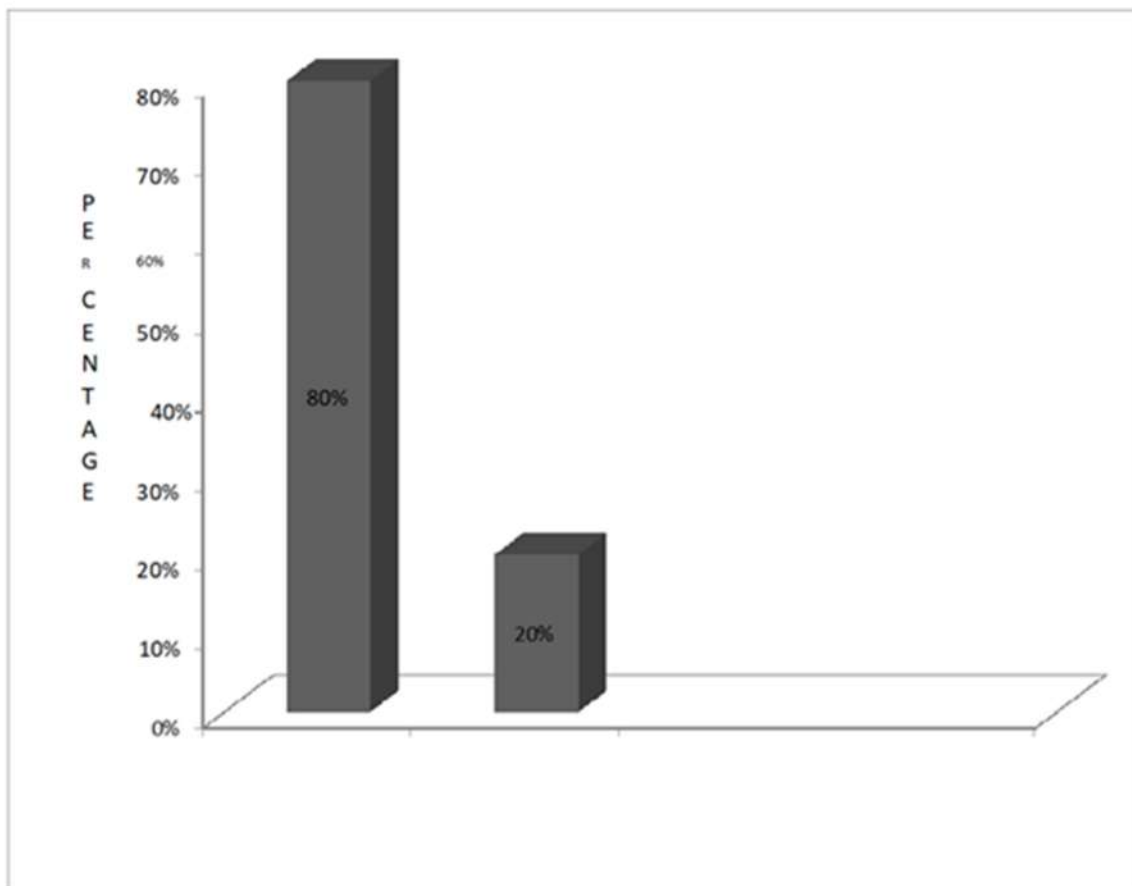
EDUCATION QUALIFICATION OF RESPONDENTS
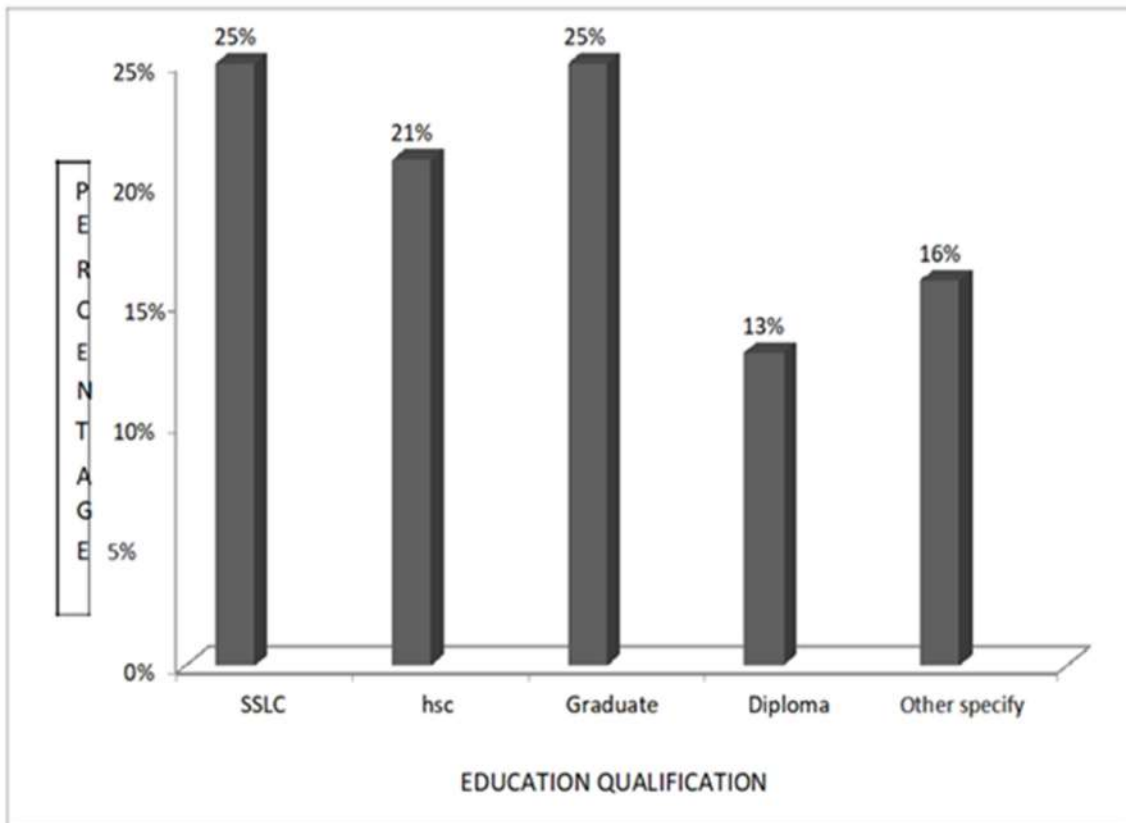
4. WHAT IS THE MARITAL STATUS OF RESPONDENTS?

S.NO	Marital status	No. Of Respondent	Percentage
1	Married	120	80
2	Un married	30	20
3	Total	150	100

INTERPRETATION

from the above table it is infered that 80%of respondents are married and 20 % of respondents are unmarried.
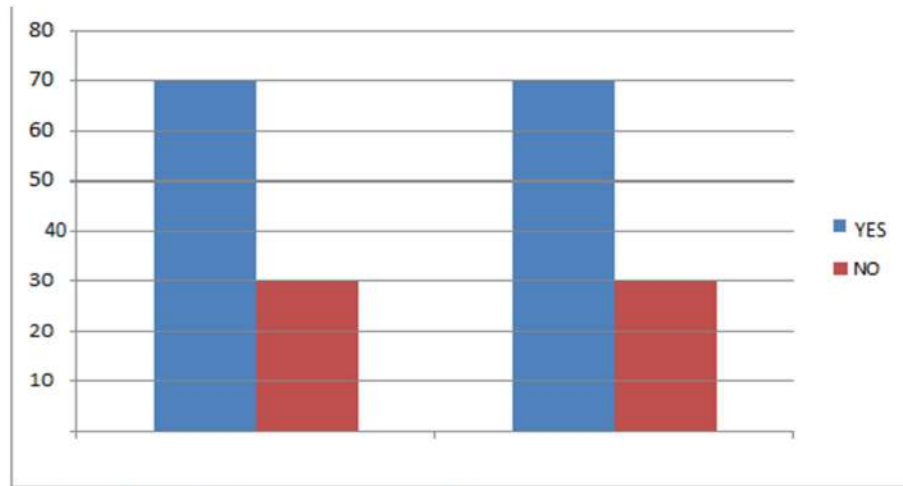
MARITAL STATUS OF RESPONDENTS

5. Did you feel that my superior/team leader always recognises the work done by me?

S.NO	YES/NO	No. Of respondent	Percentage
1	YES	70	70
2	NO	30	30
3	Total	100	100

INTERPRETATION:

From the above table it is inferred that 70% of the respondents are Yes and 30% of the respondents are No.
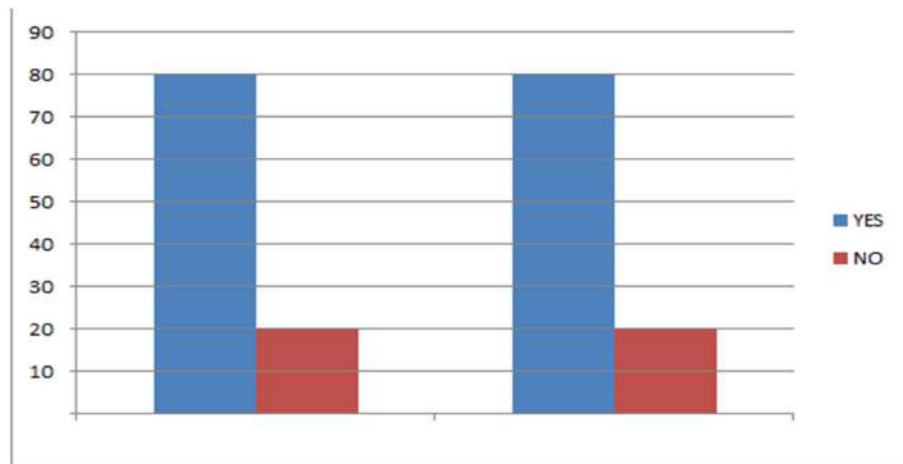

6. Did you feel that the job I do gives me a good status?

S.NO	YES/NO	No. Of respondent	Percentage
1	YES	80	80
2	NO	20	20
3	Total	100	100

INTERPRETATION:

From the above table it is inferred that 80% of the respondents are Yes and 20%of the respondents are No.

7. Did the visibility with top management is important to me?

S.NO	YES/NO	No. Of respondent	Percentage
1	YES	60	60
2	NO	40	40
3	Total	100	100

INTERPRETATION:

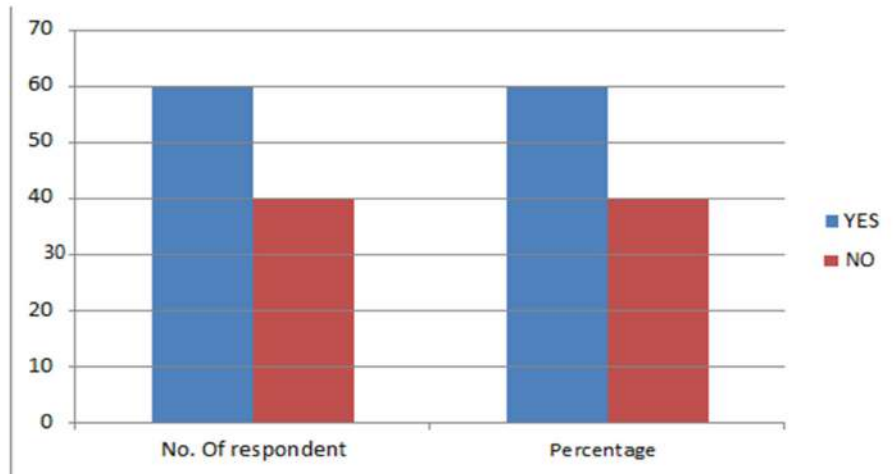From the above table it is inferred that 60% of the respondents are Yes and 40%of the respondents are No.

8. Is there any fair amount of team spirit in the organization?

S.NO	YES/NO	No. Of respondent	Percentage
1	YES	70	70
2	NO	30	30
3	Total	100	100

INTERPRETATION:

From the above table it is inferred that 70% of the respondents are Yes and 30%of the respondents are No.
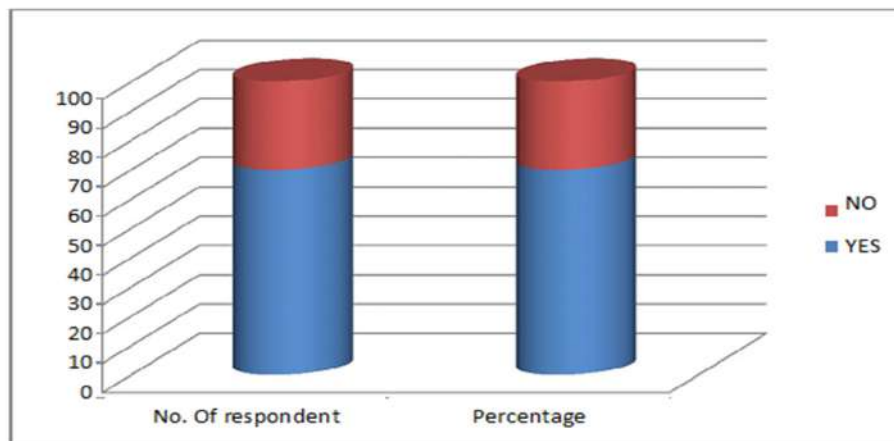
9. Do you want to be the best at job?

S.NO	YES/NO	No. Of respondent	Percentage
1	YES	60	60
2	NO	40	40
3	Total	100	100

INTERPRETATION:

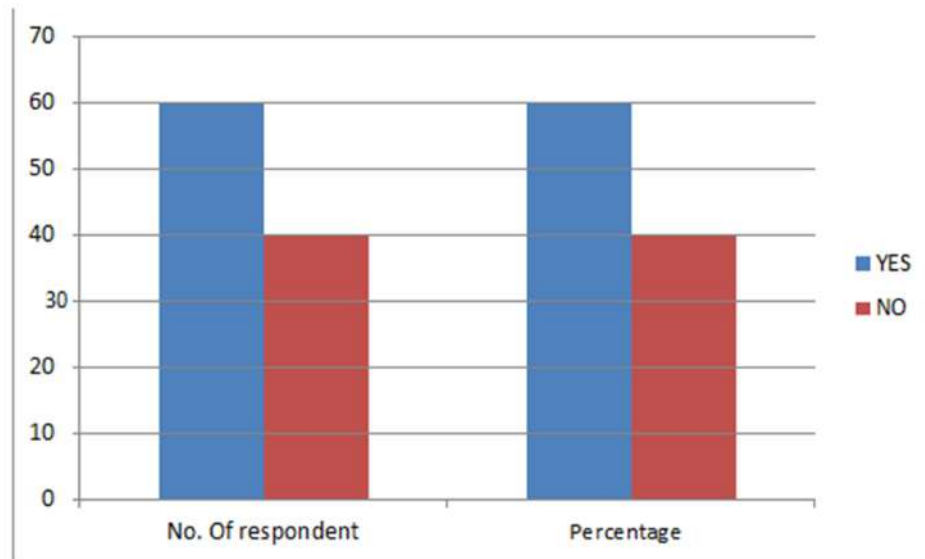From the above table it is inferred that 60% of the respondents are Yes and 40%of the respondents are No.

RESEARCH FINDINGS & SUGGESTIONS

Analysis of Survey Results: Key Findings

Age Distribution:

- 40% of respondents fall in the age group of 35-44.
- 25% belong to the 25-34 age bracket.
- 20% are aged above 45.
- 15% are in the age group of 15-24.

Gender Distribution:

- 67% of respondents identify as male.
- 33% of respondents identify as female.

Educational Background:

- 25% completed SSLC, Graduation, and HSC each.
- 13% have completed diploma courses.
- 16% have completed technical courses.

Marital Status:

- 80% of respondents are married.
- 20% of respondents are unmarried.

Experience in the Current Organization:

- 70% of respondents have been with the organization for a considerable duration (Yes).
- 30% of respondents are relatively new to the organization (No).

Satisfaction with Work-Life Balance:

- 80% of respondents express satisfaction with their work-life balance (Yes).
- 20% of respondents indicate dissatisfaction with their work-life balance (No).

Impact of Recognition on Motivation:

- 60% believe that recognition positively impacts their motivation (Yes).
- 40% do not feel that recognition significantly influences their motivation (No).

Perception of Career Growth Opportunities:

- 70% of respondents perceive favorable career growth opportunities within the organization (Yes).
- 30% are not optimistic about career advancement within the organization (No).

Effectiveness of Training and Development Programs:

- 60% find the training and development programs effective (Yes).
- 40% do not find the programs to be impactful (No).

Job Security Satisfaction:

- 80% of respondents feel secure in their jobs (Yes).
- 20% express concerns about job security (No).

Satisfaction with Supervisors:

- 50% are satisfied with their supervisors (Yes).
- 50% have concerns or dissatisfaction with their supervisors (No).

Workplace Environment:

- 90% of respondents are content with the workplace environment (Yes).
- 10% express discontent with the workplace environment (No).

Team Collaboration and Support:

- 70% feel that there is effective collaboration and support within the team (Yes).
- 30% perceive challenges in team collaboration and support (No).

Organizational Communication Effectiveness:

- 80% believe that organizational communication is effective (Yes).
- 20% find organizational communication lacking effectiveness (No).

These insights provide a comprehensive understanding of the workforce's demographics, sentiments, and perceptions within the organization.

SUGGESTIONS & RECOMMENDATIONS

Upon completing this study, it is evident that a robust total rewards system is integral to every organization. The focus of this investigation was on examining the rewards system within the financial industry in Ireland. The study had two primary objectives: (i) to explore which rewards serve as stronger motivators for employees, and (ii) to assess the existence of comprehensive total rewards systems in the Irish financial sector and the level of awareness among employees.

The literature review delved into reward management, employee motivation, and performance, revealing a gap in understanding employee perceptions of the reward system in the Irish financial industry. Recognizing this gap, the research outlined various methodologies for data collection, ultimately opting for a qualitative approach to gain a deeper insight into the topic through participant expression. The study proceeded with structured interviews and focus group discussions, although acknowledging the limitation of not including more managers, especially human resource managers, which could have enriched the study.

While the interviews and focus groups provided rich data, the study could have been strengthened by including more managerial perspectives. Additionally, conducting more focus groups or larger sessions might have enhanced the depth and accuracy of data collection. Despite these considerations, the gathered data, though exceptionally rich, led the researcher to believe that a more extended study duration would have been beneficial. Following data collection, the information was organized into themes, aligning with the findings from the literature review. The results indicated that while financial rewards were effective in the short term, employees primarily considered non-financial rewards as their main motivational driver. Recognition for their work emerged as a significant factor contributing to improved performance in the workplace.

VIII. CONCLUSION

In conclusion, this study emphasizes the significant role of a well-structured total rewards system within organizations, particularly in the context of the financial industry in Ireland. The primary objectives were to investigate the motivating factors influencing employees and evaluate the awareness and comprehensiveness of total rewards systems specific to this sector.

The literature review identified a gap in understanding employee perceptions of the reward system, prompting the adoption of a qualitative approach to gain deeper insights. The use of structured interviews and focus group discussions was instrumental, although recognizing the potential enrichment through the inclusion of more perspectives, especially from managerial roles such as human resources.

Despite acknowledged limitations, the collected data provided valuable insights. Financial rewards, though effective in the short term, did not emerge as the predominant motivators for employees. Non-financial rewards and recognition surfaced as pivotal drivers for enhanced performance and motivation in the workplace.

For future research in this domain, there is a potential benefit in expanding the participant pool to encompass a broader range of managerial perspectives. Additionally, extending the duration of the study could further enhance the depth and scope of the findings. Ultimately, this study underscores the importance for organizations to thoughtfully design and implement total rewards systems that harmonize with employee motivations, fostering sustained performance and contentment in the workplace.

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