A Project report

On

“A STUDY ON THE IMPACT OF REWARD SYSTEM ON EMPLOYEE MOTIVATION IN MARUTI SUZUKI LTD. (K.P AUTOMOTIVES LTD.)”

Submitted to Rajasthan Technical University kota, in lieu of partial fulfillment of the requirement of Master of Business Administration (MBA)

By

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(2013-2015)

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DECLARATION BY STUDENT

I hereby declare that the project report submitted by me is my partial fulfillment of Master of Business Administration is a genuine work of mine. It has not been submitted either fully or partly to this or any other institute prior, in any other connection.

Date: 

Akanksha Mishra

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DECLARATION BY GUIDE

It is to certify that Ms Akanksha mishra student of MBA IV SEM, Biyani Institute of Science and Management has completed this project report on the topic "The impact of reward system on employee motivation" under my guidance.
I wish her all success in academic carrier as well as her life.

Date: 

P.C JANGIR

(Vice principal)

(BGC)
ACKNOWLEDGEMENT

I am using this opportunity to express my gratitude to everyone who supported me throughout this project. I am thankful for their aspiring guidance, invaluably constructive criticism and friendly advice during the project. I am sincerely grateful to them for sharing their truthful and illuminating view on a number of issues related to the project.

I express my warm thanks to Mr. P.C. Jangir for her support and guidance. This project would not have been possible without her help.

Akanksha Mishra
MBA IV sem
ABSTRACT

Maruti Suzuki India Limited is India’s leading & largest Passenger car manufacturer which accounting for nearly 50 percent of the total industry sales. With a view to cater the demand of all types of customer the company has variety of brands in its basket i.e ranging from the peoples car Maruti 800 to the stylish hatch-back Swift, SX4 Sedan and luxury sports utility vehicle (SUV) Grand Vitara. The company has received ample awards and achievements due to its continuous innovations and technological up gradations. The company today is very conscious about safeguarding the environment from vehicle pollution which resulted in launching of its advanced K-Series engines. Despite of stiff competition, Maruti Suzuki India Limited is presently considered as the leading automobile giant due to its remarkable Economic, Environmental & Social performances. The object of this paper is to evaluate the performance of Maruti Suzuki India Limited with respect to Export, Sales, Production and Sales Network.

KEYWORDS: Achievements, Domestic Sales, Export, Production, Sales Network.
# TABLE OF CONTENT

<table>
<thead>
<tr>
<th>S.NO</th>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. Company profile</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. Topic introduction</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Review of literature</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Objective of the study</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Data analysis and interpretation</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Conclusion</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Suggestion</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Bibliography</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Annexure</td>
<td></td>
</tr>
</tbody>
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INTRODUCTION

Definition of Motivation:

“Motivation is the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement”.


Motivation, in the context of work, is a psychological process that results from the interaction between an employee and the work environment and it is characterized by a certain level of willingness. The employees are willing to increase their work effort in order to obtain a specific need or desire that they hold. According to Arnold (1991), motivation consists of three components:

- Direction – what a person is trying to do,
- Effort – how hard a person is trying,
- Persistence – how long a person keeps on trying

Motivation theory tries to explain why people at work behave the way they do in terms of their efforts and strive for achievement. In order to satisfy the needs and wants, goals are created and a behavior selected in order to achieve these goals. If the goal is achieved, the behavior is likely to be repeated when a similar need emerges. If the goal is not achieved, the same action is less likely to be repeated.

Managers can motivate employees through methods such as pay, promotion and praise. Employees can also motivate themselves by seeking work where individual goals, needs and wants will be achieved. These two types of motivation are called intrinsic and extrinsic motivation and are more closely described as follows:

(A) Intrinsic motivation: It refers to the motivation that comes from inside an individual. The motivation is generated through satisfaction or pleasure that one gets in completing or even working on a task. Factors that influence on intrinsic motivation include responsibility, freedom to act, scope to use and develop skills and abilities, interesting
work and opportunities for advancement. These motivators, which are concerned with the quality of work life, tend to have a long-term effect since they are inherent in individuals and not imposed from outside.

(B) Extrinsic motivation: It is something that is done to or for people to motivate them; it arises from factors outside an individual, such as money, grades, criticism or punishments. These rewards provide satisfaction and pleasure that the task itself might not provide. An extrinsically motivated person might work on a task even when they have little interest in it. This type of motivation usually has an immediate and powerful effect, however it does not tend to last for long.

Theories of Motivation

Content Theories of Motivation:
These theories are based on the needs of individuals. These theories try to explain why the needs of individuals keep changing overtime and therefore focus on the specific factors that motivate them. In general, these theories explain motivation as the product of internal drives that encourage an individual to move towards the satisfaction of individual needs. Major content theories of motivation are:

- Maslow's hierarchy of needs,
- McClelland's learned needs theory,
- Alderfer's ERG theory and
- Herzberg's motivation-hygiene theory

Maslow's hierarchy of Needs is a theory of personality that identifies five basic need categories:

- **Physiological needs** are basic human needs that are vital for survival. Examples of these needs are food, water, air and comfort. The organization provides a financial reward by paying a salary and this way helps to satisfy employees' physiological needs.
- **Safety needs** reflect a desire for security and stability. Examples of these needs include desire for steady employment, health insurance and safe neighborhoods.
- **Social needs** are the desire for affiliation. They reflect the person's desire for love, affection and belonging. These needs can be fulfilled by the organization through sport teams, parties and
celebrations. The managers can help to satisfy employees' social needs by showing direct care and concern for employees.

**Esteem needs** include the need for things that reflect on personal worth, self respect and social recognition. Individuals need to attain a good reputation in a group or strive to increase their status in the eyes of others are driven by these needs. The organization can help to satisfy employees' esteem needs by showing workers that their work is appreciated and recognized.

**Self-actualization needs** are the individuals desire for self-fulfillment and the realization of doing what he or she has the potential of doing. Assigning tasks that challenge employees' minds and encouraging their aptitude and training are examples on how the organization can help fulfill self-actualization needs. (*Beardwell & Claydon, 2007, p. 493*).

The basic needs are arranged in a hierarchy where the most basic need emerges first and the most sophisticated need last. In other words, the higher-order needs including belonging, esteem, and self-actualization are not seen important until the lower-order needs which are safety and physiological are satisfied. Managers should find out what motivates the employees at each of the levels and develop a reward strategy accordingly. (*Tosi, Rizzo & Carroll, 1994, p. 217 and Beardwell & Claydon, 2007, p. 493*).

Maslow's hierarchy of Needs has been criticized because there is little evidence that support its strict hierarchy and the fact that people satisfy only one motivating need at a time. The theory also fails to prove any clear relationship between needs and behavior, and is therefore unable to predict when a specific need will be manifested. (*Beardwell & Claydon, 2007, p. 493-494*).

**Process Theories of Motivation**

This theory tries to explain how behavior change occurs and why individuals act in different ways. In other words, they focus on how workers needs influence their own behavior. Process theories originate from early cognitive theories, which state that behavior is the result of conscious decision-making processes. Following are the most famous process theories:

- Reinforcement theory,
- Expectancy theory,
- Equity theory, and
- Goal setting theory,
The goal setting theory of Locke and Latham assumes that human behavior is governed by goals and ambitions, which lead to the assumption that an employee with higher goals will do better than an employee with lower goals. This theory states that there is a positive relationship between goal precision, difficulty and performance. Hence, if an employee knows precisely what he or she is expected to do, that individual will do better than someone whose goals are vague. Adequate and timely feedback plays an essential role in the goal setting theory since it has the following effect on the employees: (Beardwell & Claydon, 2007, p. 498).

- Increase feelings of achievement
- Increase the sense of personal responsibility for the work
- Reduce uncertainty
- Refine performance

The goal setting theory has been criticized because it does not take into consideration two important factors, individual differences and goal complexity. Individual priorities and goals that differ in specificity and difficulty, as well as some personality differences, such as self-esteem, might affect goal acceptance and willingness to achieve goals. (Tosi, Rizzo & Carroll, 1994, p. 236-237).

**Rewards and Incentives:**

“Reward is the benefits that arise from performing a task, rendering a service or discharging a responsibility.” (Colin Pitts, 1995, p. 11.) Pay is the most significant and motivating benefit that is received in return for performing a task or service. It is pay that motivates individuals to go out and seek work. Pay is also one of the few ways to set a mutually acceptable common value to the individual’s work contribution. Pay can also be a powerful demotivator, if employees are not satisfied with the reward package, it will be hard for the company to recruit and retain good individuals. (Colin Pitts, 1995, p. 11). Advocates of the expectancy theory believe that employees will change their behavior by working harder or prioritizing their actions if they know that by doing so they will be rewarded with something of value to them. Hence, incentives are a great way to reward effort and behaviors which the organization wishes to encourage.
There are various things to think about before making decisions about what kind of payment system is most appropriate for an organization. Managers should start by asking what objectives they are seeking to achieve. These are likely to include the following:

1. To minimize expenditure on wages and salaries over the long term.
2. To attract and retain staff of the desired caliber, experience and qualifications.
3. To motivate the workforce so as to maximize organizational performance.
4. To direct effort and enthusiasm in specific directions and to encourage particular types of employee behavior.
5. To underpin and facilitate the management of organizational change.

There is no one payments system that can achieve all the above mentioned features for all employees in an organization. Managers are required to weigh up the advantages and disadvantages of each payment system and decide where to put the emphasis on.

➤ The total reward system:

Total reward describes a reward strategy that brings components such as learning and development together with aspects of the work environment, into the benefits package. In the total reward system both tangible and intangible rewards are considered valuable. Tangible rewards arise from transactions between the employer and employee and include rewards such as pay, personal bonuses and other benefits. Intangible rewards have to do with learning, development and work experience. Examples of these types of rewards are opportunity to develop, recognition from the employer and colleagues, personal achievement and social life. The aim of total reward is to maximize the positive impact that a wide range of rewards can have on motivation, job engagement and organizational commitments. The components of the total reward can be described as in the following figure. (Armstrong & Brown, 2006, p.22).

The purpose of total reward is to create a cluster where all the different reward processes are connected, complementary and mutually reinforcing each other. In order to achieve internal consistency, the total reward strategies are horizontally integrated with human resource activities and vertically integrated with business strategies.

The benefits of a total reward system are described by Armstrong and Brown, 2006:

- Greater impact – when different types of rewards are combined, they will have a deep and long-lasting affect on the motivation, commitment and engagement of employees.
• Enhancing the employment relationship – total reward appeals more to employees due to the fact that it makes the maximum use of relational as well as transactional rewards.

• Enhancing cost-effectiveness – because total reward communicates effectively the value of the whole reward package, it minimizes the undervaluing of the true costs of the packages.

• Flexibility to meet individual needs – due to the variety of rewards, the total reward is able to answer the individual needs of the employees and hence bind them more strongly to the organization.

• Winning the war for talent – because relational reward processes are more difficult to replace than individual pay practices, total reward gives the organization the ability to attract and retain talented employees by differentiating their recruitment process and hence becoming “a great place to work.”

➢ Types of incentives:

Payment by Result is historically the most widely used incentive scheme, it reward employees according to the number of items or units they produce or the time they take to produce them. This scheme has been criticized due to its tendency to reward quantity of output rather than quality which can lead to reduced quality of the product or service. There is a great need to modify and evaluate the effectiveness of this scheme if it is to retain the impact of productivity. (*Dessler, 2003, p. 335-336).*

Skills-based pay is an input-based payment system in which employees receive pay for the skills or competencies which they acquire. This system gives the employees an opportunity to influence their pay by acquiring more skills that lead to pay increases. Skills-based pay encourages multitasking and flexibility, which in turn enables the organization to respond faster and more effectively to the needs of customers. (*Torrington, Hall, Taylor & Atkinson 2009, p163-164).*

Profit sharing is an incentive based compensation program where employees are rewarded with company shares or a percentage of the company's profit. This scheme is claimed to increase employee's commitment to his or her company by linking pay to profit, and hence deepening the level of mutual interest. Profit sharing also encourages the thought of everyone being on the same team; the employees have the same goals and are rewarded equivalently.
The disadvantage of profit sharing in the employee's point of view is the fact that pay levels may decline if the company do not meet its profit expectations. Another weakness of profit sharing is that the employees cannot see and know the impact of their work performance on the profitability of the company. Due to the fact that the employees receive the profit sharing money regardless of their own performance, the reward might become more of an entitlement than a motivating factor. (Torrington, Hall, Taylor & Atkinson 2009, p163-164).

Performance-related pay works on the assumption that if an employee is offered monetary bonuses for a job well done, they will perform better. There are two distinct varieties of this scheme. The merit-based system is based on the assessment of an employee's performance against previously set objectives. In the goal-based system the employer and the employee arrange a meeting and agree a list of objectives which are set to be met during the coming months. In order for performance related pay to work it should be based on clear and measurable targets that are agreed by both the employer and employee. (Torrington, Hall, Taylor & Atkinson 2009, p163-164).
COMPANY PROFILE

INTRODUCTION

HISTORICAL BACKGROUND:

Before independence the Indian car market was considered as a market for imported vehicles. The earlier period was very tough for growth of Indian automobile sector due to strict licensing, restrictive tariffing structure. The Indian automobile industry started to grow after 1970, but that growth was mainly driven by tractors, scooters and commercial vehicles. After 1980, the Indian automobile sector saw drastic but historical change. With an objective to modernize the Indian automobile Industry Maruti Udyog Limited was incorporated in February 1981. In October 1982 the company signed license and Joint venture agreement with Suzuki Motor Corporation of Japan. After collaboration, in December 1983, the company launched its most awaited Maruti 800. The company launched its multi purpose vehicle; Omni in November 1984. The company launched Gypsy in December 1985. In the year 1987, the company forayed into the foreign market by exporting first lot of 500 cars to Hungary. In the year 1990 the company launched Indias first sedan Maruti 1000 and Esteem in November 1994. In the year 1997 the company started Maruti Service Master as model workshop in India to look after sales service. In year 2000 the company launched a call centre. This was the first time a car company had ever launched a call centre in India. In September 2000 the company launched its highest selling model Alto. In the year 2002 the Maruti launched Maruti finance to offer financial services like extended warranty and finance for car insurance. In the year 2002, Suzuki Motor Corporation increased their stake in the company to 54.2 percent. The company launched its MPV Grand Vitara in April 2003. Maruti launched its most popular & successful hatch-back Swift in 2005. Maruti launched diesel version of Swift in January 2007 & in May 2007 the company launched its sedan SX4 in Indian automobile market. In July 2007 Maruti Udyog Limited renamed „Maruti Suzuki India Limited. In March 2008, the company launched Swift Dzire and in November 2008 the company launched A-Star; equipped with K-series engine. In May 2010,
Maruti Suzuki launched its stylish vehicle Ritz. In the year 2011, the company launched its luxury sedan Kizashi and with an objective to fulfill the needs of larger family size consumers, on 12 April 2012 the company launched its MPV Ertiga.

Maruti Suzuki India Limited in their Sustainability Report 2009-10, focuses on its Give, Get & Grow mantra. This report speaks about Economic, Environmental & Social performance of Maruti Suzuki India limited. Mr.R.C.Bhargava-Chairman, Maruti Suzuki India Limited, in this report stated that, the sustained growth achieved by Maruti Suzuki over its 26 year journey is the result of stakeholder centric policies adopted from their formative years, which have also kept in view the interests of society and the company"s ability to respond to the changing market requirements. Mr.Bhargava also opined that recognizing the importance & necessity of clean and cost effective fuel options, Maruti Suzuki embarked on a journey to develop alternate fuel vehicles and out of the alternative fuel options, CNG seems to be the most suitable option for India.

PROFILE OF MARUTI SUZUKI INDIA LIMITED:
Maruti Suzuki India Limited is a subsidiary of Suzuki Motor Corporation, Japan & India”s leading passenger car manufacturer, accounting for nearly 45 percent of the total industry sales. Maruti Suzuki offers 16 brands with near about 150 variants. Maruti offers various brands which include Maruti 800, Alto 800, Alto K10, Estilo, Wagon-R, Omni, Eeco, A-Star, Ritz, Gypsy, Swift, Swift Dzire, SX4, Ertiga, Kizashi and Grand Vitara. The company is engaged in the business of Purchase, Manufacturing, and Sales of vehicles & spare parts. Maruti Suzuki is also engaged in other activities like Pre owned car sales, Car financing & Fleet management. Maruti Suzuki got various awards and accolades in its profile. It has ranked no.1 in JD Power Asia Pacific Customer Satisfaction Index (CSI) survey 2009 for ten times in a row. Maruti Suzuki got CNBC TV18 award 2011 for manufacturer of the year. Maruti Suzuki is the only Indian company who has crossed the 10 million sales mark since its inception. The company has two manufacturing facilities in Manesar and Gurgaon, Haryani, India. The Gurgaon manufacturing plant has a manufacturing capacity of nine lakh units annually. According to Mr.R.C.Bhargava-Chairman, Maruti Suzuki India Limited, Maruti Suzuki India Limited finalized Rs.1700 crore investment for doubling the diesel engine capacity at Gurgaon Manufacturing Facility to 6,00,000 units by 2014. The Gurgaon plant also having K Series engine plant. Since inception of
this plant, till date over 10 lakh K Series engine have been rolled out. Maruti Suzuki’s Manesar manufacturing facilities have two fully integrated plants having capacity of 5.5 lakh units annually. Maruti Suzuki is also ahead in Social activities. As a responsible corporate citizen Maruti Suzuki introduced world class driving training facilities to India by launching Institute of Driving & Traffic Research. These include a specially formulated multilingual theory curriculum, scientifically laid-out driving tracks and advanced driving simulators that replicate Indian driving conditions. In 2008, Maruti Suzuki introduced National Road Safety Mission. Under this initiatives, the company took a commitment of training over 5,00,000 people in safe driving practice in a span of three years. Also with an objective to improve road safety and inculcate safe and systematic driving habits among people, Maruti Suzuki has opened Maruti Driving Training School (MDS). These driving schools are equipped with Practical Training and Attitude Training.
According to Vroom (1964), supported the assumption that workers tend to perform more effectively if their wages are related to performance which is not based on personal bias or prejudice, but on objective evaluation of an employee’s merit. Though several techniques of measuring job performance have been developed, in general the specific technique chosen varies with the type of work..

Egwuridi (1981) also investigated motivation among Nigerian workers using a sample of workers of high and low occupational levels. The hypothesis that low-income workers will be intrinsically motivated was not confirmed, and the expectation that higher income worker will place a greater value on intrinsic job-factors than low-income workers was also not confirmed. This shows clearly the extent of value placed on extrinsic job factors.

Akerele (1991) observed that poor remuneration is related to profits made by organization. Wage differential between high and low income earners was related to the low morale, lack of commitment and low productivity.

Another study carried out, which is of importance to this research, is that of Wood (1974). He investigated the correlation between various workers attitudes and job motivation and performance using 290 skilled and semi-skilled male and female paper workers. The study revealed that highly involved employees who were more intrinsically oriented towards their job did not manifest satisfaction commensurate with company evaluations of performance. They depended more on intrinsic rewards as compared to those who were more extrinsic in orientation.

Gibson, Ivancevich and Donnelly (2000) say motivation is a concept we use when we describe the forces acting on or within an individual to initiate and direct behavior. We use the concept to
explain differences in the intensity of behavior (regarding more intense behaviors as a result of higher levels of motivation) and also to indicate the direction of behavior.

**OBJECTIVES OF THE RESEARCH**

This research is intended to achieve the following objectives:-

- To determine if there is a relationship between reward and employee motivation.
- To determine the impact of rewards on motivation.
- To determine which factors contribute to work motivation.
- To determine the impact of biographical variables on work motivation.
- To analyze the effect of reward system on motivational level of employees at K.P Automotives Ltd.
RESEARCH METHODOLOGY

MEANING OF RESEARCH
“Research” includes any gathering of data, information and facts for the advancement of knowledge. Research must be systematic and follow a series of steps and a rigid standard protocol. These rules are broadly similar but may vary slightly between the different fields of science.

MEANING OF RESEARCH METHODOLOGY
The word research methodology comes from the word “advance learner’s dictionary” meaning of research as a careful investigation or inquiry specially through search for new facts in any branch of knowledge for example some authors have defined research methodology as systematized effort to gain new knowledge.

Research Methodology can consider research as movement, a movement from the known to the unknown. The term Research methodology is an academic activity and as such the term should be used in technical sense. According to Clifford Woody research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deduction and reaching conclusions and then testing of the conclusion to determine whether they fit the in the formulating hypothesis.

Analysis of past data a helps the management of the company to plan its future polices according to the external environment. Based on this, study has been taken up financial analysis of the company. Any sound research must have a proper design to achieve the required result, this study id constructed on the basis of descriptive design.
TYPES OF RESEARCH

Descriptive: Descriptive Research includes survey and fact finding enquiries of

Different kinds.

The study conducted is a conclusive descriptive statistical study. Conclusive because after conducting the study the researcher comes to a decision which is precise and rational.

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact the research design is a conceptual structure within which the research is conducted It constitute the blueprint for the collection, measurement and analysis of data. Decisions regarding what, when, where, how much, by what means concerning an inquiry or research study constitute a research design. Research design is needed because it facilitates the smooth sailing of the various research operations thereby making research as efficient as possible yielding maximal information with minimal expenditure of effort, time and money.

TYPES & SOURCES OF DATA

PRIMARY DATA SOURCES

• Through interaction with respondents.

SECONDARY DATA SOURCES:

• Through internet, various official site of the Company.
• Through pamphlets and brochures of the Company.
• Journals & Magazine

In this study both Primary and Secondary Data has been used.
SAMPLE DESIGN
This project is special in nature and therefore method used for sample technique in convenient sampling method. The method used for sample technique was convenience sampling method. This method was used because it was not know previously as to whether a particular person will be asked to fill the questionnaire. Convenient sampling is used because only those people were asked to fill the questionnaires who were easily accessible and available to the researcher.

SAMPLE SIZE
25 respondents

TOOLS OF ANALYSIS
I have used Structured Questionnaire Method. Some of the software’s used for making this project will be Ms Word and Ms Excel.

LIMITATIONS
1. The respondents were limited and cannot be treated as the whole population.
2. The respondents may be biased.
3. The accuracy of indications given by the respondents may not be consider adequate
4. Inspite of precautions taken there are certain procedural and technical limitations.
5. Lack of sufficient time to exhaust the detail study of the above topic became a hindering factor in my research.
6. Resources were limited.
7. Respondents are not willing to respond properly.
Q1. Are the rewards distributed rightfully?

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
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<tbody>
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<td>11</td>
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<tr>
<td>Agree</td>
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<td>32</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>8</td>
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**Interpretation:**

In the above given data it is been shown that majority of employees feel that rewards are rightly distributed i.e. with 44% and 32%. With least with 8% employees feel that rewards are not distributed correctly and the feel that there should be some changes in that.

Q2. Does the reward match your work effort?
Interpretation:
In the above data it can be interpreted that rewards affects by rewards and incentives. With majority of 40% and 36% it can be concluded that employees are affected by reward and incentives and with least of 12% employees feels that rewards does not affects the working ability.

Q3. Are you satisfied with the quality/quantity of the rewards?

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<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
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<tbody>
<tr>
<td>Strongly agree</td>
<td>8</td>
<td>32</td>
</tr>
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</table>
Interpretation:
From the above results it can be shown that 48% of employees are well satisfied with the reward distribution and with least of 8% employees feel that they company should work on the reward distribution and reward factors.

Q4. Does rewards motivate you to perform well in job?

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<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
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<tr>
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<td>18</td>
<td>72</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>28</td>
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</tbody>
</table>
Interpretation:

On the given results it can be easily interpreted that with majority of 72% of employees are motivated by the rewards distributed and 28% of the employees feels that rewards are not only the factors affecting employee motivation.

Q5. Are you included in the decision making process of the reward systems?

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<tr>
<th>Options</th>
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<th>Percentage of Respondents</th>
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<tbody>
<tr>
<td>Yes</td>
<td>10</td>
<td>40%</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>60%</td>
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</tbody>
</table>
Interpretations:

Above results shows that majority of employees thinks that they are not included when rewards are being decided while 40% of the employees thinks that they are well included in the decision making of the rewards and its distribution.

Q6. Do you think the reward system should be improved or developed further?

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<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
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<tbody>
<tr>
<td>Yes</td>
<td>13</td>
<td>52</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>48</td>
</tr>
</tbody>
</table>
**Interpretation:**
After concluding the results it was concluded that with majority of employees with 52% thinks that reward system should be developed and it should be improved and 48% of employees thinks that the current rewards mechanism is perfect for the organization.

**Q7. Does financial incentives motivates you more than non-financial incentives?**

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<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
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<tr>
<td>Yes</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>40</td>
</tr>
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Interpretation:
In the above findings it is clearly shown that with majority employees with 60% feels that financial incentives motivates more than the non financial incentives on the same hand 40% of employees feels that non financial incentives are more preferred than the financial incentives.

Q8. Do incentives affect zeal, enthusiasm and good industrial relations?

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<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
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<tbody>
<tr>
<td>Yes</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>72</td>
</tr>
</tbody>
</table>
Interpretations:

In the above given interpretations it is well interpreted that 72% of employees thinks that rewards does affects the zeal, enthusiasm and good industrial relations whereas 28% of employees thinks that rewards has no affects on such things.

Q9. Factors which motivates you the most?

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<tr>
<th>Options</th>
<th>No. ofRespondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Increase</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>Promotion</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>Leave</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Motivational talks</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Recognition</td>
<td>8</td>
<td>32</td>
</tr>
</tbody>
</table>
Interpretation:
Above given data shows that employees are more motivated by salary increments and recognition by 32% on each and with least of 4% of employees are motivated by motivational talk and leave.

Q10. Do incentives affect the absenteeism and labor turnover?

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>50</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>44</td>
</tr>
<tr>
<td>Not sure</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>
Interpretation:
In the above given interpretations it is well interpreted that 50% of employees thinks that incentives does affects the absenteeism and labor turnover whereas 44% of employees thinks that incentives has no affects on such things and remaining 6% of employees are not sure that does it affect or not.

Q11. Do incentives enhance social recognition and standard of living?

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>40</td>
</tr>
</tbody>
</table>
Interpretation:
In the above given interpretations it is well interpreted that 60% of employees thinks that incentives does affects the social recognition and standard of living whereas 40% of employees thinks that incentives has no affects on such things.

Q12. Does incentives help in enrichment of job?

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>11</td>
<td>44</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>
Interpretation:
From the above results it can be shown that 40% of employees are well satisfied with this that incentives affect on enrichment of job and with least of 4% employees feel that the company should work on the reward distribution and reward factors.

CONCLUSION

Topic of the project is Impact of reward system on employee motivation. For this a survey of 25 employees was conducted using a closed ended questionnaire.

- It was found that monetary and non monetary reward system of the company is effective in motivating employees. It was also found that Employees motivation level is high.
- It was also found that organization recognize and acknowledge their work.

- Most of the respondents are satisfied with the reward system of the organization.

- Most of the respondents say that incentives and reward system will influence their performance. Organizational policies motivates for achieving its aims and objectives.

**SUGGESTIONS**

The suggestions made in this research are personal opinions and should not be considered as facts. No research has been conducted on how well the suggestions would work in real-life and should therefore be taken merely as good advice. So some of them are as follows:

- Proper Recognition and attention must be given to the employees.

- Non Monetary and monetary rewards must be given to the employees for motivating them.
- Good Working Environment must be created to motivate employees.
- Employee Participation in management decision is also the most important factor for employee motivation hence it must be considered.
- Special programmes must be conducted to motivate Employees.
- Performance benefits must be given to the employees

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www.managementparadise.com
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ANNEXURE

Questionnaire
I as part of my study I'm collecting information of the existing employees to know the employee perception on value added services provided by maruti Suzuki(k.p automotives ltd.). I kindly request you to fill following questionnaire.

NAME: 
AGE: 
GENDER:

1. Are the rewards are distributed rightfully.
   - Strongly agree 
   - Agree 
   - Disagree 
   - Strongly disagree 

2. Does the rewards match your work effort.
   - Strongly agree 
   - Agree 
   - Disagree 
   - Strongly disagree 

3. Are you satisfied with the quality/quantity of the rewards.
   - Strongly agree 
   - Agree 
   - Disagree 
   - Strongly disagree
4. Does rewards motivate you to perform well in job?
   • Yes
   • No

5. Are you included in the decision making process of the reward systems?
   • Yes
   • No

6. Do you think the reward system should be improved or developed further?
   • Yes
   • No

7. Does financial incentives motivates you more than non-financial incentives?
   • Yes
   • No

8. Do incentives affect zeal, enthusiasm and good industrial relations?
   • Yes
   • No

9. Factors which motivates you the most?
   • Salary increase
   • Promotion
   • Leave
• Motivational talk
• Recognition

10. Do incentives affect the absenteeism and labor turnover?
• Yes
• No
• Not Sure

11. Do incentives enhance social recognition and standard of living?
• Yes
• No

12. Does incentives help in enrichment of job?
• Strongly Agree
• Agree
• Disagree
• Strongly Disagree