



# To Study the Reward and Recognition Practices on Employee Motivation and Performance with Reference To it Industry in Pune Region

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**Abstract** – This study focuses on understanding how reward and recognition practices affect employee motivation and performance in the IT industry in Pune. In today’s highly competitive work environment, organizations need to keep their employees motivated in order to improve productivity and retain skilled talent. Reward and recognition play a key role in this process by encouraging employees to perform better and stay committed to their work. The study looks at different types of rewards, including monetary benefits like salary, bonuses, and incentives, as well as non-monetary recognition such as appreciation, awards, and promotions. It examines how these factors influence employees’ motivation levels. The research also highlights the benefits of effective reward systems, such as improved job satisfaction, increased productivity, and stronger employee engagement. At the same time, it points out certain challenges, including lack of fairness, transparency, and delays in recognizing employees’ efforts. The data for this study was collected through questionnaires from IT employees in Pune. The findings suggest that both rewards and recognition have a positive impact on employee motivation and performance. However, most employees prefer a balanced combination of financial and non-financial rewards. Overall, the study concludes that well-designed reward and recognition practices help organizations enhance performance, reduce employee turnover, and build a positive and supportive work environment. **Keywords:** Reward, Recognition, Employee Motivation, Employee Performance, IT Industry, Pune

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## I. INTRODUCTION

In today’s rapidly growing IT industry, employee motivation and performance play a very important role in the success of any organization. In cities like Pune, which is a major IT hub in India, companies face tough competition and high employee turnover. Because of this, organizations are giving more attention to reward and recognition practices to keep their employees motivated and improve overall productivity. Reward mainly includes financial benefits such as salary, bonuses, and incentives, while recognition refers to appreciating employees through awards, praise, and acknowledgment of their efforts. When employees feel valued and appreciated, they are more satisfied with their jobs and tend to perform better. In the IT sector, employees often work under pressure with strict deadlines and high expectations. In such situations, proper reward and recognition systems help boost their morale, encourage better performance, and increase their engagement with the organization. On the other hand, if employees do not receive proper rewards or recognition, it may lead to dissatisfaction and lower productivity.

This study aims to understand how reward and recognition practices affect employee motivation and performance in IT companies in Pune.

### Significance Of Study

The importance of this study comes from its focus on improving employee motivation and performance in the IT industry, especially in the Pune region. Since the IT sector is growing very fast and is highly competitive, companies

often face problems like high employee turnover, work pressure, and difficulty in retaining skilled employees. This study helps in understanding how proper reward and recognition practices can solve these issues by increasing employee satisfaction, engagement, and productivity.

It also provides useful guidance for HR managers and organizations to create reward systems that are fair, transparent, and based on employee performance. Such systems help in aligning employees’ efforts with the overall goals of the organization. The study also shows that both financial rewards (like salary and incentives) and non-financial recognition (like appreciation and awards) are important to meet employees’ needs and keep them motivated.

From an academic point of view, the study adds value by applying motivation theories in a practical, real-life work environment. Overall, this study is important because it helps organizations make better HR decisions, improve the workplace environment, and achieve long-term success.

## II. LITERATURE REVIEW

The literature on reward and recognition shows that these practices play an important role in improving employee motivation and performance. Many researchers have explained that motivation is a key factor that influences how employees work and how productive they are. Ryan and Deci (2021) state that motivation can be of two types— intrinsic and extrinsic—and both are important for improving employee engagement and performance.



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Intrinsic motivation comes from personal satisfaction and interest in the work, while extrinsic motivation is influenced by external factors like salary, incentives, and recognition, as explained by Bari et al. (2020).

Vroom (1964), through his expectancy theory, explained that employees are more motivated when they believe their efforts will lead to good performance and meaningful rewards. Other studies also support this idea. For example, Elumah Lucas et al. (2016) found that financial rewards help improve organizational performance, while Prakash Kumar Sen (2016) highlighted the importance of non-financial rewards such as appreciation and recognition in increasing employee satisfaction. Similarly, Md. Nurun Nabi et al. (2017) concluded that a balanced reward system that includes both financial and non-financial elements leads to better employee performance and overall efficiency. Overall, these studies clearly show that both monetary rewards and non-monetary recognition are essential for motivating employees, increasing job satisfaction, and improving performance, especially in competitive industries like the IT sector.

### Objectives Of The Study

1. To understand how reward and recognition practices are followed in IT companies.
2. To find out how these practices affect employee motivation.
3. To study the connection between employee motivation and their performance at work.
4. To compare the impact of financial rewards (like salary and bonuses) and non-financial rewards (like appreciation and recognition).
5. To identify how satisfied employees are with the reward and recognition they receive.

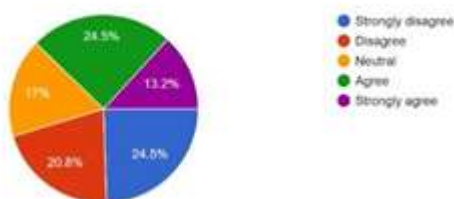
## III. RESEARCH METHODOLOGY

- Research Design: Descriptive
- Data Type: Primary and Secondary
- Primary Data: Questionnaire (Google Form)
- Sample Size: 50–60 respondents
- Sampling Method: Convenience Sampling
- Tools Used: Percentage analysis, charts

### Data Analysis And Interpretation

1) The reward system in my organization motivates me to perform better.

The reward system in my organization motivates me to perform better.  
53 responses



#### Interpretation:

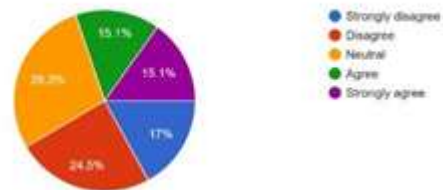
The responses show that employees have different opinions about whether the reward system actually motivates them.

Around 44.5% of employees feel that the reward system does not motivate them to perform better, while about 37.7% believe that it does help improve their performance. Around 17% of employees are neutral and do not have a clear opinion. This means that although some employees find the reward system helpful, a slightly larger number are not satisfied with it. Overall, it suggests that the organization needs to improve its reward system so that it can motivate more employees effectively

### 2) Performance-based

incentives encourage me to achieve targets.

Performance-based incentives encourage me to achieve targets.  
53 responses

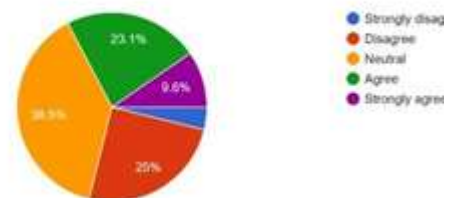


#### Interpretation:

The responses show that employees have mixed opinions about performance-based incentives. Around 41.5% of employees feel that these incentives do not really encourage them to achieve their targets, while about 30.2% believe that they do help motivate them. Also, a noticeable 28.3% of employees are neutral and not sure about their impact. This means that even though some employees find performance-based incentives useful, a larger number are either not convinced or are not satisfied with them. Overall, it suggests that the organization should improve how these incentives are designed and implemented so they can motivate employees more effectively.

### 3) Rewards and recognition positively impact team morale.

Rewards and recognition positively impact team morale.  
52 responses



#### Interpretation:

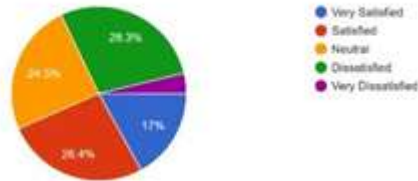
The responses show that employees have a slightly positive but overall mixed opinion about how rewards and recognition affect team morale. About 32.7% of employees feel that these practices help improve team morale, while 26% do not agree with this. A large number of employees, around 38.5%, are neutral and not sure about their impact. This means that although some employees see a positive effect, many are either unsure or not fully convinced. Overall, it suggests that the organization needs to improve its reward and recognition practices so they can more clearly and effectively boost team morale.



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#### 4) How satisfied are you with the monetary rewards provided by your organization?

How satisfied are you with the monetary rewards provided by your organization?  
53 responses

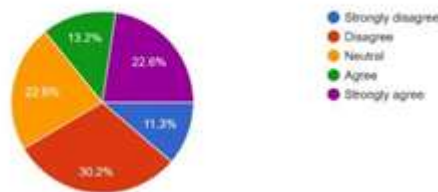


#### Interpretation:

The responses show that employees have mixed feelings about the monetary rewards provided by the organization. About 43.4% of employees are satisfied with the rewards, while 29.3% are not satisfied. Around 24.5% of employees are neutral and do not have a clear opinion. This means that even though more employees are satisfied than dissatisfied, there is still a significant number who are unhappy or unsure. Overall, it suggests that the organization should improve its monetary reward system to better meet employee expectations and increase satisfaction.

#### 5) The current reward system aligns with employee performance.

The current reward system aligns with employee performance.  
53 responses



#### Interpretation:

The responses show that employees have mixed opinions about whether the reward system is properly linked to their performance. Around 41.5% of employees feel that the rewards they receive are not clearly based on how well they perform, while about 35.8% believe that the system is aligned with performance. Around 22.6% of employees are neutral and unsure. This means that although some employees feel the system is fair, a slightly larger number are not satisfied. Overall, it suggests that the organization needs to improve how rewards are connected to employee performance so that it feels more fair and motivating for everyone.

#### Findings

1. Rewards and recognition help in increasing employee motivation.
2. Employees perform better when rewards are clearly connected to their work and efforts.
3. Monetary rewards like salary and bonuses mainly provide short-term motivation.
4. Recognition, such as appreciation and awards, gives long-term satisfaction to employees.
5. A fair and transparent reward system helps in building trust among employees.

6. Lack of proper recognition can reduce employee motivation.
7. Providing rewards on time helps in improving productivity.
8. Most employees prefer a combination of both monetary and non-monetary rewards.

### IV. CONCLUSION

This study shows that reward and recognition are very important for improving employee motivation and performance in the IT industry in Pune. When employees are properly rewarded and appreciated, they tend to work better, feel more satisfied, and stay more committed to their organization. Both monetary and non-monetary rewards play a key role. Financial rewards help attract and motivate employees in the short term, while recognition and appreciation help build long-term motivation and engagement. However, if the reward system is not fair, transparent, or given on time, it can reduce its effectiveness. Overall, organizations should focus on creating reward systems that are fair, clear, and well-planned. This will help in motivating employees, improving performance, and achieving long-term success.

### REFERENCES

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