

IMPACT OF REWARD AND RECOGNITION, SUPERVISOR SUPPORT ON EMPLOYEE ENGAGEMENT

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ABSTRACT

Employee engagement play a key role for the success of any organization because they provides the highest employee satisfaction , lower employee turnover rate , greater employee loyalty, better customer service, higher sales and higher profitability. The aim of this study is to examine the impact of reward and recognition and perceived supervisor support on employee engagement. The method used in research is quantities descriptive. We used questionnaire to collect data. The population in this study consisted of employees of Muslim Commercial Bank & National Bank of Pakistan. Data were collected in Multan from 108 employees but unfortunately 08 questionnaire data rejected because the data was not proper fill. The data were analyzed using through statically package for social science (SPSS Version 21).The results show that reward & recognition and supervisor support can engage employees for better performance. Hence; employee's engagement can improve through the reward and recognition and supervisor support.

Keywords: Employee Engagement, MCB, NBP, Reward and Recognition, Supervisor Support.

INTRODUCTION

Employee behaviour is based on organizational behaviour & human resource management. It is important for organization to get the benefits through employees by telling them why and how they can achieve tasks in organization. Employees are the crucial part for achieving goals of organization. They can have hundreds of emotions & thoughts about work but organizational behaviour focuses on few work related variables. But we'll study following variables: employee engagement, supervisor support, reward and recognition.

Employee engagement is linked with members of company like customers, users, employees, stakeholders. For the employee engagement it is important to understand what is good for motivating them (Kayes & Jorden-Evans, 2003). They focused that fully employee engagement is a very important task today especially; different stages of work live by understanding their mind and heart of employees.

Employee engagement is tough to manage because employees want appreciation & encouragement to be motivated. Experts of motivational theories said that fulfil the desires and needs of employees to keep them motivated and energetic. Organization can engage employees with the help of rewards and recognition. Rewards are important part for employee engagement. Rewards and recognitions have a great impact on employee's performance and motivation. Reward system is helpful to increase job satisfaction. (Smit, Stanz, & Bussin, 2015) Said that to motivate and retain an extraordinary workforce, the reward strategy has been played a key role. It is important to provide rewards, benefits, gifts and incentives to employees for achieving organizational goals and keeping employees satisfied with organization.

There is much type of rewards. Rewards can be extrinsic and intrinsic. Extrinsic rewards are financial like pay, bonus, promotion & Non-financial like benefits. Intrinsic rewards are like appreciation. We can facilitate employees by rewards through a reward ceremony to appreciate employee's performance. So there are many factors to motivate and manage employees. Therefore, it is good to think about factors that will help you to understand, motivate and engage your employees.

Organization should take care of its employees with the help of supervisor. Employees want support, concern and encouragement of superiors. According to (shuck, 2011) Supervisor support can be empathy, care, feedback, guidance etc. Supervisors can engage & disengage employees by their style of supporting. Lack of supervisors support can create burnout situation for employees. Supervisor support is helpful for the staffs that perform tasks.

Many researches are conducted to check the impacts of supervisor support, reward and recognition on employee's engagement. Through proper use of rewards and right selection of benefits, individuals are not only engaged but they feel that they are valuable for the company. At the end, results are positive. We can select effective supervisor supports and reward systems for employees to increase their performance & satisfaction.

Significance

This study assesses effect of reward and recognition enhancing the employee engagement with organization and performance and search about how much supervisor behavior impact on individual employee engagement with organization.

Objectives

According to the research problems, the core objectives of this study are:

- To understand the impact of reward and recognition on employee engagement in the Pakistani- banking sector.
- To know the influence of supervisor behavior on employee engagement at banking sector.
- To suggest ways to improve employee engagement.

Questions

- To check the banking sector employees are happy with the current reward and reorganization system?
- Identify the supervisor support in banking sector?
- To know about employees are satisfy with current job?

Research Problem

By choosing this certain topic for study due to limited practical research on this topic in the Pakistani banking sector. Currently business environment, employee engagement plays a key role in the success of an organization's long-term performance. This study is selected for empirical test because increase the value of this topic in recent years.

LITERATURE REVIEW

Reward and Recognition

Organization gets success with the help of its employees. Researches conform that employee engagement is related to reward and recognition. Rewards are helpful tools for improving employees' performance. These are linked with employee engagement. According to your (Rehman, khan, & Lashari, 2010) Reward means what employees want to get from organization or what they get in form of cash on working conditions.

(Bratton & Gold, 2003) define rewards as rewards can be in different forms, these can be financial, non-financial and psychological benefits awarded by organization. So rewards are benefits which organization provides to their employees on their good performance.

According to (Luthans & Peterson, 2002) rewards are categorised in 2 forms i.e., extrinsic and intrinsic.(Porter & Lawler, 1968) stated definition of extrinsic rewards that extrinsic rewards are basically tangible benefits that are given to employees after completing tasks. Organization is directly linked with extrinsic rewards. Examples of extrinsic rewards are pay promotion, holidays abroad, club membership, preferred lunch hours, impressive titles and bonuses (Weatherly, 2002).

According to (Malhotra, Budhwar, & Prowse, 2007) as cited in (Nujjoo & Meyer, 2012)that extrinsic rewards can be in forms of social rewards which create a good relationship between superior and colleagues.

(Byars & Rue, 2011) says that Intrinsic reward are those reward which are related employee personal interest and tasks which they perform for reward purpose however these are not part of the job obligation because they are related with individual to individual. .

According to (Allen, Takeda, White, & Hemis, 2004), Examples of intrinsic rewards are trust, feeling of self-esteem, involvement, fairness, recognition, job satisfaction, creativity,

empowerment, social status, personal development & efficient feedback. These all are related to employee's personal satisfaction. Employees can get these rewards by performing well.

Employees think that recognition and motivation will help them to enhance their productivity. (Jeffries, 1997) said that recognize your employees and you will find best of your employees by encouraging them.

A survey report by Performance Engagement Group tells that employees like recognition on daily basis rather than incentives and bonus. Sometimes recognition works more than rewards.

(Jeffries, 1997) supports Nelson statement that it is not compulsory to give expensive recognition but it is important that recognition must be consistent and it must committed employees for a long time period.

There is a fact about specific value for rewards and recognition, the successful organizations always know the best usage of rewards and recognition by which they get valuable work from employees (wiscombe, 2002) intention of recognition strategy is to employee performance increase through the increase the level of employee satisfaction .These method helped to achieved the organization goal and objective in efficient and effective manner.

According to(Andrew & Kent, 2007), employees stay committed with the help of rewards and recognition. Rewards and recognition are the most important factors for performance of employees. The purpose of reward and recognition is to create environment through which employees can achieve job satisfaction.

Flynn argued that employees can boost up morale and level of spirited through reward and recognition.(Deeproose , 1994) said that reward and recognition are important for employees engagement. Studies show that there is an effect of rewards and recognition on employee engagement (Hulkko-Nyman, Sarti, Hakonen, & Sweins, 2014)

By providing rewards and recognition you can increase employee's performance, motivation and productivity. Researchers have been shown that reward and recognition are linked directly with employee engagement. (Freedman, 1978) explains that if rewards and recognition used effectively in organization then a good productive environment will develop which makes employees energetic to complete tasks and achieve goals.

Supervisor Support

According to (Shuck, 2011) Organizational theory pointed out that supervisor support can develop changes in employee's behaviour for performing task.(Bakker, Hakanen, Demerouti, & Xanthopoulou, 2007) defined supervisor support as a term in which employees note their values through supervisors and they want backups for completing tasks. According to (Akker, Schaufeli, Leiter, & Taris, 2008) & Employees want to take supervisors feedback as a support by which they feel comfortable during accomplishment of task. (Britt, 2003)suggests in the book of Personnel Psychology that encouraging the employee always means supervisor support with(witte & Lens, 2008), explain that if evaluation is made by supervisors with shifted to the executive. Then strengths of employees will be developed and employees will work efficiently and effectively.

According to (May , Gilson, & Harter, 2004) support and empathy of supervisor is important for organizational employees. Maslach (2001), they said that for the purpose of maintain satisfaction & encouragement supervisor support is always key attention role for employees. May et al. (2004) point out that supervisor support is very much important for psychological safety. So, absence of supervisor support can create situation of burnout for

the employees (Maslach, Schaufelo, & leiter, 2001). Employees engagement and disengagement is linked with supervisor's support (Bates, 2004)&(Frank , Finneggan, & Taylor, 2004).

Employee Engagement

Employee engagement is the stage which employee conceive, act in ways that look that high level of correspond of participation by their organization in which (Swarnalatha & Sureshkrishna, 2013) Higher employee job performance and higher customer fulfillment engagement leads by research supported. With low engagement are being match can be expected by an employee with high engagement. Employee measurement is progressively seen by their workplaces and their firms in the most efficient workplace as way. Human capital to accomplish upper limit attempt from their employee to this because of their firms react to make success highly competitive worldwide marketplace. In human capital engagement is an organization step of its investing human factors at work in other words. More probable to be engage the employee.

HYPOTHESIS RESEARCH

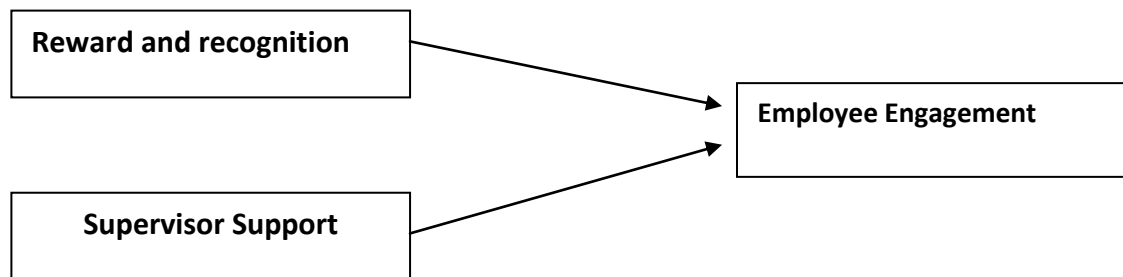
The hypnotically model of the study is defined as the theoretical framework diagram items include reward and recognition, supervisor support which provides financial and behavioral support for employees and the dependent variable is employee engagement.

Thus, the subsequent hypothesis is presented to be tested:

H₁: Supervisor support correlates with Employee engagement.

H₂: Reward and recognition have an impact on employee engagement.

MODEL:



METHOD

Research Design

A Correlation research design was selected because it provide the originally information without any manipulation variables. This research is basically design to conduct in different banking sector (National bank of Pakistan & Muslim commercial bank) of employees in Multan.

Population

The selected population for this research is all the employees of National bank of Pakistan & Muslim commercial bank of Multan.

Sample and Data Collection

We take the sample for study the employees of Muslim commercial bank (MCB) and national bank of Pakistan (NBP). We collected the data through questionnaire, 108 employees selected of both banks (MCB & NBP) but 8 respondents did not provide full information.

Measures

Questionnaire is basically a way helping in investigation of collection data and also for data collection. To measure the impact of reward and recognition, supervisor support on employee engagement used where case law by (Sheeba, 2015). In this study used the Likert scale strongly disagree =1 and strongly agree =5 and five points were given very unlikely =1 and extremely likely =5.

RESULT AND DISCUSSION

Demographic Information:

Table# 1.1 Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	78	78.0	78.0	78.0
Valid Female	22	22.0	22.0	100.0
Total	100	100.0	100.0	

Table # 1.2 Age

	Frequency	Percent	Valid Percent	Cumulative Percent
less than 30	42	42.0	42.0	42.0
Valid from 31 to less than 40	28	28.0	28.0	70.0
from 41 to less than 60	30	30.0	30.0	100.0
Total	100	100.0	100.0	

Table # 1.3 Marital status

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	32	32.0	32.0	32.0
Married	64	64.0	64.0	96.0
Separated	4	4.0	4.0	100.0
Total	100	100.0	100.0	

Table # 1.4 Monthly income

	Frequency	Percent	Valid Percent	Cumulative Percent
less than 15000	1	1.0	1.0	1.0
16000-35000	46	46.0	46.0	47.0
36000 and above	53	53.0	53.0	100.0
Total	100	100.0	100.0	

After review the descriptive analysis of variables such as age, gender, monthly income and marital status. We found that's number of male respondent 78% and other remaining 22% female respondent. Respondents whose age less than 30 years old 42%, other 31 to 40 year old respondent is 28% and 30% respondent were 41 to 60 year old. Mostly of the respondent was married 64% and single 32%.

Table # 2. Correlation

		Reward	supervisor	Employee
Reward	Pearson Correlation	1	.484 ^{**}	.316 ^{**}
	Sig. (2-tailed)		.000	.001
	N	100	100	100
Supervisor	Pearson Correlation	.484 ^{**}	1	.564 ^{**}
	Sig. (2-tailed)	.000		.000
	N	100	100	100
Employee	Pearson Correlation	.316 ^{**}	.564 ^{**}	1
	Sig. (2-tailed)	.001	.000	
	N	100	100	100

Generally, If the value correlation value more than 1 or 1 this show strongly positive relation and the value correlation value less than 1 to 0 this show positive relation. The table show that independent variable reward has positive relationship with dependent variable employee engagement but another independent variable also have strongly positive relationship with dependent variable.

Table #03: Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Reward ^b	.	Enter

Table# 3.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.316 ^a	.100	.091	.72865

Table # 3.2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	5.785	1	5.785	10.895	.001 ^b
Residual	52.032	98	.531		
Total	57.816	99			

Table # 3.3 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.602	.371		7.017	.000
Reward	.337	.102	.316	3.301	.001

In Table 3 we check the independent value of reward impact on employee engagement. Table 3.1 show that, R squared value of reward has 100% impact on employee engagement that's mean significant value. In table 3.2, The significant value of ANOVA is less than 0.05 which are significant so hypothesis is accepted. Table 3.3 show that P-value (significant value) is .001 that represent the positive coefficient correlation between the reward and employee engagement.

Table 04: Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	supervisor	.	Enter

Table # 4.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564 ^a	.318	.311	.63429

Table # 4.2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	18.389	1	18.389	45.708	.000 ^b
Residual	39.427	98	.402		
Total	57.816	99			

Table # 4.3 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.002	.274		7.316	.000
supervisor	.509	.075	.564	6.761	.000

In Table 4 we check the independent value of supervisor support impact on employee engagement.

Table 4.1 show that, R squared value of supervisor support has impact on employee engagement. In table 4.2, The significant value of ANOVA is less than 0.05 which are significant so hypothesis is accepted. Table 4.3 show that P-value (significant value) is .000 that represents the positive coefficient correlation between the supervisor support and employee engagement.

RESEARCH LIMITATIONS/FUTURE RESEARCHES

This research is based on banking sectors. Mixed method approach is not used. Qualitative aspects ignored. This research is quantitative. The study has been incorporated only in the job sector; results may be different if the data is collected from jobless people. The study is limited to banking sector. In future research, investigators broadens the scope of the study to different sectors. The focus of the present study can be increased if other parts of the population are also combined in it like working individuals of manufacturing, telecommunication, industrial and other sectors.

CONCLUSION

After the testing the empirical study in MCB bank and National bank of Pakistan, we found that reward and recognition has positive impact on employee engagement. While the other independent variable supervisor support has also significant impact on employee engagement.

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APPENDICES

Appendix A: Questionnaire

PERSONAL DETAILS:

- **Gender:** Male () Female ()
- **AGE:** less than 30 () From 31 to less than 40 () From 41 to less than 60 ()
- **Marital Status:** Single () Married () Separated ()
- **Monthly Income/ Pocket Money:** Less than 15000 () 16000 – 35000 () 36000 and above ()
- **Occupation:** Self-employed/ Business () Professional/ Job Holder ()

Sr.	Reward and Recognition	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Q.1	Higher salary and pay raise on good performance					
Q.2	Satisfied with the bonus/tip/reward in the organization					
Q.3	Satisfaction with the regular and systematic financial policies regarding the increment and other monetary benefits					
Q.4	Satisfied with promotional opportunities in the organization					
Q.5	Satisfaction with recognition on good performance					
Q.6	Satisfied with the recognition from the contribution in the organization					
	Supervisor Support	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Q.7	Supervisor encourages on good performance					
Q.8	Supervisor treats subordinates with respect positive things about this organization					
Q.9	Supervisor keeps employees well informed about what is going on in the organization					
Q.10	Supervisor encourages employee career Development					
Q.11	Supervisor recognizes the potential amongst Employees					
Q.12	Positive feedback on performance of employees					

	by supervisor without any bias					
Q.13	Supervisor is supportive in getting the job done					
	Employee Engagement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Q.14	Feel energetic at work					
Q.15	Job is inspiring					
Q.16	Sense of fulfillment after completing the work					
Q.17	Willing to accept all sorts of challenges at work					
Q.18	Strong sense of belonging with the organization					
Q.19	Concerned about the image of the organization					

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