Effect of informal rewards on employee motivation and the leaders' use of informal rewards to achieve organizational goals

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ABSTRACT

IT companies face a major problem of attrition and turnover with employees switching organizations frequently and loss in motivation to achieve higher levels of growth as they move higher along the career path. Compensation plays the role of basic hygiene factor which guarantees no satisfaction and cannot be the sole reason of employee motivation. Also in this era of economic crisis achieving higher levels of growth will be only possible with employees dedicated towards work. The primary motive for doing this research is to understand the effect of informal rewards on employee motivation and how these awards can effectively help to achieve organization goals. The study is based on data collected from employees working in IT organizations based in Pune, Bangalore, Hyderabad & Indore. A structure questionnaire was distributed and the collected data was analyzed using correlation to study the impact of informal rewards on employee motivation. The results from the study reveal that employee recognition programs, leisure time, approval socially and acknowledgement socially are important tools in an organization to drive employee motivation.

Introduction

Employees' motivation and the productivity of employees generally go hand in hand. When the roles and responsibilities assigned to the employees are aligned with the capabilities he possesses he is intrinsically motivated. In such a case employees derive motivation from the work itself he is doing and motivation persists even when employees are not rewarded informally [1].The management can intrinsically motivate the employees through careful job designing [2]. At times employees can be motivated through tangible rewards [3]. However there are situations in which redesigning job is not always possible and employees can not solely be motivated through incentives. In such instances informal rewards can prove to be effective. Organizations often lay emphasis on financial awards and much attention is not paid to the informal rewards. However studies suggest that though financial rewards motivate the employees to excel in the job but for the employees already performing their work whole-heartedly informal rewards must be given to them to maintain the level of motivation. They must be appreciated and it is beneficial to the organization as it helps them to be committed [4]. Recognizing employees is a key technique that channelizes employees' energy and helps them in achievement of the targets of the organization [5]. and also enhances the performance of the employees [6]. The current state of the economy and the lack of monetary resources required to support formal rewards has also made the informal rewards to gain notice in the organizations. Cost cutting is another advantage provided to employers through the use of informal rewards. Not only the cost cutting but also the intrinsic motivation associated with the job is also increased with the use of informal rewards. The level of the motivation varies according to the number of the

factors like the internal and external pay equity, hardships of the job and perceived managerial justice. These perceptions need to be taken into account o gain the benefits of nonmonetary awards.

Literature Review

A. Reward

A reward, or positive incentive, helps to enhance the degree of the satisfaction of the needs of an individual [7]. A reward is like a prize; something for extraordinary performance- something extra for displaying excellence, an incentive achieving something apart from regular work [8].

B. Informal rewards

An informal reward is given out of the informal relationship between the stakeholders in question. Some examples of such rewards are related to performance at organization and status, recognition, and getting acknowledged by the management [9].Extra time for fun activities, team-bonding, having access to important documents, approval from colleagues and accepted socially are also some of the important tools in workplace to drive employee motivation [10].

C.Employee Recognition

Employee recognition, as stated by [11]., includes the time to time acknowledging a person's actions formally or informally, intentions or business results that promote the aims and principles of the company, and the time and effort

put in by an employee that is beyond what is required of him or her.

Employee appreciation primary motive is to encourage workers to know and make them aware that their work is respected and acknowledged, to provide a sense of ownership and belonging, to boost productivity, to enhance loyalty and to minimize an organization's turnover [12]

D.Types of Employee Recognition Programs

According to[13]. employee recognition consists of three methods i.e. formal, informal and day-to-day recognition and there should be a proper proportion assigned to initiatives basing on efficiency and importance

- **Formal Recognition**

As the name suggests, this form of acknowledgement consists of standard methods with properly stated goals, criteria and objectives related to identifying and rewarding individuals or teams for achieving the set targets, showcasing organizational values and dedicating time and effort going beyond the normal expectations. This is a very formal approach and mainly for the individuals working in the organization since a long duration [14].

- **Informal Recognition**

In this approach, individuals or teams are rewarded for their achievements regarding achievements of goals, performance achievements that may occur within a defined period, monthly or quarterly. The rewards may be given in the form of refreshments, gifts and accolades [15]. As a result of its instantaneous nature this approach is beneficial to identify teams and individuals at the right moment.

- **Day-to-day recognition**

This type of acknowledgement can be given to all employees and are practiced on a daily basis. This incurs a very minimum or no cost at all. The rewards are generally intangible and are generally reliant on interpersonal skills [16].

This form of acknowledgement exhibits immediate results. Also it sets a precedent for other employees to showcase desired behaviour that is aligned with the goals of the organization. It helps for the individuals and teams to be recognized instantaneously by other individuals and teams [17].

Everyday affirmation results from the immediate and effective enforcement of desirable behaviour, providing a precedent to other workers of desired behaviour, consistent with the organization goals [18]. This gives the opportunity for individual employees and groups at varied levels to appreciate the better level of work done by other workers and teams and provides them opportunity to be acknowledged at that moment for the appreciable work performed at a particular moment.

The differences among the three types of recognitions are stated [19].Although formal recognition is more valued in the organization, many researchers have proved that if employees are acknowledged on a larger basis it is an important technique in managing employee behaviour and motivates for enhancing their level of performance.

E.The importance of Informal rewards

The effectiveness of the incentives can be attributed to the positive reinforcement traits. This is very effective in order to increase the occurrence of the desired outcomes. The unfriendly emotional reactions related with discipline and annihilation is expected to be decreased and chances of ideal feelings being created are increased [20].

F.Ineffectiveness of Traditional Rewards

A survey conducted for US businesses exhibited the following results [21].

81% of the workers reported that they did not receive any additional rewards if the productivity of the firm increases

60% of the workers had the notion that even if there is an improvement in the work their compensation plan will not be revised and there will be no increase in compensation

Only 3% of the base salary separates outstanding employees from average performing employees

Economic incentives are being treated more of rights than rewards. Increase in pay is mostly treated as a reward. In the future they are expected to be treated as a right. They will only be treated as a means to remove any sort of dissatisfaction among the employees but the presence of them will guarantee no satisfaction [22].

G.Advantages of Informal Rewards

Informal Rewards are highly effectivemotivational measures in the sense they impact the motivation of employees positively, and drive the employees towards the ultimate goals of the organization. This in turn increases the overall organization performance [23]. When the employees are awarded informal rewards a positive work environment are created which help in sustaining higher organizational performance[24]. On the contrary, in hostile environment employees are often observed to underperform who barely use their abilities effectively, lacks ingenuity and are not dedicated to the degree an organization needs. When an employee is only rewarded financially the intrinsic motivation is not sustained for a longer period of time and also its impact is limited. [25] Monetary benefits have been observed to urge the employees to seek short term achievements and do not motivate the employees to bring forward innovative ideas focusing on growth of the organization [26]. On rewarding nonfinancial incentives to future and current employees would be both valuable and business-friendly, allowing companies to prepare better for the benefits provided to staff [27].

H.Key points to remember for implementing Informal Rewards

Employees are driven more by the ability to receive rewards than by the apprehension of being reprimanded, which implies reward-oriented control mechanisms [28].Following

guidelines can be used to perform this to implement Informal Reward System to a good level in a firm:

- **Connect to Organizational Objectives**

To gain maximum advantage, informal rewards got to support behaviour that results in moving towards achieving the organizational goals. Good management is what results in organizational members having the specified behaviour. Management wants to see that behavioural outcomes are like enhancing the occurrence of desired behaviour and reducing the occurrence of unwanted behaviour[29].

There is a reaction from individuals to all kinds of incentives on the job and off the job. It's not easy to bind those incentives to controls. Consequently, before any significant program overhaul, thorough analysis of the incentive system should be carried out. As far as consistency allows, the awarding of incentives should be specifically and directly linked to the target results as expressed in the controls[30].

- **Define mechanical parameters**

When the conduct to be strengthened is distinguished, particulars of a prize framework should be characterized. The guidelines for granting motivators must be clear and comprehended by all. This is a more subtle component that can make a motivator framework amazing and make an understood association between the degree of execution and the granting of the impetus[31].

- **Get commitment and assistance**

When the workings of a casual prize framework are clear, the program should be ' conveyed and & made attractive to the people you need to utilize it. This should typically be possible in a gathering introducing the method as something positive, fun movement that will profit everybody just as the organization.

- **Track Efficacy**

Any initiative is just comparable to its usage. Informal Rewards frameworks must be checked to see in the event that they are utilized and observe that the ideal outcomes are being gotten. Indeed, the best of the casual prize initiative will be adept to lose its adequacy after some time since one of the characteristics of a prize is that it is exceptional. Old projects regularly see a drop in level of their uncommonness.

- **Link to formal rewards programs**

A test for the management is to guarantee Casual prizes are in accordance with the proper prize structure. This should most effectively be possible by casual prizes become a part of bigger, increasingly formal prize projects that are set up. For instance, an organization grant (a proper prize) could be given to the representative who presents the best number of commending letters (a casual prize) from colleagues, the executives, or clients through the span of a year.

I.Examples of programs which meet the Informal Reward System Criteria

- **The Winning Edge Award**

At the Technology Centre of Honeywell, Inc., in Minneapolis, MN, the executives actualized an acknowledgment program entitled "The Winning Edge" for prevalent execution "well and beyond" their activity. The program was available to any worker who could present a concise articulation suggesting another representative for the honour. A panel looked into the suggestions and acknowledged people were granted money and an endorsement introduced at an intermittent service. Furthermore, all honoured champs names featured in the organization's newsletter.

The initiative was viewed as an achievement in getting representatives to give additional consideration in helping other people with their requirements, perceiving those that were focused on greatness, and expanding the general spirit and energy of the workplace. The program ran its course for around a year after and was finished after it was felt that a large portion of the members had earned the award given the fact that certain program costs existed, it was felt for the most portion that the program's benefits greatly exceeded the program costs.

- **The Eagle Award**

At Blanchard Training and Development, Inc., an administration counselling organization situated in San Diego, The Eagle Award was set up to perceive "amazing assistance" to clients one of the association's key targets. The program was at first reported and clarified at a far reaching meeting. The program was available to any representative. Workers could present the name of another representative who had left their approach to help fulfil a client demand. Regular models including remaining late to dispatch materials, helping a client find a lost request or resolve a charging issue, revamping coach calendars to convey a very late preparing demand by a client, etc.

The worker's name was submitted with a concise depiction of the movement that was viewed as uncommon. The suggestions were inspected by a board of trustees, essentially to screen out things that were viewed as a normal an aspect of somebody's responsibilities. The acknowledged people were astounded by a visit from "The Eagle Committee"; who snapped a photo of the individual holding "an Eagle Award" one of a few Eagle sculptures that pivoted around the organization. The photograph was shown on a release board in the organization's entryway over a concise portrayal of the action that was being perceived. The individual got the chance to keep the Eagle sculpture on his/her work area until it was required for another beneficiary - ordinarily a week or something like that. A "Eagle-of-the-Year" grant was chosen by a vote of the organization toward the year's end from a rundown of numerous Eagle Award champs. That individual was given a clock at the organization's yearly festival program.

The program was a kind of few that was acknowledged with making "legendary service" becomes a set up some portion of the organization's way of life. It was actualized at for all intents and purposes no expense. The main analysis the program got from certain workers was that it supported those people who managed clients regularly. The program was patched up and overhauled after about a year to concentrate more on inside client care, another need for the organization.

J.Relation between Nonmonetary Rewards and Intrinsic Motivation

Literatures on motivation demonstrate that people are spurred to perform assignments by both inward and outer prizes. Inner (inherent) rewards allude to the happiness acquired just from the exhibition of the work. As it were, the award for finishing the movement is simply the action [32]. Outer (outward) rewards allude to every other type of remuneration outside of the self that an individual gets for finishing the work. In associations, outward rewards primarily come as fiscal pay, for example, pay, medical coverage, and benefit sharing, yet can likewise incorporate nonmonetary motivating forces, for example, work security, learning openings, applause, acknowledgment, and status [33].

The main advantage of nonmonetary motivators over money related impetuses is the impact that they have on a worker's inborn inspiration. Intrinsic inspiration alludes to somebody playing out an assignment dependent on the satisfaction or inherent prizes that the person gets from playing out the errand itself. Conversely, outward inspiration alludes to somebody playing out an undertaking for which an outside controlling variable, for example, instalment can be effectively distinguished.

Of the two sorts of inspiration, natural inspiration has been demonstrated to be the more grounded indicator of occupation satisfaction [34]. However, inborn inspiration is likewise the type of inspiration that is the most hard to increment through customary remuneration rehearses. Studies in the territory of self-assurance hypothesis have indicated that money related prizes can improve the worker's outward inspiration however, simultaneously; decline their natural inspiration for task culmination. On the other hand, nonmonetary rewards, for example, positive acknowledgment have reliably been appeared to increment inborn inspiration. This impact on natural inspiration gives nonmonetary motivating forces a remarkable preferred position and makes them a significant factor as to why individuals continue to remain with one firm over another other than for simply financial goals. The technique to perform for a chief is to increment inherent inspiration through casual or informal motivating forces while lessening the impeding impacts of the money related impetuses, which are essential for addressing monetary necessities. Speculations from subjective preparing demonstrate that when an item is increasingly notable, it will have a progressively significant impact on a person's general idea designs[35]. Hence, if the notability of money related prizes is expanded by sentiments of low apparent compensation value, at that point the impact of nonmonetary awards on inborn inspiration will decrease.

- ### Internal Pay Equity Perceptions

For informal motivating forces to be fruitful, workers must have the option to see that the fiscal prizes they are accepting are reasonable when contrasted with remuneration got by others. Social examination hypothesis expresses that people will consider others as benchmarks while assessing their own condition [36]. Inside associations, workers will look to their collaborators as perspectives while assessing their own compensation plan [37].

At the point when workers see that they are not paid even-handedly contrasted with others in their own association, this may affect whether they are propelled by nonmonetary motivating forces. Their own view of biased inner compensation contrasts may turn out to be more remarkable than the estimation of nonmonetary motivations.

Regardless of whether the other worker really gets more cash-flow than the one accepting the informal rewards, what is significant is the view of the compensated person. Past investigations have shown that workers in associations where the compensation is cryptic are generally not exceptionally precise while evaluating colleagues' real wages. Around 50% of the reviewed representatives overestimated the pay rates of same-level collaborators [38] [39]. In the event that numerous representatives overestimate their associates' salary levels, at that point the end result occurs that they assume that their colleagues as gaining more than they seem to be.

For instance, a worker from bookkeeping who performs his job extraordinarily is granted uncommon acknowledgment at an organization meeting alongside another employee remembering the exceptional exertion she has made. Notwithstanding, she feels that one of her kindred bookkeepers, who she considers to be her proportional, is at present procuring more cash than she is acquiring. In this way, the apparent compensation differential may turn out to be more notable than the acknowledgment that she gets and, consequently, might diminish its capacity to impact her natural inspiration toward the activity.

One answer for fix errors in representative observations is to have a transparent compensation strategy, whereby all workers are given information regarding salaries of colleague performing the same work [40]. In any case, for most associations, this may make a larger number of issues than it comprehends. When pay rates become straightforward, pay differentials become much increasingly notable.

This was affirmed by scientists at the National Bureau of Economic Research [41]. After the pay rates of all University of California representatives were displayed on the web, the scientists educated an irregular example regarding University of California workers about the site. Workers beneath the middle compensation for their compensation unit who were educated regarding the site announced lower pay fulfilment and were altogether bound to search for another activity than the individuals who were not educated regarding the site.

A less troublesome approach to diminish inner compensation value observations is to deliberately assess the inside pay structures of associations. Directors need to guarantee that there are not wide differences in pay inside their associations for workers in a similar position. They ought to have the option to clarify any difference by merit, status, instruction, experience or other significant compensable variables [42].

- **External Pay Equity Perceptions**

Employees consider other employees working at same levels in different organizations as benchmark when looking at their own compensation structure and this is reasonable. Utilizing outside people as a reason for remuneration decency is known as outer compensation value. Albeit both inner and outer compensation value have been appeared to build pay fulfilment, [43]. there has been some discussion and competition among scientists over which referent gathering—inside or outside—is progressively significant.

A field investigation of oil organization representatives found that inner and outer compensation value is of equivalent incentive in anticipating pay fulfilment [44]. Nonetheless, another investigation of a assembling firm inferred that the outside benchmarks were a more significant factor than the interior benchmarks when anticipating pay fulfilment and occupation satisfaction [45]. Either way, when workers see they are not genuinely remunerated contrasted and different representatives in comparative employments in different organizations, this imbalance may turn out to be more striking than the nonmonetary impetuses, consequently decreasing the impact of the motivators on natural inspiration.

Before the multiplication of Internet get to, workers faced difficulty to investigate pay data for their equivalent situations in different firms. In any case, representatives presently have a bounty of compensation data readily available through sites, for example, salary.com or PayScale.com that report pay ranges for explicit situations in various regions of the nation.

Considerably more prominent compensation straightforwardness is given on different sites, for example, glassdoor.com, where people post their real pay rates, alongside their activity titles and the particular organizations for which they work. For instance, senior programming employees working at Motorola can go to glassdoor.com and verify what senior programming employees at IBM have announced as their pay rates as a perspective for comparing the pay rates.

In spite of the fact that remuneration chiefs may value having outsider compensation sites accessible to use as outer wellsprings of information while deciding their financial plans and beginning proposals to imminent workers, this data may likewise be an inconvenience for organizations that live at the low finish of the near business wage scale. On the off chance that a worker accepts that the person in question could be getting a more significant compensation with their present range of abilities somewhere else in the business, at that point this may occupy the person in question from any inborn inspiration that may have in any case been provoked by accepting a nonmonetary impetus.

Directors can decrease outer compensation disparity recognitions by expanding and revising the structure of wages at their association comparative with outside structre or through speaking with representatives the pointers why it is not feasible or say conceivable or important to do as such. For instance, directors may convey to the representatives that the estimation of a vocation doesn't dwell exclusively with the base pay. Workers at Google gain a fundamentally lower base pay than at other tantamount companies [46]., yet administrators can remind Google representatives that the organization offers numerous advantages, for example, spending a normal of $7,530 per worker to furnish workers with free food at the office canteen [47]. This may decrease any sentiments that Google representatives think they are unjustifiably redressed.

- **Organizational Justice Perceptions**

From the beginning of 1960s, the investigation of authoritative equity has been a significant area of enthusiasm for hierarchical examination. Hierarchical equity is centred on three kinds of equity observations: distributive equity (saw genuineness of results), procedural equity (saw applications of strategies used to achieve results) and interactional equity (saw decency of relational treatment when implementing systems) [48].

Of these, the first and the second forms of equity have been appeared to have the best impacts in issues of pay structure[49]. Therefore, the apparent decency of the results of motivator programs and the apparent reasonableness of the techniques used to accomplish the results of impetus programs may likewise affect the capacity of nonmonetary motivations to propel workers.

Workers who get motivators they don't feel were genuinely dispersed or who challenge the systems used to figure out who gets the impetuses may be not so motivated with the motivating force results that the apparent bad form turns out to be more remarkable than the estimation of the impetus and decreases the natural inspiration that the motivating force may have given. This is the situation not just when workers feel that they are unreasonably accepting fewer awards than others yet in addition when representatives experience unjustifiably getting more prominent compensations than others.

Luckily, the answer for this issue is generally straightforward. Administrators need to painstakingly look at their motivating force projects' methodology and portion rules. When the strategies are built up, they ought to be imparted to representatives with the goal that they recognize what is required from them so as to gain motivating forces. The portions and techniques should be returned to all the time to guarantee that nobody sees that they are by and large unjustifiably rewarded. A few associations recruit outsider prize program overseers to deal with their worker impetus programs and getting assisted in guaranteeing decency.

- **Perceived Managerial Discretion**

Some associations are exceptionally concentrated, with choices living at the head of the association, in this way leaving directors at lower level with practically no prudence

over the number of financial impetuses they are permitted to use as per their advantage [50]. Employees who see that administration doesn't be able to give money related motivators might be all the more inherently persuaded by nonmonetary motivations.

Administrative carefulness is dictated by the association's business and its situation inside the business, the earth of the association itself, and the qualities of the employees. If the organization lives in a environment where fiscal motivation rewards are disallowed, for example, numerous legislative offices, or if the association itself is organized so that chiefs are given low self-rule on financial uses, at that point the supervisor may have no or an exceptionally low capacity to give such rewards. Likewise, if the administrator doesn't accept that the individual in question has the ability to give money related rewards or legitimacy pay builds, at that point, this is additionally an instance of low administrative caution.

With respect to administrative prudence, nonmonetary motivator programs are best-taken care of by administrative representatives who are seen to have low compensation. A representative employed for an administrator who the worker sees to have a low position to remunerate financially will be increasingly amiable to nonmonetary incentives. Notwithstanding, a worker for a director who the representative seems to have more optional power to give money impetuses will be progressively centred around the money motivating force not gotten in lieu of the informal incentives. As it were, the representative may think, "I value the acknowledgment, however, I would prefer to have a raise, and I realize you have the ability to give me one."

- **Perceived Organizational Hardship**

At the point when representatives come across that their association has recently surfaced record benefits, this data gets striking, driving workers to expect financial instead of nonmonetary impetuses. On the other hand, when workers realize that their association is as of now encountering money related difficulty, at that point additionally this data will get notable. Nonmonetary impetuses may be an increasingly powerful help during these situations. Numerous reasons are applicable why associations face difficulty and decrease. The decay might be brought about by a bigger monetary depression that is past the association's control. This is really the best situation for expanding worker inspiration through informal incentives, since this implies industry-wide contenders are likely encountering comparable authoritative decreases. The most noticeably terrible situation would be if a specific association is encountering a decrease on account of poor administrative choices or the failure to contend in a given industry. At the point when the decay is not so much worldwide but rather more hierarchically explicit, workers will be bound to respond to an authoritative decrease by moving to an increasingly effective association [51]. At the point when the decrease is increasingly across the board, representatives have fewer alternatives to leave.

During times of downturn, the best game-plan is, to be straightforward with workforce [52]. Making them aware of the association's monetary circumstance will expand the effect of informal awards as helpers. At the point when representatives realize that there is almost no accessible money for raises and rewards, they will be progressively open to substitute motivators.

Research Methodology

A,Data Collection

The method consisted floating a structured questionnaire consisting of 16 questions, 4 questions each related to Recognition of Employees, Time spent in leisure activities , social status and 4 questions related to employee motivation and the samples were taken from employees working in IT industry. The method used was a convenient sampling method. This method helped in getting varied responses and provided insights in to how the employees perceive informal rewards. The responses were taken from 223 employees from various companies based in Pune, Bangalore, Hyderabad and Indore. These are the major cities in terms of the IT sector and responses from the employees working here helped in gaining greater insights. The employees had varied work experience in terms of designation and years.

B.Research Question

To study the impact of informal rewards on employee motivation. The questions will measure the extent to which informal rewards are given to the employees and its impact on the motivation of employees.

IT companies face a major problem of attrition and turnover with employees switching organizations frequently and loss in motivation to achieve higher levels of growth as they move along the career path. Compensation plays the role of basic hygiene factor which guarantees no satisfaction and cannot be the sole reason of employee motivation. Also in this era of economic crisis achieving higher levels of growth will be only possible with employees dedicated towards work. Gaining knowledge about the informal rewards and working towards improving on that part can help to achieve the desired result. Due to the ongoing crisis and lesser monetary resources available to fund conventional monetary incentive schemes, informal rewards have been gaining interest lately. These programs are not only an advantage to employers by lowering costs but also benefit employees by helping in increasing the motivation in the job. Nevertheless, how workers receive these programs can differ significantly based on attitudes of employees about internal and external pay equity, social fairness, perceived managerial flexibility and perceived organizational hardships. Compensation administrators need to tackle these assumptions head-on to make non-monetary rewards more effective.

C.Variables used

- Dependant variable: Employee motivation
- Independent variable: Informal Rewards

   TABLE1. Reliability Test: Outcome of Reliability test

Variable		No. of items	Cronbach's Alpha	Reliability
Independent variables	Employee Recognition	4	0.792	Accepted
	Leisure Time	4	0.803	Accepted
	Social Status	4	0.816	Accepted
Dependent variable	Employee Motivation	4	0.865	Accepted
Overall		16	0.886	Acceptable

Background Theories for study

The background theory on which this study is based is Herzberg's motivation theory mentioning that there are certain reasons in the work environment which results in satisfaction and a certain number of reasons cause dissatisfaction and they both act independently. Formal rewards are a basic hygiene factor which if not provided will cause dissatisfaction among the employees but sole presence of formal rewards does not guarantee satisfaction among the employees. For the satisfaction and motivation of the employees informal rewards are very necessary and need to be rewarded.

Analysis & Results

The analysis of the data was done using Statistical Package for the Social Sciences (SPSS) tool for finding out the correlation between the independent and the dependant variable.
The analysis was performed on the collected responses and following are the major deductions:

TABLE2. Correlation between Informal Rewards & Employee Motivation

		Informal Rewards	Employee Motivation
Informal Rewards	Pearson Correlation Sig. (2-tailed) N	1 223	0.78** .000 223
Employee Motivation	Pearson Correlation Sig. (2-tailed) N	0.78** .000 223	1 223

Note: Correlation is significant at the 0.01 level (2-tailed).

Receiving informal Rewards and Employee Motivation show a correlation of 0.78

Some major deductions:

- Only 30% of the responses showed a positive response that they were rewarded with informal rewards more frequently.
- Only 50% believed that that the organization works towards the betterment of the workforce rather than just rewarding the top performers monetarily.
- 79.72% believed that receiving informal rewards like recognition from supervisors keep them engaged with a sense of pride of sense and value.
- 80% believed that rewards like leisure time, social approval motivated employees to help them go beyond just performing their daily routine tasks.
- 73.79% agreed to the fact that they felt appreciated when recognized by managers.
- 63% agreed that they were rewarded with leisure time and social status and approval.
- 36% of the respondents agree that rewards and recognition increases employee loyalty towards the organization.
- 38% of the respondents agree that rewards and recognition collides individual and organizational growth.

Conclusion and Recommendation

The opportunity has arrived for supervisors to think about the Informal Rewards and similar ways for achieving results about an association that a couple of years prior may have seemed to be excessively subjective, conceptual, and indistinct for paying attention to. Premier methodologies are the utilization of casual incentives for spurring and empowering singular execution that ' relates with the association's objectives. These prizes are close to home and adaptable and in this way are more generally utilized. They can greatly affect spurring more individuals and in assisting with strengthening increasingly formal hierarchical frameworks. With moderately little exertion and cost, the executives can receive the rewards from a casual prize framework that works in amicability with increasingly formal prize projects to get most extreme - singular execution and profitability for the association.

Limitation

An effort has been to analyze the impact of informal rewards on employee motivation.There is a rise in attrition among IT employees and changing employees motivating factors needs to be further studied. Only IT industry has been covered upon. Greater and more diverse sample size would have resulted in accurate analysis of other industries also.

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