

BU EDGE CSE



Topic: IMPACT OF SALARY ON EMPLOYEE

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IMPACT OF SALARY ON EMPLOYEE PERFORMANCE

ABSTRACT

Salary is very important for the performance of the employees. Therefore, they are very important for the organization too. The purpose of this research is to measure the impact of salary on employee performance. A questionnaire was designed to collect the data on the factors related to rewards like salary and employee performance. The present study has been carried out by analysing the data collected from 150 employees working in different public and private sector banks to ascertain whether the responses differ significantly or

not. The data collected were analysed in SPSS. Different analytical and descriptive techniques were used to analyse the data. It is founded from different results that salary has positive impact on employee performance. There is a positive impact on employee performance. ANOVA results reveal that salary has impact on employee performance.

Key words: age, gender, working hour, department, salary, performance.

1. INTRODUCTION

The theory of Human Resource Management is growing day by day and the private sector is one of the most rapidly growing service sectors. Company plays a vital role in economic development of a country. Now a days in Indian banks brought a new spirit in the sector which was based on performance-based rewards. Rewards are a vital instrument in employee performance. Rewards help management to hold experienced and efficient workforce in the organization. Employee feels motivated and encouraged if will be rewarded by their employer. In today's competitive environment if an organization wants to get success, then its employees must be motivated. Researchers explained that there are several ways to motivate employees in order to get better performance from them.

CONCEPT OF REWARD AND EMPLOYEE PERFORMANCE

Reward and benefits packages impacts on the value of employee efficiency and increases the performance outcomes. It increases the performance, satisfaction, and productivity. The perception of employee about the organization benefits policy, if pay is good the employee performance will be good, quality and quantity of work will also increase (Ivancevich and Glueck, 1989). Organization pay directly influences on employee voluntary turnover and compare their pay with other organization (Henman and Schwab, et.al. 1987). People stay or leave the company for reasons they satisfied with their job promotional opportunity and work environment (Mitchell and Holton et.al.1993)

NEED FOR THE STUDY

The purpose of this research is to examine the relationship between Rewards & Recognition and employee's performance with respect to salary of public and private sector bank employees. It has been Observed that monetary incentives are mandatory for getting the fruitful results from employees. This analysis is made to investigate and to understand the employee's point of view towards rewards and salary whether it enhance employee's performance level or not. This research will also point out the importance of rewards and salary and its long-term benefits for an organization in form of more interest of employees in organization operations for building strong relationship between organization and its employees.

Objectives

The main objective of the study has been to explore the employees' perception of the organizational climate prevailing in public and private sector banks. The incidental objectives of the study were as under:

1. To analyse the relationship of employees' salary on various condition like age limit, marital status, performance.
2. To examine the employees' performance in different different sources.

2. HYPOTHESIS OF THE STUDY

Based upon the following objectives the following hypotheses have been drawn for further testing:

H0: There is no significant relationship of employee's salary on organizational climate

prevailing in public and private sector.

H1: There is a significant relationship of employee's salary on organizational climate

prevailing private sector,

H0: There are no significant employee's perception differences on organizational climate in

private sector with respect to their salary.

H1: There are no significant employee's perception differences on organizational climate in

public and private sector banks with respect to their salary.

3. METHODOLOGY

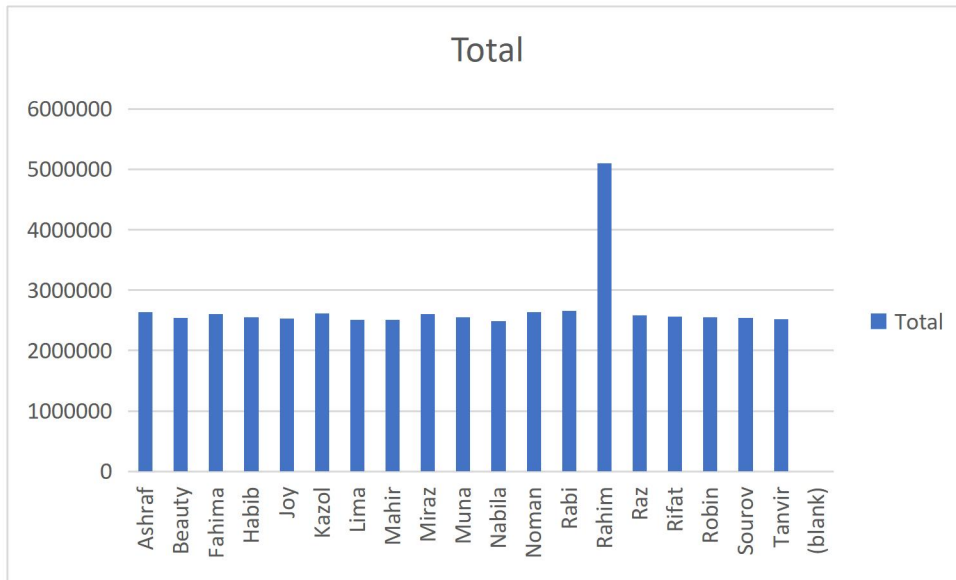
In the present study data has been collected from 21 employees,1000, data for working in private sector, Simple random sampling method was used for the selection of the employees from each company for data collection.

To collect data standardized questionnaire developed same has been used for the data collection for the same study. The questionnaire used consist of two categories i.e. the demographic description of the employees working in different organizations (which includes gender, age, marital status experience, qualification, salary, etc.) and the second category includes Organizational Climate factors.

has been used to ascertain whether the employees' perception on different aspects of the study as mentioned in the objectives of the study differ significantly or not.

4. ANALYSIS AND INTERPRETATIONS

4.1. Influence of Rewards and recognition and salary



For the statement „Financial rewards (salary, bonus, and incentives) increase the motivation of employees“ with a p-value of .000 shows that there is a significant difference in rewards and recognition

- Rewards and recognition across departments.
To evaluate employee performance across departments such as HR, IT, Sales, and Marketing, Key Performance Indicators (KPIs) should be adapted to each department's specific tasks and responsibilities. Here's how to break it down:

HR Department Key Areas to Measure:

1. Recruitment and Retention:
 - Time-to-Hire.
 - Cost per hire.
 - Rate of employee turnover.
2. Employee Engagement:
 - Satisfaction rates from surveys.
 - Engagement program participation rates.
3. Compliance and Administration:
 - Percentage of compliance training completion.
 - Ensure accurate and timely HR reporting.

IT Department

Key areas to measure _____
:

- 4. System Performance: • Uptime %.
- Average time to fix technical difficulties (MTTR).
- 5. Cybersecurity: • The number of security incidents.
- Average reaction time for security breaches.
- 6. Project Management: • Percentage.
- 7. Helpdesk Efficiency:

Determine the number of tickets resolved by each staff.

- CSAT score for IT support.
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➤ Sales Department

Key areas to measure:

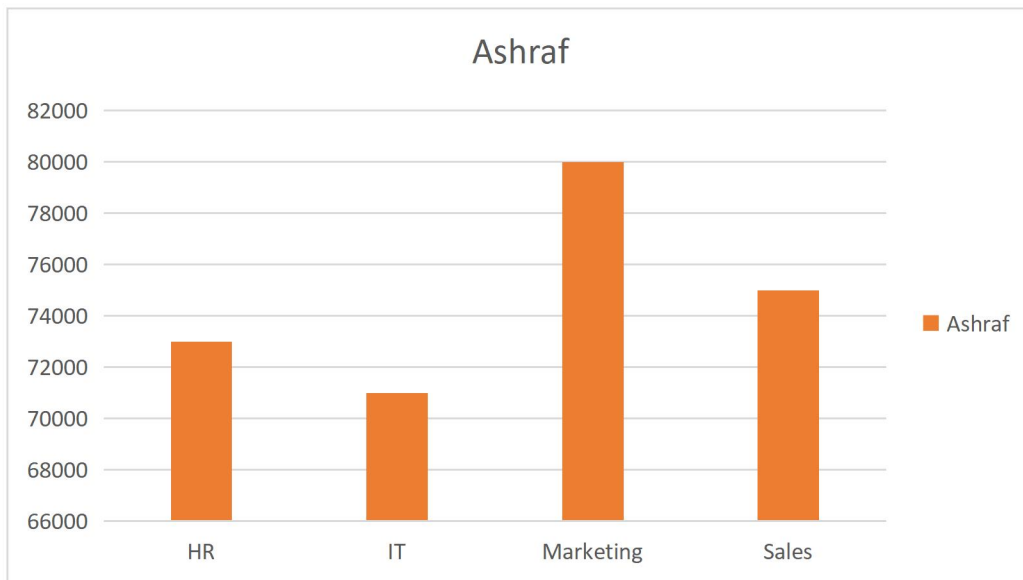
- 8. Revenue Generation: • Sales growth (% increase over a given period).
- Revenue per salesperson.
- 9. Pipeline Metrics: • Lead conversion rates.
- Determine sales cycle length.
- 10. Customer Retention: • Reduce churn rate.
- Increased upsell and cross-sell rates.
- 11. Individual Performance: • Percentage of sales targets met.
- Call-to-close ratio.

The Marketing Department

Key areas to measure:

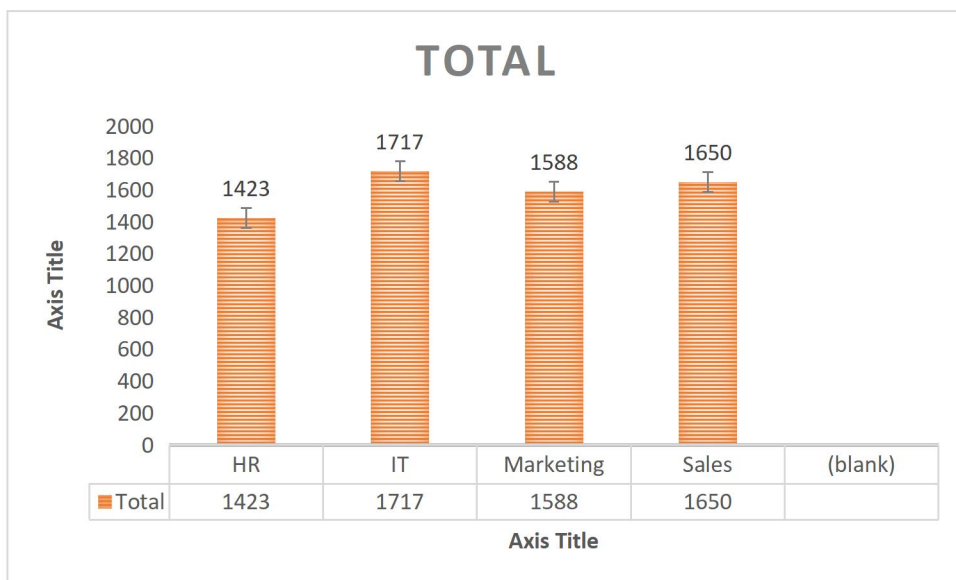
- 12. Brand Awareness: • Website traffic.
- Social media involvement (likes, shares, and comments).
- 13. Lead Generation: • Determine the number of qualifying leads.
- Cost per lead (CPL).
- 14. Campaign Effectiveness: • ROMI (Return on Marketing Investment).
- Conversion rates for campaigns.
- 15. Content Performance: • Engagement metrics (time on page and bounce rate).
- Content downloads or shares.

4.2. Mr. Ashraf earn highest salary from the Marketing department out of all the worker.



performance of score

Below the graph show the all-department performance score. There we can see that; the IT department performance is high from all other dpt. and the IT department performance score is 1717. And we can also see that, the lowest performance score is in HR dpt. and the HR dpt. performance score is 1423.



5. FINDINGS

The main purpose of the study was to investigate that there is significant difference between the perception of the employees of public and private sector banks with

respect to their salary. The obtained data were analysed in the light of the objectives and hypothesis proposed in the study. For this purpose, ANOVA was carried out so that a comparison can be done. The summary of the ANOVA of rewards and recognition and employee performance with respect to organizational climate in public and private sector banks have a significant difference. Hence the null hypotheses is rejected stating that there is no significant difference between the employees of public and private sector banks with respect to salary and organizational climate factors.

6. CONCLUSION

It is concluded from different results that salary, rewards have positive impact on employee performance. It is proved from the above data analysis that all the independent variables have weak or moderate positive relationship to each other. Analysis shows that all the variables have insignificant and positive impact on employee performance. ANOVA results reveal that salary, rewards have not same impact on employee performance.

