

A Study of Bonus Facility and its Impact on Employee Performance with Reference to WCL, Nagpur

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Abstract: *The study investigates the impact of the bonuses and increments on employee performance. The study discussion is about how the retention of the employees would be impacted by the type and sort of bonus and increment targeted in the employee monthly salary. The study tells about the "crucial business cycle" that is based on the payment that is for one time. The study builds on the review of the literature, and how benefit from these different approaches of scholars about the use of the bonus and increment for the employee retention. The study followed a quantitative method that is to be used to achieve the study objectives. The results of the analysis used the proper statistical methods. The results showed positive and high impact to the way that any organization uses the bonuses and increments to enhance and improve its level of retaining its employees.*

Keywords: WCL

I. INTRODUCTION

In any business scenario, bonuses and incentives are two essential elements that the employers and the management team need to consider. Incentives and rewards are given to employees who perform exceptionally well and work beyond their limitations. These factors act as a form of motivation for the workers. The employees whose performance is better than other employees receive a bigger bonus or incentive than the others. The "built-in incentive" for any workers or the employee's demands high performance from the business or the organization. Gifts can be of various types. Performance bonuses are given to employees who perform well in the organization; year-end bonuses are given to employees who worked dedicatedly throughout the year and do not change the organization. These bonuses are given for their loyalty. Bonuses and employee help the organizations or businesses to retain their employees. Gifts will ensure that employees and workers get a feeling of attachment with the company. Rewards refer to all forms of financial returns and tangible services and benefits an employee receives as part of an employment relationship. It is the benefits that arise from performing a task, rendering a service or discharging a responsibility. According to Searle (1990), rewards can be categorized into two broad areas, namely extrinsic rewards and intrinsic rewards. Extrinsic rewards are usually financial or tangible rewards which include pay, promotion, interpersonal rewards, bonuses and benefits (Zaman, 2012). Stoner and Freeman (1996) defined intrinsic rewards as the psychological reward that is experienced directly by an employee. With the deregulation of performance appraisal and awards, agencies have been given the authority and freedom to manage performance effectively. But delegation, deregulation, and simplification also mean increased accountability. Actually, employee performance is a term typical to the Human Resource field where employee performance can refer to the ability of employees to achieve organizational goals more effectively and efficiently. It involves all aspects which directly or indirectly affect and relate to the work of the employees. For performance to be effective, employers should recognize the regiment.

Desires and needs of the employees. According to Koontz (1988), ways in which employee performance can be increased includes proper incentive systems which may be financial or nonfinancial. Financial incentives include salaries, allowances, overtime payment, bonus and wages, while non-financial incentives include promotion, medical allowance, training, transport, subsidized housing and meals. This should be after identifying the needs and desires of employees that can be satisfied to increased performance. This could be the reason why the government, instead of giving bonuses at the end of the month introduced the Performance- Based Bonus, an incentive given to employees

based on their condition to the accomplishment of their Department’s overall targets and commitments. Having definite rewards for exemplary work can inspire public servants to perform better. This can even motivate their co-workers in their own units to perform well, too. Altogether, such a system is designed to encourage improved performance and better accountability, in line with ensuring the accomplishment of the Administration’s priority development agenda. More importantly, however, the PBB seeks to transform the management of agency and employee performance to foster a culture of accountable public service, as well as produce concrete and visible improvements in the delivery of public goods and services. The ultimate aim of the PBB—besides instituting a genuine meritocracy in Philippine government—is to serve the Filipino public more effectively and efficiently.

1.1 OBJECTIVE OF THE STUDY

- To study various category of bonus facility of WCL Company, Nagpur
- To study the detailed process of bonus facility implementation.
- To study the relation between bonus facility and job responsibility of employee
- To study the relationship between bonus facility and employee performance.

II. RESEARCH METHODOLOGY

Research Methodology is the process of systematic investigation of any management problem. It deals with research design, data collection method, sampling plan, sampling method. “Research” means a scientific and systematic search for pertinent information on a specific topic. Research is a careful investigation or inquiry especially through search for new facts in any branch of knowledge. Research comprises defining and redefining problems, formulating hypotheses or suggested solutions; collecting, organizing and evaluating data, making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis

SOURCES OF DATA:

In program evaluation, methods of data collection beyond first-hand research exist. Data retrieved first-hand is known as primary data, but data retrieved from pre-existing sources is known as secondary data.

PRIMARY DATA:

Primary data is known as data collected for the first time through field survey. Such data are collected with specific set objectives. Primary data always reveals the cross section picture of anything studied. This is needed in research to study the effect or impact any policy.

SECONDARY DATA:

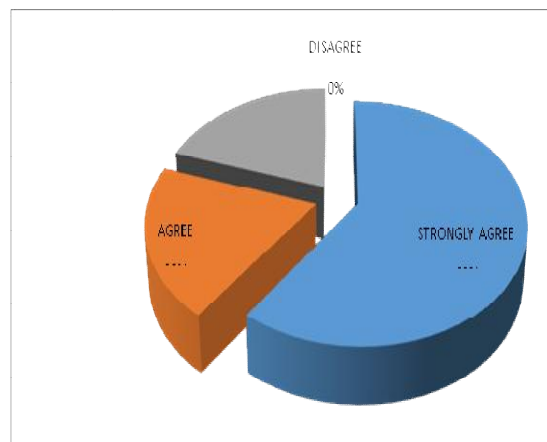
Secondary data refers to the information or facts already collected. Such data are collected with the objectives of understanding the past status of any variable data collected and reported by some source is accessed and used for the objectives of the study.

RESPONSE	NO.OF RESPONDE NT	PERCENT AGE
YES	45	90
NO	5	10
TOTAL	50	100

III. ANALYSIS & INTERPRETATION OF DATA

QUES 01:- DO YOU THINK THAT THE EMPLOYEES PERCEIVE THEMSELVES VALUABLE IF THEY GET BONUS PROPERLY?

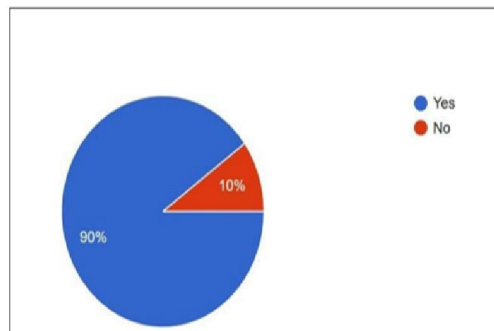
RESPONSE	NO. OF RESPONDENT	PERCENTAGE
STRONGLY AGREE	30	60
AGREE	20	40
SOME WHAT AGREE	10	20
DISAGREE	0	0
TOTAL	50	100



Interpretation

In this graph, the importance of the bonus has been measured by asking the employee that if they get a bonus in time or not. Here, most of the people thought that, if they got a gift in time so that they can feel valuable in the company.

QUES 02: - ARE YOU AWARE ABOUT THE ORGANIZATION BONUS FACILITIES?



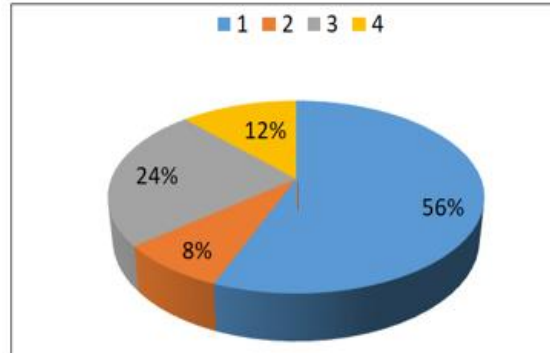
Interpretation

From the above it diagram it can be said that there are still some employees in the organization that are not aware of Bonus system executed for their growth.

The Company should be clear in terms of this and find out effective measures to keep the Bonus system transparent for its employees.

QUES 03:- ARE YOU SATISFIED WITH BONUS FACILITY OF YOUR ORGANIZATION?

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
STRONGLY AGREE	28	56
AGREE	4	8
NEUTRAL	12	24
DISAGREE	6	12
TOTAL	50	100



Interpretation

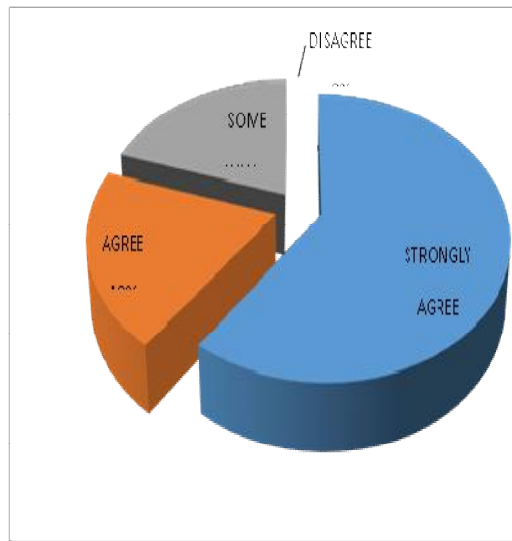
The above diagram shows that the majority (56%) of the employees are actually satisfied with the company's current Bonus system which is an advantage for the organization's growth.

However there are certain employees which may not be clear or totally unhappy with the system and this is where greater approach should be given so that the Bonus system becomes clear and unbiased and is acceptable to all the employees of the org.

The Company should have a fair and clear conceptual framework for the Bonus system that actually compares the performance of the individual with the detailed points of the framework making it simple and clear and easy to understand.

RESPONSE	NO. OF RESPONDENT	PERCENTAGE
STRONGLY AGREE	30	60
AGREE	20	40
NEUTRAL	10	20
DISAGREE	0	0
TOTAL	50	100

QUES 04:- IS MANAGEMENT IS REALLY INTEREST IN MOTIVATING THE EMPLOYEE?



Interpretation

From the above result of management’s contribution towards motivating its employees, it can be said that there is still a concern for almost half of the employees. As a company, one of the primary responsibilities is to motivate your employees to do their best work.

IV. CONCLUSION

From the above interpretations, it can be concluded that WCL COMPANY is performing good in terms of have a decent Bonus system which helps in motivating the employees.

A clear mechanism and a detailed structure is missing as there are some employees who are still not aware of the current Bonus system as to how their performance are being judged and thus they stay comparatively less motivated than others.

There are still some drawbacks which make some employees to fall under the category of neutral because:

- WCL COMPANY fails at recognizing the employee’s areas of improvement.
- Poor rewards and recognition for the employee’s hard work.
- Poor incentive structure that doesn’t contribute in helping them to feel motivated.

A good structure of equal promotional activities helps WCL COMPANY to create an environment of competitiveness amongst the employees that acts as a catalyst to improve the overall productivity.

Majority of the employees prefer monetary incentives over non-monetary incentives. More than half of the employee’s strength thinks that management actually puts efforts in motivating the employees and also they show a sense of satisfaction towards the current performance appraisal system of WCL COMPANY

V. SUGGESTIONS

WCL COMPANY should continue using the current Bonus system or make necessary changes in the future if needed as the majority of the employees are satisfied and feel motivated with it.

WCL COMPANY should have a structured plan of action to deliver feedback to its employees so that the employees can feel motivated towards work. A proper feedback mechanism can help the employees to recognize the areas in which they are lacking and also help them to formulate ways in which they can eliminate those obstacles.

A fair and transparent rewards and recognition system should be made to recognize the hard work of the employees. This system should be unbiased and should entirely be based on employee’s performance. This will ensure a sense of competitiveness amongst the teams and will make them work and contribute with the best of their ability.

The management should plan on recruiting more employees for work as suggested by the current employees. It should have a proper manpower system that can recruit the required number of workforce at the required time. This will ensure

that the work is evenly distributed making it less burdened on the current employees and will indirectly increase the work-life balance.

WCL COMPANY should give emphasis on having a clear and an unbiased pay structure. As mentioned in the above results a better and clear increment/periodical increase in salary/appraisal system can help the employees to stay motivated and work efficiently.

BIBLIOGRAPHY

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