Designing a reward distribution system and it`s influence on increasing employees Satisfaction at Shadran-e-Mehr Company

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Abstract- The aim of this study was to evaluate the effect of applying reward distribution systemon increasing Shadran-e-Mehr employee's satisfaction. The methodology was survey and descriptive and the sample size was 70 people. Sampling was random. Data was collected througha standard questionnaire. In this factory, the productive and unproductive employees were 99 percent satisfied with this system. By using the observation method and data analysis, Shadran-e-Mehr Company sale level rose about 9 percent and the price of sold productsrose only 2 percent after applying of the reward distribution system. Therefore, by fixing the stable possession, the efficiency of Shadran-e-Mehr Company's employees increased.

Index Terms- reward distribution system, employees' satisfaction, employees' efficiency, employees' operation, employees' motivation

I. INTRODUCTION

Applying reward distribution systems have major effect on the ability of organization for employing, generating and maintaining motivation in potential employees and consider as the main reason of access to great performance (Fay and Thompson, 2001). If applying reward distribution system is not efficient or doesn't use an equal and proper reward, the operation of it won't have any importance. If the reward, which main foundation is provocation and satisfying the needs of employees, is not consider in the right way, it will turn to the source for discouraging employees. This system turns to the management tool which can cause company growth in long term (Niki,Nili and Nilipour,2012). Reward distribution system is used as a framework for making functional reports in factories. This style enables the manager to translate targets, perspective of factory and different units of business and duties of managers into related indexes of evaluating the function (Bruggeman and Decoene, 2002).The core of reward distribution system is formed according to the perspective and strategy. In fact, these two are the base for pursuing financial goals, facilitating internal processes, gaining customer's satisfaction and developing and learning of the employees (Kaplan and Norton, 1996).

II. METHODOLOGY

The method of this study is survey and the sample consisted of all the employees of Shadran-e-Mehr which was 70 people. According to Morgan table, the sample size for productive employees equals to 50 and for unproductive employees equals to 12 people. But the selected sample size for productive employees equals to 58 and for unproductive employees equals to 12 people because of comparison in different groups and getting to secondary results. Sampling was random. The measuring tool of this study consist of modified questionnaire of Minnesota Satisfaction (MSQ), 31 questions which have 5 components of generating motivation for harder and better work in organization's employees, generating motivation for group work in organization, strengthening relations between employees and their managers, providing an environment for progress at work and getting familiar with the organization's policies. The final coefficient of questionnaire is computed as 0.86 by Cronbach's alpha formula.

III. RESULTS

The main question of study: How much is the applying of reward distribution system effective in the increasing ofemployee's satisfaction of the Shadran-e-Mehr Company?

Results of the t- test with single variable, comparison of the average quantity of reward distribution system execution effect on increasing the employee's satisfaction of the Shadran-e-Mehr Company with hypothetical mean of (3) (Table 1).

Table1. Result of T-test

hypothetical mean	average	Standard deviation	t	Significant level
3	3.42	0.61	5.48	0.001

In order to examine significant level in analytical analysis, the t-test was used at the level of $\alpha = 0/05$. By considering the obtained average, (3.42), which wasgreater than hypothetical mean of (3), and the obtained t, which wasgreater than critical amount of table, (1.96), we can conclude that in employees' view of Shadran-e-MehrCompany execution of distribution reward system is effective in increasing of their satisfaction. This result is also significant statistically.

First question of study: How much is the reward distribution system execution effective ingenerating motivation for harder workinShadran-e-Mehr Company?

Results of theT-test with single variable, comparison of the average quantity of reward distribution system execution effect on generating motivation for harder work in Shadran-e-Mehr Company with hypothetical mean of (3) (Table 2).

Table2 .

hypothetical mean	average	Standard deviation	t	Significant level
3	3.33	0.64	4.16	0.001

In order to examine significant level in analytical analysis, the t-test was used at the level of $\alpha = 0/05$. By considering the obtained average, (3.33), which was greater than hypothetical mean of (3), and the obtained t, which was greater than critical amount of table, (1.96), we can conclude that in employees' view of Shadran-e-Mehr Company execution of distribution reward system is effective in generating motivation for harder work in organization. This result is also significant statistically.

Second question of study: How much is the reward distribution system execution effective in generating motivation for group work in Shadran-e-Mehr Company?

Results of the t test with single variable, comparison of the average quantity of reward distribution system execution effect on generating motivation for group work in Shadran-e-Mehr Company with hypothetical mean of (3)(Table 3).

Table3

hypothetical mean	average	Standard deviation	t	Significant level
3	3.36	0.55	5.26	0.001

In order to examine significant level in analytical analysis, the t-test was used at the level of $\alpha = 0/05$. By considering the obtained average, (3.36), which was greater than hypothetical mean of (3), and the obtained t, which was greater than critical amount of table, (1.96), we can conclude that in employees' view of Shadran-e-Mehr Company execution of distribution reward system is effective in generating motivation for group work in organization. This result is also significant statistically.

Third question of study: How much is the reward distribution system execution effective in establishing more relations with managers in Shadran-e-Mehr Company?

Results of the t test with single variable, comparison of the average quantity of reward distribution system execution effect on establishing more relations with Shadran-e-Mehr Company managers with hypothetical mean of (3)(Table 4).

Table4.

hypothetical mean	average	Standard deviation	t	Significant level
3	3.31	0.64	3.85	0.001

In order to examine significant level in analytical analysis, the t-test was used at the level of $\alpha = 0/05$. By considering the obtained average, (3.31), which was greater than hypothetical mean of (3), and the obtained t, which was greater than critical amount of table, (1.96), we can conclude that in employees' view of Shadran-e-Mehr Company execution of distribution reward system is effective in establishing more relations with company managers. This result is also significant statistically.

Fourth question of study: How much is the reward distribution system execution effective in providing an environment for progress at work in Shadran-e-Mehr Company?

Results of the t test with single variable, comparison of the average quantity of reward distribution system execution effect on providingan environment for progress at work in Shadran-e-Mehr Company with hypothetical mean of (3)(Table 5).

Table5.

Hypothetical mean	average	Standard deviation	t	Significant level
3	3.49	0.64	6.10	0.001

In order to examine significant level in analytical analysis, the t-test was used at the level of $\alpha = 0/05$. By considering the obtained average, (3.49), which was greater than hypothetical mean of (3), and the obtained t, which was greater than critical amount of table, (1.96), we can conclude that in employees' view of Shadran-e-Mehr Company execution of distribution reward system is effective in providing environment for progress at work in company. This result is also significant statistically.

Fifth question of study: How much is the reward distribution system execution effective in employees' following ofShadran-e-Mehr Company's policies?

Results of the t test with single variable, comparison of the average quantity of reward distribution system execution effect on employees' following of Shadran-e-Mehr Company's policies with hypothetical mean of (3)(Table 6).

Table6.

Hypothetical mean	average	Standard deviation	t	Significant level
3	3.60	0.60	6.99	0.001

In order to examine significant level in analytical analysis, the t-test was used at the level of $\alpha = 0/05$. By considering the obtained average, (3.60), which was greater than hypothetical mean of (3), and the obtained t, which was greater than critical amount of table, (1.96), we can conclude that in employees' view of Shadran-e-Mehr Company execution of distribution reward system is effective in employees' following of Shadran-e-Mehr Company's policies. This result is also significant statistically.

IV.   DISCUSSION AND CONCLUSION

The result of reward distribution system effect on increasing the satisfaction of Shadran-e-Mehr employees reveal that reward system can cause employees' satisfaction. In other words, operation and effort of Shadran-e-Mehr employees is affected by reward system. Employees have internal and external motivation to do duties and reward, which is external factor, can affect their work and effort motivations.

So it is certain that, reward system has positive effect on employees' performance and their operations get better when they have sufficient satisfaction of organization. The results of this study and done studies by Seyed Hashemi(2008), Sadughiyan and shokri2005) Daneshfozun(2005), Janssen, and Yperen(2004), Gungar(2011), Yang(2008), Srinivas and Kandula(2007), Kaplan and Norton(1996)are in the same direction. According to this sameness we can conclude that righteously reward distribution system is performing an important role in boosting the performance and increasing the satisfaction of employees.

The results about the effect of reward distribution system execution on generating motivation to harder work in Shadran-e-Mehr Company revealed that reward system in companywas effective on generating and maintaining motivation for harder work among employees and if the reward distribution system operates righteously in a company, the employees do their duties with much effort. In other words, reward system in Shadran-e-Mehr Company causes something like among employees: generating motivation for getting the result, generating motivation for harder work, generating motivation for doing duties in the right way, doing the duties in the best way in all work hours, using personal methods for doing the duties. According to Lovler reward system is strengthening the work motivations. When people find out that their effort, skill and ability is important and each person is examined according to his objective criteria and rewarding is also according this, they devote much effort and motivation for duties in the organization. In order to increase work motivations, the reward system must be designed in a way that people receive reward according to their ability, skill and effort which is taken for the organization. This subject in addition to this study is in the same direction in done studies by SeyedHashemi(1387), Daneshfozun(2005), Janssen, and Yperen(2004), Gungar(2011), Yang(2008), Srinivas and Kandula(2007), Kaplan and Norton(1996). In these studies also reward system reported as one of the most effective factors in the performance and motivation of employees.

The results obtained from effect of reward distribution system on generating motivation for group work in Shadran-e-Mehr Company revealed that reward distribution system is effective in employees' group work and team activities. In other words, if there is a just system in reward distribution, then we can see things such as generating better environment for doing group work, turning to other employees for assistance in performing activities, increasing of responsible behavior among employees, helping to each other in performing work activities, creating friendly relations between employees and making a friendly environment in company.

The achieved results from the effect of reward distribution system on establishing more relations with managers in Shadran-e-Mehr Company revealed that reward distribution system execution in Shadran-e-Mehr Company is effective in establishing more relations of employees with managers. In other words, behaviors such as creating an environment for managing the employees by managers, creating a method for observing the activities of employees by managers, asking for assistance from managers in solving the difficult problems, creating an environment for information exchange between manager and employees, creating personal relations between manager and employees are expanded in the organization if the reward distribution system has just execution.

An efficient and worthy relation between managers and employees is one of the basic principles of Scanlon pattern which is considered as a successful method in group efforts and managers, in addition to establishing friendship between employees and themselves, can reduce cost and time and improve finished product of company.

The results about the effect of reward distribution system execution on generating environment for progress at work in Shadran-e-Mehr Company revealed that if the reward distribution system is just logical, the probability of performance improvement and

environment creation for proper work will grow. Therefore, reward system plays an important role in work progress in organization and this subject in addition to this study is done in studies by SeyedHashemi(2008), Daneshfozun(2005), Janssen, and Yperen(2004), Gungar(2011), Yang(2008), Srinivas and Kandula(2007), Kaplan and Norton(1996) and it was reported that reward system is an element for work progress and generating organization motivation.

The results about the effect of reward distribution system execution on following of employees from Shadran-e-Mehr Company's policies revealed that, in the case of reward distribution system execution, we can expect that people follow company's policies and adapt their performance to organization policies. In other words, reward distribution system execution cause employees' effort for getting familiar to company's policies,directed activities of employees according to company's policies and adaptation of employees' work activities to organization's policies.

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