

Explain the relationship between performance and rewards

[Business](#), [Human Resources](#)



Rewards and Performance Contemporary organizations recognize the role that rewards plays in improving performance hence most of them link their pay to performance. This is in the belief that human resources are vital assets in organization which need to be taken care of. Performance management therefore is crucial and begins with recruiting and selecting the right employees then motivating them through rewards to achieve the desired organizational goals. Rewards are in form of wages, incentive programs, benefit programs and recognition (Hegar, 2012, p. 13). They may also be intrinsic or extrinsic but total reward system is preferred for effectiveness.

When I was working at the sales department of Nestle Company I was offered three types of rewards: money, promotion and a vacation. Before these rewards could be offered, the goals of the department were clearly stipulated and aligned to organizational goals. Then we sat with the departmental manager to set individual goals which if achieved, reward would be given. We met periodically with the manager to review our performance and revise the goals if unachievable before performance was evaluated at the end of each year. Those of us who achieved our targets got monetary rewards and this made us to work harder for extra cash. I was also promoted from sales representative to sales manager and this motivated me to work harder so as to climb up the ladder and achieve self-actualization. A vacation was also welcome to spend time with family away from the stress of work. This made me feel fresh on reporting back to work hence increased morale, job satisfaction and consequently improved performance. If such rewards were not offered, then many employees would not go out of their

way to ensure organizational goals are achieved or work beyond the expected performance. This is in line with the expectancy theory of motivation whereby employees expect to be given something in return for their extra effort (Hegar, 2012, p. 12). If they do not expect anything, the likelihood of losing morale is high.

The most likely type of rewards to result in improved productivity are intrinsic rewards such as recognition, increased responsibility, challenging work, sense of accomplishment and belonging. These come from inside the person rather than from external source such as money given by a boss hence have more power to motivate (Hegar 2012). An employee is most likely to get used to external rewards hence views them as a norm thus reducing his/her motivation. For intrinsic rewards, an employee is not forced to act but feels accomplished by working harder hence increased productivity and performance.

Reference

Hegar (2012) Modern Human Relations at Work. 11ed. Boston, MA: Cengage.