

Recent research trends in reward management - A systematic literature review

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Abstract

Employees are the most significant, important and gainful resource of an organization and retaining them is perhaps the hardest test for the management. As the replacement cost of key employees includes immense turnover, there is a need to build up a completely integrative reward management strategy to handle such sort of issues. The goal of this paper is to fundamentally investigate the recent research works done in the field of employee reward management and feature factors liable for employee attrition and reward management activities followed to hold them. As the ever-evolving innovation, stiff competition, and globalization has acquired human resources at the forefront organizational jobs, no organization needs to lose their capable employees. 25 recent research studies in the field of reward management were systematically reviewed to ascertain the direction and trends in research in this area. Both the objectives and findings were plotted to gain an understanding of the trends. Based on the review an agenda for further research has also been set.

Keywords: Reward Management, Employee Retention, Recent Research, Systematic Literature Review.

Introduction

Reward management has been an area of high interest for research in Human Resource Management. Rewards directly impact employee performance. For years together, researchers all over the globe have contended that positive rewards enforce positive performance whereas negative rewards or negative perception about rewards lead to negative performance. 25 recent research studies in the field of reward management were systematically reviewed to ascertain the direction and trends in research in this area. Both the objectives and findings were plotted to gain an understanding of the trends. Based on the review an agenda for further research has also been set. Google scholar was used as the search engine. The key terms searched were “reward management.” Period of publication was limited to the years 2019 and 2020 to get a feel of the latest in the research. A good number of articles were found with the search term. However, for the review, only those items were selected that dealt with reward systems. The review of the 25 articles with their objectives and findings is presented in this article. Both these items were taken from the abstract of the respective articles. Since all of them have been duly attributed it should not be construed as plagiarism as the UGC Regulations, 2018 very clearly excludes attributed work from similarity check.

Review of Literature

Table 1: Systematic Literature Review of recent studies in the area of reward management

Author and year	Title of study	Objectives (as per abstract of respective articles)	Findings (as per abstract of respective articles)
Li et. al (2019)	Employees' perceptions of human resource management practices and employee outcomes	The motivation behind this paper is to look at the relationship between employees' perception of	Employees' impression of HRM practices, for example, training and development, reward management, and

		HRM practices and two results, to be specific, worker responsibility and turnover expectation, in little and medium-sized undertakings (SMEs) in mainland China.	execution management, are noteworthy indicators of worker responsibility. A negative direct relationship is found between employees' discernments about the utilization of HRM practices and turnover goals.
ThihaThiha (2019)	The Impact Of Reward Management System On Employee Motivation In Pacific Hotel in Yangon, Myanmar	To consider intrinsic reward management in Pacific Hotel, to learn extrinsic reward management in Pacific inn, to become familiar with the effect of reward management system on employee motivation in Pacific inn and to concoct proposal for Pacific Hotel how to improve its employee motivation through reward management system.	The study has revealed that work independence and strengthening, acknowledgment, decency of treatment, open doors for self-awareness, remuneration and advantage, advancement and rewards have altogether and emphatic impact on employee motivation in Pacific Hotel.
Kinman (2019)	Effort-reward imbalance in academic employees: Examining different reward systems.	It studies the main and interactive effects of extrinsic efforts over time as well as the independent impact of the 3 reward systems of the model (i.e., esteem, promotion, and security rewards).	Over-commitment was an independent risk factor for both physical and mental health. No further contribution was done to the variance in either outcome by the other effort-reward ratios independently or by their interactions with over-commitment.
Klindžić and Vlahov (2019)	Work motivation and temporary organizing – an overview of the state and perspectives of reward practices in project-based organizations	In this review paper, a desk-research was undertaken in order to analyze available studies on motivating and rewarding project teams, and several research questions that can potentially fill in the gaps present in the literature were revealed.	Conclusions and research gaps were grouped into five wide areas: (1) cross-sectional nature of information accumulated by accessible investigations, (2) partition of accessible motivation and reward rehearses inspected in research up until this point, (3) conventional use of reward practices and ends without considering autonomous qualities of people, associations and businesses, (4) expected use of new reward management ideas to extend groups, and (5) reward management issues identified with different jobs and duties of project management partners.
Gorgievski et. al (2019)	Effort-reward imbalance and work-home interference: a two-wave study among European	We hypothesized that effort and lack of reward would have both main and interactive effects on future	Results showed that effort was positively related to exhaustion and work-home interference, both

	male nurses	outcomes.	simultaneously and over time. Lack of reward predicted increased exhaustion at follow-up, but effort-reward imbalance did <i>not</i> influence the outcomes.
Panekanan et. al (2019)	THE INFLUENCE OF REWARD AND PUNISHMENT TOWARD EMPLOYEE'S PERFORMANCE AT BANK INDONESIA BRANCH MANADO	This study takes an object of research at Bank Indonesia.	The result shows that reward and punishment are significantly influence the employee performance simultaneously and partially. The employee feel honored by the reward that given by the company and it drive the employee's motivation to work harder and make a better performance. The employee take the punishment in a positive way as a lesson and make the punishment as the driving force to motivate them more and create a better performance.
Walters et. al (2019)	EFFECT OF REWARD SYSTEM ON EMPLOYEE PERFORMANCE AMONG SELECTED MANUFACTURING FIRMS IN THE LITORAL REGION OF CAMEROON	Study assesses the degree to which profit sharing affects employee commitment in manufacturing firm; ascertains the effect of flat-rate systems on employee work values in manufacturing firms; and appraises the influence of collective bargaining reward systems on employee cohesiveness in manufacturing firms.	The findings revealed that, profit sharing had a significantly positive effect on employee commitment in manufacturing firms; flat rate systems had a significantly negative effect on employee work values in manufacturing firms; and collective bargaining reward systems had a significantly positive impact on employee cohesiveness in manufacturing firms. The study concluded that there is a positive link between reward systems and employee performance.
Zhang et. al (2019)	Investigating the Effects of Reward Interdependence and Nonfinancial Incentives on NPD Collaboration in Diverse Project Teams	This study examines the effects of reward interdependence and nonfinancial incentives on NPD collaboration, as well as the moderating roles of team size and deep-level heterogeneity.	Findings from a field study involving 83 NPD project teams in China showed that both nonfinancial incentives and reward interdependence promoted NPD collaboration.
Notelaers et. al (2019)	Effort-Reward Imbalance: A Risk Factor for Exposure to Workplace Bullying	The present study investigates whether another important occupational stress model, that is the Effort-Reward Imbalance model, is also associated to WB.	A survey study in 19 Belgian organizations ($n = 5727$) confirmed that employees experiencing an imbalance between efforts and reward were more likely to be targets of exposure to bullying.

Andalib et. al (2019)	East Asian trends of human resource management: theories and practices	In this paper, the authors have reviewed numerous articles and collected secondary data about HRM policies, models and factors.	Firstly, the authors have found the HRM factors that put impact and facilitated to build the HRM models. Secondly, they have found and discussed about a few HRM models that are discovered and recognized at different times. Thirdly, they have also reviewed several East Asian countries' HRM practices and classified the dominant factors and applied HRM models.
Ahmad et. al (2019)	A Comparative Study of Banking Industry Based on Appraisal System, Rewards and Employee Performance	This study was aimed to throw light on the appraisal and reward system, and its effects on job satisfaction and employee performance in the banking sector of Pakistan.	The results of the study revealed that appraisal was negatively correlated while the reward system was positively correlated to employee performance.
Karell and Widlund (2019)	REWARDING WORK OR WORKING FOR REWARD? - A qualitative case study about total rewards and work motivation among white-collar workers in Sweden	This thesis aims to study how the different elements of total rewards system (TRS) correspond with white-collar workers' motivation in Sweden and how the identified total reward factors correspond to different types of intrinsic and extrinsic motivation.	The aspects beyond the original research question emerging from the findings were transparency about individual development and professional training opportunities. Autonomy and competence in relation to work itself had a significant impact upon participants' motivation. Several factors of work experience as well as culture and environment were experienced as extrinsically motivating. Compensation and benefits were experienced to a great extent as hygiene factors.
Crowley et. al (2019)	Linking Talent Management to Traditional and Boundaryless Career Orientations: Research Propositions and Future Directions	In this conceptual paper, we review the traditional and boundaryless career literature from a multi-level perspective, in order to theoretically develop TM, which to date has been consistently described as under-theorized.	We contend that consideration of the functioning of careers within and across individual, network, organization, industry, occupation, and national/global structures is important when developing effective TM practices. To further understand the relationship between careers and TM, this paper develops researchable propositions for future studies, supported by the existing literature.
Azeez et. al (2019)	What Do Construction Workers Really Want? A Study about Representation,	This paper describes research that aims to address this issue by investigating workers' perspectives of occupational	The study identifies the rewards that are available to workers, rewards that are needed by workers, and

	Importance, and Perception of US Construction Occupational Rewards	rewards in the construction industry.	factors that impact workers' reward satisfaction. By understanding these three aspects of occupational rewards, the industry will have a better chance of attracting and retaining the right workers for the job and motivating the available workforce for the allocated tasks
Tahir et. al (2019)	Getting compensation right - The choice of performance measures in CEO bonus contracts and earnings management	This paper examines whether the choice of performance measures in CEO bonus compensation contracts is associated with earnings management.	We find less income-increasing manipulation through discretionary accruals and expenses when non-financial performance measures (NFPMs) are used alongside financial performance measures (FPMs) and when the NFPMs are used to a larger extent than FPMs. Furthermore, we find less discretionary accruals when long-term performance measures are used. This implies that non-financial and long-term measures encourage executives to work towards the long-term success of the company rather than their own short-term reward.
Respatiand Triatmanto (2019)	Reward System as a Strategic HRM Determining Work Productivity in Hospitality Organizations	This study aims to examine the strategic Human Resource Management (HRM) on organizational performance and enrich the scientific field of organizational performance.	The results of the research prove that strategic HRM has a significant effect on organizational performance and a rewards system is highly needed by employees when an industry is in a highly competitive position.
Jachens et. al (2019)	Effort–reward imbalance and burnout among humanitarian aid workers	This study sought to examine stress-related working conditions—defined in terms of effort–reward imbalance (ERI)—and their association with burnout among a large, international sample of humanitarian aid workers.	Intermediate and high ERI was associated with significantly increased odds of high emotional exhaustion; the findings were mixed for depersonalisation and personal achievement.
Fei and Aun (2019)	The Impact of Human Resource Management Bundles on Innovation in Malaysia.	This article examines how human resource management (HRM) contributes to organizational innovation in Malaysia, mediated by knowledge exchange and combination (KE&C).	There are also smaller positive mediated impacts of opportunity-enhancing and ability-enhancing HRM bundles on product innovation, opportunity-enhancing and ability-enhancing HRM bundles on

			process innovation, and opportunity-enhancing and ability-enhancing HRM bundles on administrative innovation. Finally, opportunity-enhancing and ability-enhancing HRM bundles have mediated impacts on overall innovation.
Tahir (2019)	ANALYSIS OF REWARD PRACTICES AND THEIR INFLUENCE ON EMPLOYEE ENGAGEMENT AMONG SOFTWARE DEVELOPMENT FIRMS IN PAKISTAN	The current study is based on investigation of current reward practices of the software development firms in Pakistan, employee's preference for different type of reward offered, and influence of reward practices on employee's work engagement.	Results indicate that both monetary reward as well as non-monetary reward has positive and significant effects on employee engagement. Both type of reward explains 66.9% change in the employee engagement level. Our results imply that software development firms in Pakistan should review their reward practices and give attention to both type of reward.
Rochaeni et. al (2019)	The Impact of Task Variety, Career Promotion, And Reward to Agricultural Extension Worker's Performance	The purposes of this research were to analyze both the direct and indirect impact of task variety, reward, and career promotion to performance.	Results of the research was: (1) there were a direct impact of task variety to performance, and indirect impact through career promotion and reward; (2) there were a direct impact of career promotion to performance, and indirect impact through task variety and reward; (3) there were a direct impact of reward to performance, and indirect impact through task variety and career promotion.
Arthur (2019)	Understanding the Effect of Non-Receipt of Reward Given to Selected-Few Employees has on Job Satisfaction of Other Employees.	This work is aimed at providing understanding on the effect that the non-receipt of the reward given to selected-few employees by the management has on the job satisfaction of other employees in the organization.	Based on the findings, it is concluded that the company provides rewards to its employees who are currently not receiving any rewards thus creating job satisfaction and improving both individual and organizational performance.
Shane Joseph Reneaux et al. (2019).	INFLUENCE OF REWARD SYSTEM ON TURN OVER INTENTION OF MILLENNIALS AT PRIVATE IT COMPANY	In this context, the paper is intended to examining the influence of reward system for millennials and their turnover intention.	The study identified the factors of reward system which significantly influenced the turn over intention of millennials and it has found out that reward system influenced the turn over intention by

			administering linear regression model and correlation showed that there is a positive correlation between reward system and turn over intention.
Ajibola (2019)	HUMAN RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE ENGAGEMENT IN MANUFACTURING FIRMS IN NIGERIA	This study looked at the influence of human resource management practices on employee engagement in manufacturing firms in Nigeria. Specifically, the study sought to investigate the influence of training, performance appraisal, reward management and employee relations on employee engagement in manufacturing firms in Nigeria.	The study found out that there are positive significant relationships between performance appraisal, reward management, employee relations and employee engagement. The study also found out that the relationship between training and employee engagement was significantly negative.

Key findings from the SLR

Good research has gone into study of reward systems in the past couple of years although the pace seems to have gone down in the year 2020 as compared to the year 2019. This is perhaps the results of Corona pandemic. The studies are well-spread across the globe and have good representation from Asian and African nations. Further the organizational context of the studies has been quite diverse – from Hotels to Banks to Construction firms. However, what is surprising to note is the fact that the research has not moved much from its traditional finding that there is a positive relationship between rewards and performance. Only a few studies have gone beyond this theme that has been ever so dominant in this area of research. An interesting study has been under the title “Understanding the Effect of Non-Receipt of Reward Given to Selected-Few Employees has on Job Satisfaction of Other Employees” (Arthur, 2019). But such non-conventional topics are only a few.

Setting the agenda for further research

Based on the review following areas should be looked into by researchers in depth –

- Macro-level studies in the area of reward management should be carried,
- Similarly meta-studies in the area of reward management should be carried,
- More studies are needed by way of comparison between intrinsic and extrinsic rewards,
- Studies that suggest ways to improve employee perception about reward systems are also required,
- Indirect effects of reward systems should be studied in more details,
- More sectors should be covered while studying reward management. For example sectors like organized retail, banking etc. should be covered in more details,
- Impact of Corona pandemic on reward systems should also be researched.

Conclusion

Employees are sensitive to rewards. Their performance outcomes and eventually the performance of the organizations for whom they work are directly affected by the reward systems. Perception towards reward management also matters. High element of subjectivity in terms of fairness, equity etc. are some tricky aspects of reward systems. No doubt that the reward management should be fair, just and reasonable. But it should also be seen as the same by the employees. Their perception is of paramount importance. Unfortunately recent research in the area of reward management doesn't seem to have moved on from its traditional finding that there is a positive relationship between rewards and performance. Beyond this, there is a lot of scope for fresh research in the domain of reward management.

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