

# THE IMPACT OF REWARD MANAGEMENT ON EMPLOYEE MORALE IN THE TEXTILE SECTOR OF PAKISTAN

By

WAFI ZAFAR

28618

A thesis presented to the Department of Management Sciences, Bahria University Karachi Campus, in partial fulfillment of the requirements of the MBA degree



FALL, 2016

Bahria University Karachi Campus

## ACKNOWLEDGEMENT

IN THE NAME OF *ALLAH*, THE *MOST GRACIOUS* & THE *MOST MERCIFUL*

First of all I would like to thank Allah (SWT) who gave me strength and health to complete my thesis. I would like to thank my parents for their prayers, providing me guidance at every step of life and financing my studies. Furthermore, I would like to thank my teachers for their support and precious time and helping me in completing this thesis.

Further, I like to thank my thesis supervisor **SIR MAZHER RIZVI**, who gave me guidance at each step and helped me throughout the research work.

In the last I would like to thank all my friends for supporting me and giving me and providing treasured advices that helped me in completion of the work.

## Table of contents

Approval Statement.....	ii
DECLARATION .....	iii
ACKNOWLEDGEMENT .....	iv
Table of contents.....	v
List of Tables .....	vii
Plagiarism Test Report.....	viii
ABSTRACT .....	ix
CHAPTER 1: INTRODUCTION .....	1
1.1 Background of the Study .....	1
1.2 Problem Statement .....	2
1.3 Aim of the study .....	2
1.4 Research Question(s).....	2
1.5 Research Hypotheses .....	3
1.6 Significance of the Study .....	3
1.7 Scope of the Study .....	4
1.8 Limitations of the Study .....	4
1.9 Definition of Key Terms .....	4
1.10 Organization of the Thesis .....	5
CHAPTER 2: LITERATURE REVIEW.....	6
2.1 Concept of Rewards in organizations .....	6
2.2 Types of rewards in organization .....	9
2.3 What is employee morale? .....	12
2.3 Effect of Rewards on employee morale .....	14
2.4 Role of extrinsic rewards on morale .....	15
2.5 Role of intrinsic rewards on morale.....	16
CHAPTER 3: RESEARCH METHODOLOGY .....	20
3.1 Natures of Research .....	20
3.2 Sampling Technique and Sample Size.....	21
3.3 Data Collection Method .....	21
3.4 Instrumentation.....	22

3.5 Measuring Variables .....	22
3.6 Data Integration Method .....	23
3.7 Limitations of the Study .....	24
3.8 Research Model .....	24
<b>CHAPTER 4: RESULTS AND DISCUSSION .....</b>	<b>27</b>
4.1 Section 1: .....	27
4.2 Section 2: .....	27
4.3 Section 3: .....	29
<b>CHAPTER 5: DISCUSSION .....</b>	<b>32</b>
5.1. Discussion .....	32
<b>REFERENCES .....</b>	<b>40</b>
<b>APPENDIX .....</b>	<b>44</b>

## ABSTRACT

**Purpose-**The current research discusses how the intrinsic and extrinsic rewards affect employee morale and if it affects the overall organizational performance or not in context of Pakistan Textile sector.

**Methodology/sample-** Primary methodology has been used in the current study. The research uses convenience sampling in the study in order to access the participants easily. The total sample for the current study is 250 employees working in the textile sector of Pakistan selected randomly.

**Findings-** Intrinsic rewards affect employee morale in the given sample whereas extrinsic rewards do not affect employee morale in given sample.

**Practical Implications-**In Pakistani textile sector, there are very limited rewards. The employees are not very familiar with extrinsic rewards and thus their opinion or viewpoint is just.

**Keywords:** extrinsic rewards, intrinsic rewards, and employee morale