# Importance of Recognition for Employees in Rewards System

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**Abstract:**. *The project is based on the research done on the importance of Recognition for employees in rewards system.*

*EMPLOYEE REWARD SYSTEM:*

*An employee reward system is motivation tactic organizations use to help their staff feel encouraged to complete high- quality work. It's different from an incentive program because incentives are goal oriented and combined with a reward. A reward is for the team members who complete exceptional work or are a great asset to a team. Companies may often use rewards as extra encouragement by supplementing their employee's salaries. For example, an employee can earn bonus at the end of a pay period on top of their base salary. Employees may also earn other tangible or monetary rewards separate from their pay check. Reward systems are incentives given to employees to commend and encourage high performance in their work. Usually, employers give rewards to employees once they have reached a goal or completed a specific task. These incentives can be monetary or non-monetary. For example, the most productive employee in an organization can get additional leaves or a mobile phone. Companies offer incentives and reward as a way to appreciate the efficiency and contribution of their employees and teams.*

*EMPLOYEE RECOGNITION PROGRAMS:*

*Employee Recognition programs are important for motivating employees and rewarding them for hard work. Employee recognition programs seek to acknowledge and reward workers for a range of accomplishments. The awards can be bestowed on an individual, a team, or the workforce at large.Companies favour these programs because they can lead to improved employee morale, help retain and attract key employees, increase productivity and competitiveness, as well as boost revenues and profitability, the report states.Eighty percent of companies surveyed said they had an employee recognition program, according to a 2018 report by the Society of Human Resource Management (SHRM)...*

**Keywords:** Recognition for employees

## I. INTRODUCTION

Employee rewards and recognition is important to improve organizational values, employee happiness, increase customer satisfaction and motivate employees to go the extra mile. Employee reward and recognition is vital to improve organizational values, encourage friendly competition, improve employee happiness & satisfaction, increase customer satisfaction and motivate employees to go the extra mile.

Even a cursory glance at our personal and professional life is potent enough to reveal the axiomatic fact that what gets rewarded gets repeated. That's primarily and plainly because rewards and recognition, in essence, acknowledge the rightness and the effectiveness of a person's contribution. Since it's a reflex of the sound mind to repeat what is best and effective, it's unsurprising to see countless studies voicing how rewards boost the repetition of mission-critical tasks.

Employees spend 40+ hours at work each week. That comes up to 2000 hours per year. Naturally, their state of mind in those hours will decide whether they will be an asset for you or a burning liability. The solution, perhaps the only one, is to make them happy. One delightful and psychologically proven recipe for happiness is recognition.From posting a job description and screening piles of resumes to interviewing candidates and negotiating packages, the cost of finding the right employee is always incremental.

All these efforts go up in smoke within the blink of an eye if an employee quits without giving a hint. It's a double-body blow, as the turnover cost is high too. Since recognition inherently makes employees feel wanted and valued, it's

the only antidote to this misery.Top-performing employees want something that's beyond salary. They look for a complete package that includes these essential factors—rewards, recognition, compensation, benefits, and a healthy working environment.

Employee recognition programs are one of the primary reasons professionals choose to join a company. Failing to plan and implement a proper R&R could result in not being able to attract top talents.Mountainous compensations and exhilarating job roles aren't the only sole pullers of talent.Candidates evaluate two critical things: company culture and the depth of relationships between employees, managers, and peers.

**OBJECTIVES**
1. To understand the familiarity between the employees trust and corporate policies related to reward system in order to recognize and retain them in the organization.
2. To navigate the challenges faced by the organization in framing the policies for reward system.
3. To scrutinize the strategies for drawing attention of the employer towards the employee recognition and reward program.
4. To understand the strategies for engaging employees to perform better.
5. To understand the work culture of the organization and new development policies of rewarding in order to sustain employees by recognition.
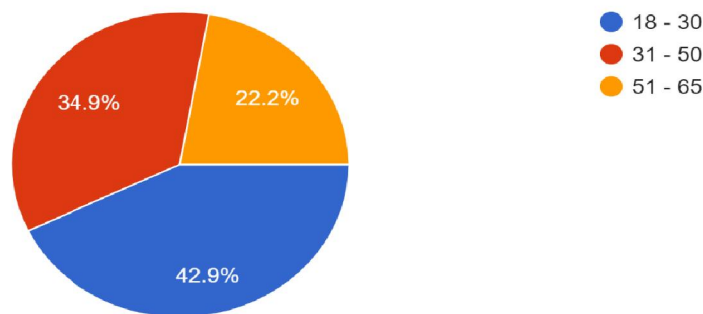
**DATA ANALYSIS AND INTERPRETATION**
1. Age
Table No. 4.1.1

| 18 – 30 | 27 |
|---------|----|
| 31 – 50 | 22 |
| 51 – 65 | 14 |

Figure No. 4.1.1



Age
63 responses

Interpretation:
The pie chart above shows different age groups of respondents who contributed towards the survey.
Out of total respondents [63]
The respondents in the age bracket of 18 – 30 years is 42.9%

The respondents in the age bracket of 31 – 50 years is 34.9%
The respondents in the age bracket of 51 – 65 years is 22.2%

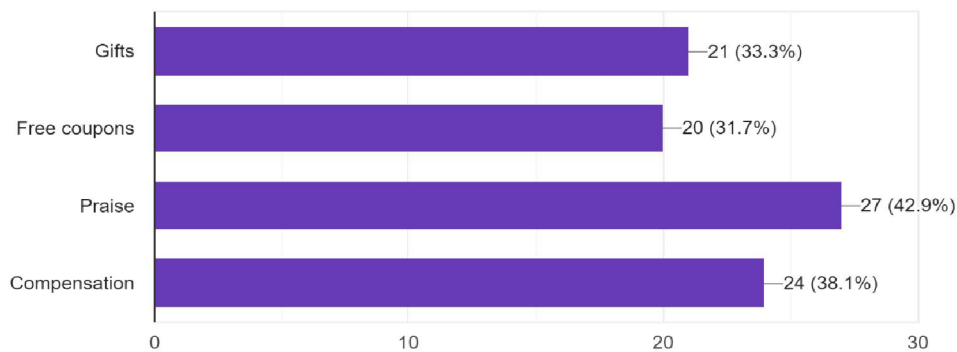In your views, which is the best way to show appreciation?
Table No. 4.1.4

| Gifts | 21 |
|---|---|
| Free Coupons | 20 |
| Praise | 27 |
| Compensation | 24 |

Figure No. 4.1.4



In your views, which is the best way to show appreciation?
63 responses

Gifts — 21 (33.3%)
Free coupons — 20 (31.7%)
Praise — 27 (42.9%)
Compensation — 24 (38.1%)

Interpretation:
Respondents were asked whether which is the best way to show appreciation and the responses were as follows;
Highest of 42.9% respondents believed that praising or recognition received by employer is the best way of showing appreciation.
Rest out of 63 respondents, 33.3% would like to be appreciated through gifts, 31.7% would prefer free coupons.
Lastly, 38,1% would prefer compensation as a part of appreciation.
In your opinion what should be inculcated in your organization?

Table No. 4.1.6

| Monetary Prize | 26 |
|---|---|
| Non – Monetary Prize | 05 |
| Both | 32 |

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Figure No. 4.1.6

In your opinion what should be inculcated in your organization?
63 responses



- Monetary Prize
- Non - Monetary Prize
- Both
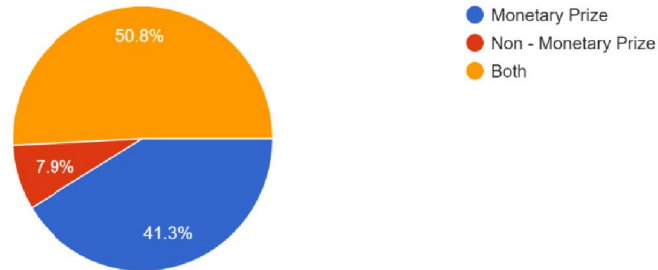
Interpretation:

As per the opinions of the respondents, 50.8% respondents feels that bot the monetary & non – monetary prize should be inculcated in the organization.

7.9% respondents believed that non – monetary prize should be inculcated in the organization.

And 7,9% respondents believed that monetary prize benefit should be inculcated in the organization.
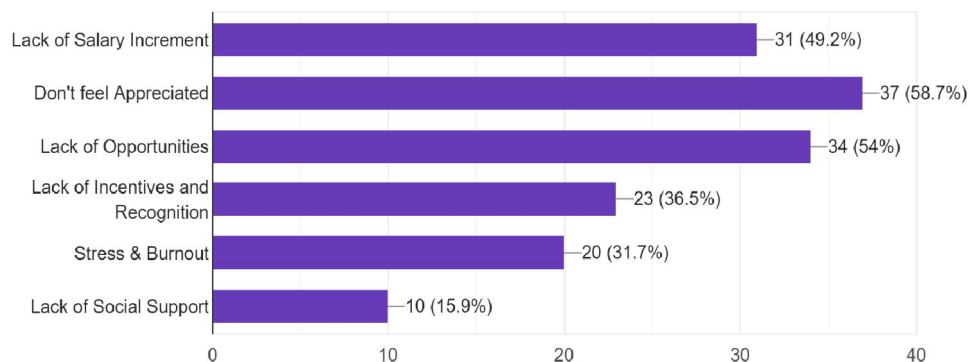
In your opinion, when does an employee feel to quit their job?

Table No. 4.1.10

| Lack of Salary Increment | 31 |
|---|---|
| Don't feel appreciated | 37 |
| Lack of opportunities | 34 |
| Lack of Incentives and Recognition | 23 |
| Stress & Burnout | 20 |
| Lack of Social Support | 10 |

Figure No. 4.1.10

In your opinion, when does an employee feel to quit their job?
63 responses

**Interpretation:**

From the above responses we come to that most employees feel quit to quit the job because of the following reason; 49.2% respondents think than an employee quit their job because of lack of salary increment, 58.7% think it happens because the employees don't feel appreciated, 54% believed that it happens due to lack of opportunities, 36.5% think it takes place because of lack of incentives and recognition, 31,7% thinks this can be due to stress & burnout, and lowest of 15.9% thinks that it happens due to lack of support.

## FINDINGS OF THE STUDY

The research helped to find different opinions of the respondents regarding the analysis of effectiveness of the policies and strategies inculcated to recognize the work of employees and to provide necessary reward as a part of their achievement.

In today's globalized world, appreciations play an important role to motivate the employees and work in their best productive way. Today's employees largely gets motivated through praise; its been identified that appraisal from the superior or the managers motivates the employees in the best possible way. Organization can recognize the work of the employees and reward them by various compensation schemes and programs like profit sharing, bonuses, incentives for achieving targets and increments in salary or other medical or monetary benefits. Employers can also appreciate their employees by providing free coupons and gifts as a part of reward system.

The study revealed that both monetary and non - monetary benefits acts as an important factor to reward and recognize the employees. To fully connect with their role and the organisation, be motivated to push their limits and go above and beyond, employees want to be legitimately recognized and rewarded for their efforts and triumphs at work.

Employees often feel overlooked and underappreciated in the workplace, even when they go above and beyond expectations. The likelihood of employees quitting their job within a year goes up when they don't feel appreciated. As a result, one of the finest lost opportunities for managers and leaders is to reward and recognize their employees. It not only inspires your staff but also gives them a tremendous sense of pride in their work. People will be more engaged and more loyal to the company when they feel appreciated for their efforts.

From the research findings we come to know that employees feel quitting their job when they are not provided with sufficient monetary compensatory benefits and when they are hardly recognized; quitting may also happen because of lack of salary increment, when they are not being appreciated, when there is a lack of opportunities in the organization, and because of stress & burnout because of workload and imbalance of work life and lastly due to lack of social support.

## II. CONCLUSION

From the research study, we can conclude that, policies and strategies formulation have a major impact on the employees working in the organization. However, careful consideration should be made based on industry competitiveness, they all use modern strategies based on the trends and the requirements needed to sustain in the competitive markets strategically.

To summarize, rewarding employees has a direct impact on a company's financial performance.

It improves retention, productivity, and self-esteem because of these benefits.A well-organized system will yield the following results when put into action:

Faster than expected outcomes

Enhanced collaboration within the group

Improved relationships with clients and customers.

The continual effort will eventually permeate the entire company. As a result, the company's employees will be happier and more productive. 'You'll reap the long-term rewards of saying "thank you" to your employees if you make the efforts now'.

Every company values its employees, so it's important to tell them. A recognition program can be beneficial to any company or organization. In fact, research by Bersin suggests that engaging your employees will reduce turnover by 31%. Rather than public recognition like praise walls, employers need to prompts employees to send appreciation messages spontaneously, encouraging peer-to-peer recognition.

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The right forms of recognition and rewards at the right time can have unparalleled positive effects in terms of increased employee engagement, productivity, morale, and performance.

Moreover, employees become more focused, oriented, and invested in the company goals and objectives.

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