Impact of Employee Recognition Programs on Employee Satisfaction And Employee Motivation

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Abstract- *Human resource is the most important among all the resources an organization owns. To retain an efficient and experienced workforce in an organization is very crucial. Motivated employees can help make an organization competitively more value-added and profitable.*

This first and foremost objective of Employee Recognition Programs is to find out the impact of reward on teamwork and collaboration, this research also includes few specific objectives such as to identify the type of Recognition which can be used instantly to recognise employee for exemplary or commendable performance,and to assess whether employee allegiance is caused due to recognition programs and to examine the Impact on Employee motivation and satisfaction.

The participation in the survey was voluntary and confidentiality of responses was ensured. The analysis showed that Employee motivation and satisfaction are significantly correlated and reward and recognition have a great impact on motivation of the employees.

Keywords- Recognition, Motivation, Satisfaction, Recognition Programs.

I. INTRODUCTION

Employee Recognition Program -

An employee recognition program is a way for a firm to honour the accomplishments and deeds of its workers. Giving out praise is frequently done using a platform that is accessible to internal staff members. Each praise comes with points that can be exchanged for prizes. An employee recognition program's goals are to retain talent, increase morale among staff members, and enhance performance.

Among an organization's resources, human resources are regarded as the most important. For a business to expand, it must be able to keep its talented and productive workforce. Employee motivation can increase an organization's profitability and value addition. When their contributions to the job performance are acknowledged by the organization, employees feel content with their jobs.

Types of Employee Recognition Program -

Peer-to-peer, monetary, and social recognition has to be a part of any employee recognition program.

Businesses can boost employee engagement and performance through various recognition methods. Social recognition involves acknowledging employees for their contributions, fostering a sense of community and gratitude within the workplace, leading to increased effort and improved performance. According to the Harvard Business Review, frequent social acknowledgment can enhance employee effort by 40%, resulting in higher engagement and lower absenteeism and turnover rates. Similarly, monetary recognition, such as point-based reward schemes or cash rewards, addresses the widespread feeling of underappreciation among workers, leading to increased morale and productivity. Peer-to-peer recognition complements managerial feedback by allowing all employees to acknowledge each other's achievements publicly, fostering a culture of validation and support that enhances overall performance and leadership development.

Employee recognition programs are invaluable for fostering a positive workplace culture and boosting morale, engagement, and retention. By acknowledging employees' achievements and efforts through various forms of recognition, such as verbal compliments, prizes, and bonuses, these programs create an environment where employees feel respected and appreciated, leading to increased productivity and commitment. Furthermore, they encourage a positive feedback culture, enabling constructive feedback and growth opportunities, while also promoting loyalty and pride in the organization, thereby reducing turnover rates and enhancing long-term contributions. Overall, employee recognition programs not only improve employee performance but also foster innovation and creativity within the organization.

II. OBJECTIVES OF THE STUDY

1. To study the Impact of Employee Recognition Programs on employee satisfaction.
2. To find the most effective type of recognition which can be used to instantly recognise and reward employees for exemplary performance.
3. To determine if there is significant influence on employee motivation due to reward.
4. To assess the influence of the employee recognition program on organizational allegiance.
5. To analyze the effect of Employee Recognition Programs on teamwork and collaboration resulting from the implementation.

III. REVIEW OF LITERATURE

Gangapuram Aruna (2018) - Impact of Rewards and Recognition on Employee Motivation . It is evident from the study that a variety of factors influence employee motivation and satisfaction. It was also significant to discover that there is a direct and positive relationship between rewards and recognition and job satisfaction and motivation.The research study has shown that managers can employ different strategies to motivate employees, but that it is important that managers keep in mind that different strategies would have a different motivational impact on different people. To get optimum results from a motivational strategy, the manager has to realise and understand issues, which requires recognition of each individual's unique values, beliefs, and practices.

BANOTH KEERTHY (2020) -The primary objective of the research project was to analyze the impact of reward and recognition policies on employee behavior, retention, and motivation within SIGNODE INDIA LIMITED. Conducted a descriptive research, the study involved employees from various management levels as respondents. It suggests that frequent alterations in these policies could enhance work satisfaction, employee performance, and productivity. The research highlights the importance for managers to understand individual values, beliefs, and practices to effectively motivate employees and achieve optimal results.

Carnegie (1975) places a strong emphasis on the human side of management. They assert that since people are ultimately responsible for a business's success or failure, it is the organization's primary duty to inspire its workforce in order to ensure success. The writers think that everyone is capable of being creative and accomplishing their goals.

The only question that remains is how organizations can realize this potential, how they can inspire innovation and instil in their employees the drive to succeed and find fulfilment in their work. The concept that treating people with respect and treating them like valuable human capital—which is more important to an organization's success than its financial capital—is a prevalent topic among the aforementioned authors.Today, a company's competitive advantage is primarily thought to come from its people. Therefore, an organization's ability to thrive or even survive is increasingly dependent on how its members are handled.

IV. METHODOLOGY

RESEARCH DESIGN:

Research design is the overall strategy for carrying out the research aiming to answer the research problem and fill in the research gap through collection, interpretation and analysis of data. This nature of this study is descriptive in nature. This study describes the Impact of Employee Recognition Program on Employee Satisfaction and Employee Motivation.

SAMPLE:

A process for selecting sample members from a huge population for a research design is called as sampling. To infer knowledge about the entire population, samples are picked from the population. A sample is a predetermined number of people, items, objects, or observations, taken from a whole population, which should ideally represent the population without any bias.

SAMPLE SIZE:

The sample size includes the number of participants,observations included in the study. The sample size for this study is 100. It was collected from Employees of all age group in Chennai.

SAMPLING TECHNIQUE:

Sampling technique is the one of methods which is used to identify the sample needed for the study from the population. The basic objective of any sampling technique is to represent the population with least possible bias.Sampling technique used for this study is Simple Random Sampling. Data is collected from 100 Questionnaires and was taken into account for this survey.

DATA COLLECTION:

The process of acquiring information from selected samples in order to draw conclusions for the study is known as data collection. The data for this study was gathered from primary,secondary and tertiary sources.

PRIMARY DATA:

Primary data is information obtained directly from the source of the data by the researcher conducting the study using methods such as personal interviews, questionnaires. Primary data was collected using a structured questionnaire through google form.

SECONDARY DATA:

The Secondary data is the type of data that is collected from already available sources, such as journals. The Secondary data is collected from various articles and research papers.

TERTIARY DATA

Tertiary data sources include online databases,business links,search engines.

V. DATA ANALYSIS & INTERPRETATION

This chapter presents the analysis and discussion of the findings to the study. The data is presented in the form of Tables and Charts. Where data could not be quantified, it is explained. Presentation of findings has been organized in accordance with the study objectives.

Table 1: Demographics

Gender	No.of Respondents
Male	60
Female	40

Table 1 represents the gender distribution among the respondents revealed a relatively balanced participation, with 60% identifying as male and 40% as female.

Table 2 :

Age group	No. of Respondents
18-24	22(22%)
25-34	19(19%)
35-44	17(17%)
45 & Above	45 (42%)

Table 2 represents the age distribution was segmented into three categories: 22% lying in the 18-24 years

age group, 19% in the 25-34 years age group, 17% in the 35-44 age group,and 42% aged in 45 and above age group.

Table 3:

Years of experience	No. of respondents
0-3 years	31
3-6 years	19
6 years and more	50

Table 3 represents years of experience: 31% of respondents have 0-3 years of experience, 19% in the 3-6 years of experience, 50% in 6 years and above years of experience.

Awareness of Employee Recognition Programme
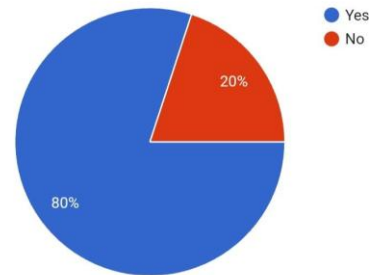
The data revealing that 80% of employees were aware of the Employee Recognition Program within their company underscores the program's visibility and potential impact on workplace culture. This high level of awareness suggests effective communication and implementation strategies by the company, ensuring that a significant majority of employees are informed about the program's existence and potential benefits. However, the remaining 20% who were unaware of the program indicate a need for improvement in communication channels or engagement efforts. Addressing this gap in awareness could further enhance employee morale, motivation, and overall participation in the recognition program, ultimately leading to a more positive and productive work environment. Implementing targeted communication campaigns, incorporating regular updates during team meetings, or providing training sessions could help bridge this awareness gap and ensure that all employees have equal access to recognition opportunities. Additionally, soliciting feedback from employees about their awareness and understanding of the program could provide valuable insights for refining communication strategies and maximizing the program's effectiveness in fostering employee engagement and satisfaction.

Examining how employee recognition programs shape employee satisfaction and foster engagement within the workplace.

Engagement	No. of respondents
Strongly Engaged	30
Engaged	31
Neutral	32
Disengaged	4
Strongly Disengaged	3

The survey results reveal a mixed landscape of employee engagement and satisfaction concerning the Employee Recognition Program. With 30% of respondents reporting strong engagement and a high level of satisfaction attributed to the program, it's evident that recognition initiatives have a positive impact on a significant portion of the workforce, fostering motivation and contentment within the organization. Another 31% indicating engagement suggests a generally favorable perception of the program, though perhaps with room for further enhancement. However, the 32% who remain neutral suggest a segment of employees whose feelings toward the program are neither strongly positive nor negative, indicating potential opportunities for improvement or clarification of program benefits. The presence of 4% disengaged and 3% strongly disengaged individuals underscores the importance of addressing any dissatisfaction or disconnect with the recognition program to prevent potential declines in morale and productivity.

Implication of Employee Recognition Program on Employee Motivation

Employee Motivation	No. of Respondents
Strongly Agree	47
Agree	40
Neutral	11
Disagree	2
Strongly Disagree	0

The breakdown of employee perceptions regarding the impact of the Employee Recognition Program provides valuable insight into its effectiveness and acceptance within the workforce. The fact that 47% strongly agree and 40% agree that the program positively impacts employee motivation indicates a strong consensus among a significant majority of employees. This suggests that the program is viewed favourably as a motivational tool, likely contributing to increased morale, job satisfaction, and overall engagement. Furthermore, the relatively low percentage of disagreement (2%) suggests that the program is generally well-received, with only a minority of employees expressing reservations or

scepticism about its effectiveness. However, the presence of 11% who are neutral highlights a potential opportunity for further engagement and communication efforts. Understanding the reasons behind this neutrality—whether it stems from lack of awareness, understanding, or personal experience—can help tailor strategies to address any underlying concerns or barriers to participation. By leveraging the positive feedback from those who strongly agree and agree, the company can amplify the program's impact and ensure that it continues to drive employee motivation and performance effectively. Regular assessment and adjustments based on employee feedback will be essential for maintaining the program's relevance and effectiveness over time.

Most effective type of recognition which can be used to instantly recognise and reward employees for exemplary performance

Types of Recognition	No. of Respondents
Employee of the Month/Quarter/Year	16
Performance-Based Bonus	54
Peer Recognition	10
Employee Appreciation Gifts	8
Innovative Awards	6
Spot Awards	6

akdown of preferred types of recognition among respondents sheds light on the diverse preferences and effectiveness of various recognition methods within the organization. The finding that 54% of respondents favor performance-based bonuses underscores the importance of tangible rewards directly tied to individual achievements, providing instant gratification and reinforcement of desired behaviors. Similarly, the significant preference for Employee of the Month/Quarter/Year (16%) indicates the value placed on public acknowledgment and formal recognition of outstanding performance over longer periods. Additionally, the 8% preference for Employee Appreciation Gifts, such as travel packages or spa days, highlights the appeal of experiential rewards that offer relaxation and rejuvenation as a form of appreciation. Peer recognition (10%) emerges as another significant form of acknowledgment, emphasizing the importance of social validation and support from colleagues in fostering a positive workplace culture. Furthermore, the inclusion of innovative awards (6%) and spot awards (6%) reflects a recognition of the need for flexibility and creativity in recognizing diverse contributions and achievements beyond traditional methods. Understanding these preferences can guide the organization in tailoring its recognition strategies to align with employee preferences and motivations, ultimately enhancing their effectiveness in driving engagement, morale,

and performance across the workforce. Regular feedback loops and evaluation of recognition programs will be essential to ensure they remain responsive to evolving employee needs and preferences.

Influence of the employee recognition program on Organizational Loyalty.

Organizational Loyalty	No.of Respondents
Yes	52
Maybe	37
No	11

The data indicating that 52% of respondents agreed that the Employee Recognition Program has influenced their loyalty to the organization highlights the significant impact of recognition initiatives on employee retention and commitment. This suggests that the program plays a crucial role in fostering a sense of appreciation and belonging among employees, thereby strengthening their bond with the organization. However, the 37% who responded "maybe" suggest a degree of uncertainty or variability in the program's influence on loyalty, indicating potential areas for further exploration or improvement. Additionally, the 11% who responded negatively underscore the importance of addressing any dissatisfaction or concerns related to the recognition program to mitigate potential risks to employee retention and organizational morale. Overall, these findings emphasize the importance of effective recognition strategies in cultivating a loyal and engaged workforce, thereby contributing to organizational success and sustainability.

Implementation and Result of Employee Recognition Programs on teamwork and collaboration

Teamwork & Collaboration	No. of respondents
Yes	61
Maybe	27
No	12

The results of the survey show that employee recognition programs have a significant effect on cooperation and teamwork inside the company. Given that 61% of respondents agreed with the positive results, it is clear that recognition programs are important for creating a cohesive and mutually beneficial atmosphere. According to this, workers are more inclined to work well with their peers when they feel valued and rewarded for their contributions, which enhances teamwork and boosts productivity all around. Although 27% of respondents indicated some uncertainty with their response of "maybe," and 12% indicated areas for

improvement with their negative response . These results demonstrate the need of maintaining funding for recognition programs to enhance team dynamics and drive collective success.

Suggestions

1. Employees should try to acknowledge each other's accomplishments at least once every quarter.
2. Regarding the organization's reward and recognition programs, senior staff members ought to assist their junior staff members.
3. Employees should be informed whenever a policy is updated or renewed, rather than only when it's recommended.
4. The company must provide its staff with more incentives.
5. The company must update its policies on a quarterly basis to keep staff motivated.
6. According to the respondents, the company should give out gift cards as rewards and raise salaries proportionately for workers with similar experience.
7. The organization need to revise the policies quarterly that makes the employees feel enthusiastic.
8. Improvements can be made to enhance the effectiveness of Employee Recognition Programme -Regular Feedback Mechanisms,Customization and Personalization(cater to individual preferences),Timely Recognition by Manager, Training and Support(deliver meaningful recognition and praise),Celebrating Small Wins,Promote Inclusivity and Diversity(Avoid Favoritism).
9. In day-to-day society many different things motivate people, and that which motivates one person may not necessarily motivate another. This supports the view that a "one size fits all" approach to rewards and recognition will not be sufficient to motivate people who are inherently different, due to their personality characteristics, but also due to cultural characteristics.

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VI. CONCLUSION

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Organisations may perceive employee recognition to be costly, non-essential practice and an expense that generates no significant benefit to the organisation but by recognizing employees' accomplishments, many psychological and motivational needs are met, resulting in enhanced performance. Apart from being a cost effective tool for employees to feel happy and motivated within their workspace in the short term, the organization's adopting it also tend to see increased worker productivity and performance.

It is noteworthy to ascertain a direct and positive relationship between rewards, recognition, job satisfaction, and motivation. Managers can employ different strategies to motivate

employees, but it is vital that managers keep in mind that different strategies would have a special motivational impact on different people. To get optimum results from a motivational strategy, the manager should understand issues, which needs recognition of each individual's unique values, beliefs and practices.

In summation, the findings underscore a pivotal paradigm shift: employee recognition transcends mere expense—it's an investment in organizational vitality. By acknowledging employees' contributions, organizations fulfill intrinsic needs, igniting a ripple effect of enhanced motivation and satisfaction. Beyond immediate cost-effectiveness, recognition serves as a catalyst for long-term productivity gains.Thus, as organizations recalibrate their approaches, they not only enhance employee morale but also unlock untapped reservoirs of potential, fostering a dynamic ecosystem where recognition fuels innovation, engagement, and enduring success

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