

Reward and recognition schemes business essay

[Business](#)



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Task 1Task 2The concept of performance management is not new (Stephen and Roithmayr. 1998). The scientific management movement that emerged in the early part of the twentieth century as a result of the work of Frederick Taylor and others, focused on identifying an ideal way of doing work.

However, the current re-focusing on and conceptualization of the concept has been brought about by the significant changes in the economic, business and social context since Taylor.

180-Degree and 360-Degree Assessment

This system believes that the every individual is responsible to give the same amount of attention to internal customers (colleagues) as they would to the external customers. This has become a formula for teamwork. It believes that the internal people who are most influenced by job position must be able to give feedback on whether they are getting the right service and cooperation from a job position that helps them perform to high standards, Take, for example. a front office receptionist. She/he coordinates with the telephone operator, Reservationist, front office cashier; housekeeping supervisor and Bell Captain- They are not able to perform adequately if they do not get the right inputs from the receptionist. This performance system permits them to assess the performance of the receptionist. A 180-degree assessment system makes the receptionist's peers assess her performance In addition to her immediate superior. A 180-degree assessment system is a reasonable stepping stone to the 360-degree system. The 360-degree assessment system includes the subordinates as well. Through this, a person's leadership is assessed. An organization's culture needs to be very transparent and mature to adopt a 360-degree

assessment system because nobody normally likes to be assessed by his/her juniors. The diagram (Figure 5, 41 below explains the concept. Untitled. pngdd. pngAlthough there is no single prescribed model in use (Clark, 1998), performance management is an umbrella term generally described as an iterative cycle of activity combining a number of common elements. It is a cycle of activity where the employment relationship is influenced through a continuous process of goal-setting, performance measurement and feedback (see, for example. Story and Sisson, 1993; Ainsworth and Smith, 1993; Clark. 1998; Stephen and Roithmayr. 1998). Figure 10. 1 illustrates such a process as having four identifiable elements. Untitled. png v. pngFirst, the employment relationship is the central feature of a performance-management system, and it is based on the psychological contract. While an employee generally signs a formal agreement of employment at the outset, the psychological contract is a set of expectations and understandings that develop between an employee and an organization, specifying what each expects to give and receive from each other during the period of employment (Hiltrop. 1995). These expectations are implicit and informal (Greenberg and Baron, 2000). Clear expectations are essential to a positive performance- and service-oriented relationship. Managing the psychological contract is a particularly sensitive issue now that hotels are taking quality service more seriously (Harrington and Akehurst, 1996). Secondly, goal-setting is the logical starting point for any performance management system and its importance within the hospitality sector is alimented (Merrit and Bcrgcr. 1998). It represents the mechanism by which the vision, mission and goals of the business are translated into the more specific objectives that an individual has to achieve. For many front-
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line employees, the linkage with business objectives can be set out in terms of the position statement listing the particular functions to be carried out. In terms of managerial or professional positions, the goals can be interpreted in relation to broader areas of responsibility. Goal-setting provides the vital link between each individual and the organization. In this way, goals can be viewed as a cascade of objectives, from broad intentions to narrow prescriptions. George Odiorne (1979) promoted the virtues of management-by-objectives (MBO) as a method of linking performance planning with appraisal, and developing a more effective and productive relationship between employees and employers. Those organizations that implement goal-setting as part of their performance management system tend to be more profitable than organizations that do not (Terpstra and Rozell, 1994). Merritt and Berger (1998) interviewed 22 managers and executives in the hospitality industry to determine the utility of goal-setting. Their results indicated that goal-setting provided a great opportunity for these people to manage both themselves and their subordinates. Some of the benefits of goal-setting that were obvious from this study included directing actions, fostering the development of potentially innovative strategies, connecting short- and long-term plans, focusing the efforts of the team and managing stress by avoiding burnout, and stimulating positive feelings. Another important point is that goal-setting can support employees' beliefs in their own capabilities (Gellatly and Meyer, 1992). No incentive will motivate employees with low self-efficacy because they will not strive for rewards they believe are unattainable. What the goal-setting process does is commit individuals to goals they believe they can reach. However, self-efficacy is only one aspect in setting direction for employees. Another issue that can

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arise for hospitality managers is the tension between personal priorities and the hotel's priorities (Merritt and Berger. 1998). The goal-setting process needs to ensure that there are positive returns for both the employee and the hotel, and any potential areas of conflict need to be identified and clarified. The third major component of the performance cycle is appraisal, although performance appraisal is only one component of a performance-management system (Bacal. 1999). It is now seen as a significant part, rather than a marginal or peripheral aspect of the HRM portfolio (Thornhill et al., 2000). Even without a formal system of appraisal, managers make probation, promotion, training, discipline and dismissal decisions on the basis of some sort of appraisal, even if it is no more than plain old 'gut feeling'.

From a review of various definitions of performance appraisal, a number of critical elements can be identified:

- Performance appraisal requires some process to identify the criteria on which job performance can be based. Normally appraisal systems rely on some form of job evaluation to provide a description of the job requirements and the criteria on which job performance is to be based.
- Performance appraisal requires an appropriate format for utilizing the performance criteria and evaluating the incumbent's performance for the job(s) in question.
- Performance appraisal should have a developmental aspect to it.

What this aspect

REWARD AND RECOGNITION SCHEMES

First, let us understand the two terms—"reward" and "recognition." A reward is a physical token of appreciation of service, effort, or achievement. Rewards can be in cash or kind. Recognition is an official praise of service, effort, or achievement. Both are distinctly different from an incentive which is a pre-condition to receive a reward. (Fredrick Herzberg called incentives negative KITA). Incentives are carrots held before

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an employee which really brings the human to an animal level that needs to be seduced into performance. Incentives are preconditions to performance. Incentives are typically an industrial age phenomenon when an uncommitted workforce needed incentives to perform. Motivational studies show that true motivation actually comes from within. not from outside. External methods are manipulative.

Free Vacation for Two

Chain hotel operations has an opportunity to give good performers a free vacation with board and lodging at their property in another location. The hotel where the employee works picks up the cost of the stay. Usually given at cost price to the hotel

Free Meal for Two

Hotels and restaurants can give a reward of a free meal to a deserving employee. The meal is charged at cost-price to the hotel.

Supplier Donations

Due to of the volume business given to suppliers, the hotel can request them to contribute gifts' to their star employees. Some hotels are able to get refrigerators, TV sets, crockery sets, cutlery sets, etc. (Rota suppliers. These arc capital items that are always welcome in any home and stand as testimony of good performance achievement to the employee's guests and visitors.

Membership

The organization sometimes picks up the membership fee for year for the employee to a golf club, Gymnasium, Social club, professional association, etc. which is sometimes out of the reach of employees own earnings.

Used Cars

Companies are willing to sell or gift a used company car at book-value to the employee. The book-value is the depreciated value of the car through normal accounting practice and is considerably cheaper than used cars in the market.

Write-off of a Loan

Some organizations give company loans a low Interest rates to their employees. A reward could be a write off of balance loan to the employee. Loans are taken usually to buy a car, to build a house, or for important personal reasons organizations give these loans to secure the employee to the organizations on a long-term basis, The employee benefits tremendously if a loan is written off, Naturally the employee's contribution to business must be far greater than the loan amount due.

Recognition Scheme

The first consideration that one must have is that recognition is not conditional. In other words, recognition should be unexpected and a surprise. Recognition is a management prerogative and the union cannot bargain for it. The selection process of employees for recognition must be fair and consistent. Recognition must always be done in public. It raises the status of

the individual among his/her peers. It also raises self-esteem, some methods of recognition are:

Pat on the Back

It is the most powerful physical acknowledgement of appreciation. It costs nothing, but means a lot.

Words of Praise

These can be made at briefings and other public gatherings.

Certificates of Recognition

These are documents that can be framed and displayed with pride. They are useful for future job considerations; they are a physical proof of having achieved something worthwhile.

Trophies of Recognition

Organizations design purpose-built trophies of recognition with their logo. Organizational trophies are not the usual cups and salvers received in sport. They are uniquely designed table-top pieces that are ornamental and worthy of public display at home or office.

Gifts of Recognition

These are utility items at work or home. They are monogrammed with the company name and logo and even the name of the employee. Some examples are premium pens and watches, office table appointments, wallets, diaries, coffee-table books, lapel pins, tie-pins. Etc.

Conclusion

Performance Management (PM) is a management tool that ascertains an employee's present and future value to the attainment of the organization's strategic goals. The evaluation of personality traits used earlier is outdated as PM recognizes that traits are a function of recruitment and selection rather than of performance. Performance, on the other hand, is measurable against desired outcomes. PM sets up a continuous dialogue on performance between a superior and subordinate, it records the achievement of results, areas for development, career aspirations and potential. While HRD drives the PM system, it is the responsibility of the entire management of the organization. Several options—quantitative, qualitative, result-based, and influence-based—are available to appraise performance.