

# Employee recognition



**ASSIGN  
BUSTER**

In today's highly competitive business world, employee recognition is an important aspect of a business that needs to be given due attention. The way it is implemented and its success depend on how the business pursues employee recognition. In this report, we would like to showcase employee recognition in the business world, the theories behind each application, and how it is implemented by businesses. Employee recognition is an incidence or program by which an employer appreciates and acknowledges the efforts and contributions of an employee publicly.

This program is widely used by huge corporations, small businesses or managers as it is related to a number of individual and organizational outcomes. This concept of rewarding an employee's behavior is one of the fastest growing in the world, especially in North America. Employee recognition also provides an opportunity to demonstrate the culture in a way that has an impact on employees. Some of the benefits of implementing this idea are job satisfaction for employees, higher performance and productivity, lower turnover, higher motivation and improves morale.

Employee recognition is split into three categories: formal, in-formal and everyday recognition. Choosing the appropriate category along with choosing the right factors, results in the effective recognition of employees. The first and the most widely used category is the formal approach. It consists of long-term service awards, performance awards, safety awards, monetary awards, and other similar prospects. These are awards that might be given out every month, or quarter, and usually involve plaques, or certificates. For example, recognizing the "best employee of the month" award is one of the common recognition methods used in firms.

Some employees may think that this approach is not genuine and may under value these awards. The second approach is the in-formal approach, which is a more departmental focus on employee recognition and connects employees with their colleagues. This approach is very effective, as it doesn't ever have to happen; whenever it does, employees know that their efforts have been recognized by the organization, for example, a group party. This method of employee recognition is much more effective than the formal method as employees are recognized when they weren't expecting it; there is no designated time.

The manager plays a key role in this approach as he has to develop strong communication, give feedback on work, and encourage employees. These will make this approach effective. In-formal approach also involves peer-recognition system of rewarding where the employees are evaluated not by the superiors but by their peers and colleagues in the company. The final approach is the everyday recognition. These are usually the small things that are done or said on a daily basis. It should occur immediately after the behavior has happened. For example, appreciating a team after a presentation has been given.

This is arguably the best method of employee recognition as it shows employees that you notice their efforts and mention it right away. Thus, employees psychologically feel more valued in the business and work harder to maintain their impression. Having the right system placed will not guarantee success unless some factors are observed. These factors include timeliness, personal lifestyles, consistency, verbal praise, sufficient funds, accountability, and creativity. The outsourcing agreement has retained

eighty percent of employees from the contracting company, and brought in twenty percent new employees from elsewhere.

Our employee recognition program is projected to bond and gel workers into becoming a more productive, effective team. Since there has been a change in personnel in the IT department, our premier goals in using employee recognition programs are to improve overall morale and cooperation between workers. On a side note, it is also necessary for this new department to develop a team mentality. This is where managers and employees should have mutual respect for each other. Traditional formal programs such as sales performance or employee of the month awards are not appropriate in the early stages of the establishment of the department.

The reason formal programs may not be effective is because this would create competition amongst workers. A lot of times, when there are financial rewards for top employee performances, workers would try to find ways to outperform their work mates. This kind of tension between workers should be avoided, as this would encourage personal initiatives rather than team objectives. Traditional reward systems may be used at a later stage when the department becomes more reputable for their performance. These competition based reward programs should be used with caution and at a suitable situation.

On the other hand, the recognition programs that should be implemented at the initiation of this department should be peer recognition programs.

Informal programs, that is, peer-to-peer programs will be utilized in attempt to create a culture that values teamwork. The main benefits of peer

programs include building better rapport and relationships between employees. This peer recognition system is different from the traditional system because employees are recognized based on opinions of fellow employees. With the peer program, employees are driven to maintain good relationships with one another.

They would be striving to assist each other, to become the better team player. Employees who are selected by their peers will be recognized as the best team contributor. Also, when employees are nominated by their peers as a top performer, it would eliminate any bias that may come from managers or higher authoritative figures. Everyday recognition opportunities should not be downplayed. These are the good routine behaviour that help sum up to better overall performance. Often times, when good behaviour is performed on a regular basis, they slowly become the norm for workers.

Daily objectives for employees, such as arriving at work on time or completing tasks on time, should be recognized. An accolade such as the perfect attendance award is beneficial to the organization in the long run in potential savings with having to hire part time workers for absentees. These good habits are contagious when someone is acknowledged for their behavior; fellow employees will imitate these actions. Recognition programs can be beneficial to both the organization and its employees. After implementing recognition programs, it is said that the organization's productivity and performance will increase.

Before introducing recognition programs, it is crucial that the department's goals are mentioned to employees. By putting the department's objectives in

their minds, they would be more inclined to contribute to the team goals. To maximize the production and efficiency of the IT department, employees should develop trust and confidence in each other. The recognition programs that we plan to have will be peer nominated. By using peer recognition programs, employees will be motivated to work towards team goals instead of personal accolades. Apart from bringing value to the organization, recognition programs will also have to benefit the workers.

Another function of recognition programs is to provide increased job satisfaction. When workers are more satisfied, they would be more willing to be loyal to the organization. Financial rewards serve as another tool to build job satisfaction for workers. Peer recognition ties in with employee relationship, when coworkers have developed good bonds with each other, they would be more motivated to work. When we are planning out the recognition programs, we look to increase value for both the department and the employees. So, how do you get started?

It can be as simple as deciding to hand out a plaque for every 5 year employment anniversary, or it can be as detailed and involved as you want it to be. Here is a process that can be modified for this particular situation: 1. Get top management's full support. Then establish a planning team. 2. Determine the context for recognition: -Why a recognition program is needed (purpose, goals) -What needs to be recognized (achievement, service, company financial results) -How much is available to spend on the program 3. Get input from potential recipients on their recognition preferences (gifts, plaques, cash, etc. 4. Decide on recognition strategies: - Who hands out the recognition? - What criteria will be used to determine who is eligible to

receive the rewards? – When or how often the recognition will occur? – How the recognition will be accomplished? 5. Document everything for future reference: research findings, decisions made and the program's design details. Good documentation ensures consistency and fairness. 6. Seek feedback on the program after it is implemented. Make adjustments to the program as appropriate to ensure maximum effectiveness. Are the goals established in step 2 above being achieved?

If not, make changes. The process sounds more complicated than it is. The point is to do something and get some activity started. Employee rewards and recognition can be a key part of reducing turnover, enhancing performance, good attitudes and strong financial results for an organization. After doing considerable research on the topic, the idea of peer recognition has been perceived as the best available option to integrate personal efforts and develop a motivated team spirit. To devise this option, the company decided to introduce the GPA and the CGPA system of evaluation.

GPA stands for Gross Performance Average and CGPA stands for Cumulative Gross Performance Average. Also, the company has decided the 20% newly hired employees will receive on-the-job training by the 80% existing workers in the department. This will help break the barrier between the newly hired and their existing co-workers to assimilate their efforts. To calculate the GPA at the end of every week i. e. Friday evenings, all the group leaders will collect their team to fill out a performance survey. The survey will be in an excel format where the vertical axis will have the names of all group members.

The horizontal axis will consist of different attributes and contributions of the employee towards a common organizational goal. These attributes and contributions will be evaluated on a scale of 1 – 10, 10 being the best, for every member. The GPA score will be calculated by adding all the scales for each member and dividing it by the number of attributes on which it is calculated. To calculate the CGPA, to be used at the end of every month, the GPA of every week will be accumulated and the highest CGPA employee would be rewarded.

Every team member should be encouraged by their respective leaders to fill out the survey for which they would be rewarded with a \$15 gift card weekly. The employee with the highest CGPA at the end of the month would be given a \$150 gift card by the team leader. The company has kept a budget of \$200, 000 to be spent for employee recognition programs this year. Implementing this method will not only help the motivation of the employees as they will be receiving a monetary bonus, but also improve team spirit by learning and correcting each other's functionality as an employee.

The team leaders would be encouraged to analyze the surveys and make a performance evaluation chart which will be visible to all team members. This evaluation chart will be an accumulation of all the points of each team member. This would help the operational managers to critically evaluate the performance of each team and pass on their suggestions to the team leaders. The team leaders could also use the evaluation chart to apply corrective measures towards an employee's performance and help to improve the lacking skills.



For every successful attempt to prepare a performance evaluation and improve the results of their teams, the team leaders would be given a specific amount of gift points. These points can be redeemed at a website called [www.iloverewards.com](http://www.iloverewards.com) that includes a catalogue of different gift items from which they can choose accordingly. The the number of points received by a team leader, is based on the level of improvement of the team's performance or their consistency at a desirable GPA at the end of the month. Feedback is one of the essential mechanisms to achieve high employee satisfaction with the company's recognition program.

To obtain the feedback of every employee, the team leaders could arrange a short meeting at the end of the week to discuss about the positives and negatives of the week's evaluated performance. Moreover, they could also discuss about the level of satisfaction and motivation of the employees. With this feedback, the company could make the necessary changes. On the firm's part, it would be more suitable if it could react instantaneously if there be a need for changes with regard to employee's feedback. Having such a session at the end of the week would help for the teams to bond and develop a healthier environment for work.

From the above stated points, the company should ensure that employee recognition programs are being executed in an organized fashion.

Furthermore, the team leaders would play a big role in determining the positive results of these programs with their constant efforts and encouragements. Ultimately, the team leaders should also motivate the employees to answer the surveys without any discretion and influences, as the results would help them win gift cards. In conclusion, employee

recognition is a vital facet of any firm in today's world. Development of personnel could help the company in success of their future endeavors.