Chapter 7

Conclusion

*One's destination is never a place but rather a new way of looking at things*

*Henry Miller*

The results and discussion indicated the relevance of individual and organizational factors in influencing the value that an individual associates with recognition. The present chapter summarizes the major learning of the study, recommends a basic framework of recognition for organizations and indicates the implications for practice. Suggestions for future research endeavors are also made.

7.1. Main Learning

Employee motivation is and has always been a topic of concern for most of the managers. The universal appeal of money as a motivator eases its applicability; non-monetary recognition on the contrary involves understanding of one's psycho-social behavioral nuances. Although accepted as one of the basic needs of humans, recognition is perceived differently by different people. The study thus proposed to capture the role of individual differences in influencing perception of recognition. Following conclusions were made as regards the individual factors:

- The results of the study indicated insignificant role of individual demographic (age, sex) and functional factors (years of work experience, career stage and functional area) in determining the value of recognition for employees. That is, the value associated to recognition by employees is independent of their demographic or functional factors.
Conclusion

- The results however presented the important role of individual psycho-social variables (WLOC, Self-belief about non-monetary recognition and past experiences with non-monetary recognition) in determining the value of recognition for employees (effect size=18.4%). Although WLOC and Self-belief about non-monetary recognition were found to be important in determining employee recognition value score, partial regression analysis had suggested a larger role of individual's past experiences with non-monetary recognition. Past experiences with non-monetary recognition was found to control the effect made by WLOC and self belief on employee recognition value score.

Enhancing the value of recognition for employees warrants an assessment of both individual and environmental processes. Recognition as a concept is external to the employees and is driven under the purview of the organization; as such the organizational factors were studied to identify the possible impact on the value of recognition. Following conclusions were made as regards the organizational factors:

- Organizational variables (top management's belief in non-monetary recognition, senior's belief in non-monetary recognition, relations shared with senior and the organization's recognition practices) were found to be statistically significant and explained nearly 34% of the variance in employee recognition value score.
- Organization recognition practices were found to be influenced mainly by the top management's and senior's belief about non-monetary recognition
Conclusion

(effect size=57.8%). Relations with senior were the least significant in determining the organization practices.

- It was also noted that an individual's perception about others (top managers and senior) was independent of one's self-belief. That is to say that the correlation between top management's belief in non-monetary recognition and employee recognition value score when controlled for self-belief did not indicate any influence. An individual's perception of others was not determined by her or his convictions.

- The most significant organizational factors that impact an employee's recognition value score were top management's belief, relations with senior and the organization recognition practices. The variance contributed by these factors in employee's value for recognition was almost 34% ($R^2 = .339$).

- The total variance in employee recognition value score contributed by the individual and organizational factors was 40.3%.

The intra-organizational and cross sector analysis also indicated some important points:

- It was observed from the intra-organization analysis that as the organization recognition practices are increased, there is an increase in the value that employees associate with recognition. However, after reaching an optimum, the value of recognition for employees starts reducing with any further increase in the recognition practices.

- Organizations that had the highest values for top management belief and organization recognition score also had significantly higher employee
recognition value score. This result also corresponds with the correlation findings of the study.

Figure# 7.1
Significant factors impacting ERVS

- Statistically significant differences were found between public sector and private sector organizations. Companies from the public sector had significantly lower values for top management's and senior's belief in non-monetary recognition, relations with senior and organization recognition score. Consequently the value of recognition for employees was also significantly lower as compared to the organizations from the private sector.
• The employee choices as regards the delivery of recognition involved a formal setting, public forum, written form, monetary token, conferred by the senior and delivered after achievement of target. These choices were independent of individual characteristics; no differences were found across sector and across organizations in case of employee choices as regards delivery of recognition.
7.2. Suggestions for a basic framework for Employee Recognition

Effectiveness of any program or practice lies in its ability to deliver the expected outcomes; the underlying success factor however for the program or practice is the conviction in its ability to deliver those outcomes. It is imperative at this juncture to reiterate the importance of recognition; as one of the basic needs of human beings recognition gives an identity to individual and assists in her or his growth of character. It is hence crucial for organizations to accept the relevance of recognition programs to the work life of employees. Without the belief that recognition has an important and inevitable role in the functioning of the organization, no guideline or framework can give shape to a successful recognition program that motivates employees for performance and the one that is valued by the employees.

As indicated by the results of the study, the primary factor for an organization to have a recognition set-up and also for employees to value the recognition received was the top management's belief in non-monetary recognition. Thus the prerequisite for the successful design and implementation of a recognition program is 'sensitivity' demonstrated by the top managers of the organization. In the words of Todd Henneman, "Don't expect a Rewards and Recognition strategy to succeed if the day to day management style is punitive". (Workforce Management 2005) It is thus important for top managers to not just entrust the responsibility of employee recognition to the HR managers but also illustrate their sensitivity by active participation at all levels of the program. Once the top managers walk the talk, other managers also start accepting recognition and appreciation of fellow employees as a part of organization culture. It is said that
"for better or for worse, senior management sets the climate in an organization" (Spitzer 1997, p.52) and has also been reported in the study with statistically significant correlation between top management's and senior's belief. Asserting the significant role played by top management, Nelson quotes some initiating actions made by some CEOs "Scott Mitchell, president of Mackay Envelope in Minneapolis, Minn., holds a one-on-one, 20-minute discussion with every employee every year to discuss ideas, improvements, or whatever is on the employee's mind. Mitchell devotes more than 170 hours to this task every year, an investment that he sees as time well spent. Hal Rosenbluth, CEO of Rosenbluth International, a chain of travel agencies headquartered in Philadelphia, is accessible to all his employees through an 800-number "voice-mail box." Employees are encouraged to call in with suggestions, problems, or praise, and about seven employees do so every day." (Nelson 1999)

These instances imply that recognition does not necessarily involve an overhauling of the organization; small actions may do a lot of talking. As the top management's confidence in recognition is reflected through their participation, it will automatically cascade down to all levels and seep into the organization culture.

Another important factor that was found to enhance the value of recognition for employees was the relations shared with one's senior. The perceived value of recognition is largely reduced due to strained relations with senior. It is thus implied that managers need to make conscious efforts towards improving relations with their subordinates; feelings of solidarity and camaraderie needs to be inculcated within managers such that they respect their fellow peers. One
Conclusion

plausible approach may be through celebration. It needs to be remembered that the objective of recognition is to enthuse people for putting in efforts for future performance; celebrating small successes helps in employee engagement, brings employee and subordinate closer and also instills passion in them for attaining future objectives.

Celebration should however, not be restricted to the rewards and recognition program only, but be made a distinguishing part of every event. Jack Welch, the man behind the great turnaround of GE, identifies celebration as the most critical in boosting morale. To quote Welch, "Business has to be fun. For too many people, its "just a job." I always found celebrations were a great way to energize an organization." (Welch 2001, pp.386-387) He asserts that the onus lies in the hands of management to celebrate the achievements and it is their responsibility to do so. "Don't look at me. I can't celebrate for you. We are not going to have a vice president of celebrations at GE. You have to consider yourself the manager of celebrations. You have got the authority. Go back and make it happen. You don't have to hand out a new Mercedes. It can be a keg of beer or a dinner for two. Your job is to make sure your team is having fun- while they are being productive." (Welch 2001, pp.386-387)

Anne Bruce also emphasizes the power of 'fun at work' by urging employers to "Instigate the "fun"damentals of motivation." She asserts, "there is a direct correlation between fun on the job and employee productivity, creativity, morale, satisfaction, retention and profitability." Bruce further adds that, "people who work in an enjoyable and fun-filled workplace come to see their
jobs as a place to fulfill many different needs, reinforcing their motivation to perform at a higher level." (Bruce 2003)

The study also reported of the significant role of individual's past experiences with recognition in determining the value of recognition. It was found that employees with more positive experience of non-monetary recognition valued the recognition more than those who had lesser such experience. An individual's perception and beliefs are shaped by the life incidences that one experiences. It is thus implied that for an organization to enhance the value of recognition for employees, it must provide for more opportunities to the individual to witness recognition. Opportunities for experiencing recognition may be possible through celebration of achievement of self or of fellow employees. Other than the formal events, informal celebrations like birthdays, friendship day, diwali etc. bring people closer and also inculcate the value of appreciation and respect for fellow peers. This in turn impacts the way employees perceive the recognition bestowed on them.

Informal recognition forums also help communicate top manager's intentions about recognition. It is through these forums that the top manager's belief in non-monetary recognition gets exemplified. Formal recognition setups are significant part of any business organization but they lose meaning if not backed by enough sensitivity from top managers. It is through participation in informal recognition platforms that the top manager's sensitivity is displayed and communicated across organization.

Another advantage of informal activities is their ability to help cope work stress and energize people. A stress free environment is a perpetual quest towards
seeking a balanced work-life of people joining the workforce; informal recognition along with the family may help accomplish that. Quality time with one's family at a Five-Star hotel or a company sponsored picnic can be among the most cherished moments of an employee's family. In fact, some organizations had initiated tie-ups with exotic hotels and spas in an attempt to please their employees and thereby retain talent. (See Times of India, India Inc offers exotic deals to retain talent, p.15, Pune, Julyn 2007). These rewards serve the dual purpose of making employees 'taste luxury*, which itself is motivating (Hume, Smith and McCulloch 1849 cited in Marshall 2000), and also rejuvenates them from the taxing daily schedules.

Although a formal recognition program like the Best Sales Team or the Best Production Unity are important to employees as they enhance one's self-esteem, these do not help cope stress at work. These are occasional programs that are won by a selected few. An informal celebration is however something that can be done frequently and can influence everyone from the shop floor to the chairman of the organization. Moreover, it doesn't require any formal setting for recognizing employees; a small mug or a cap can be used for spot recognition. These rewards have the ability to provide instant gratification which is not possible through the once in time formal rewards. These platforms help build passion and relieve the employees of their work stress. A good idea is to include the families of employees so that they can spend more time together and build a better bond with the organization as well.

In the words of Alex Hiam, ‘You help the marathon runner the most by offering encouragement and nourishment along the track, not just by waiting at the
Conclusion

finish line with a trophy. Recognizing effort has a bigger impact than giving a prize at the end of the race. Same goes for employees, who are in a race everyday.” (Hiam 2002) Informal recognition programs help provide the requisite nourishment in the race.

Another significant factor that emerged from the study was the role of organization's recognition practices. It was found that with an extensive setup of recognition practices, employees tend to value the recognition more. This finding however needs to be viewed with caution in light of another result from the study which pointed to the decrease in value of recognition for employees with further addition of recognition programs. That is to say that although organization's recognition practices do impact employee's perception of recognition, organizations must not overdo them so as to dilute its significance. This is an important implication for HR managers and consultants who may be too keen to setup an extensive configuration of non-monetary recognition. Although the study points to caution as regards setting up of non-monetary recognition platforms, it is limited in its scope to provide suggestions for the setting up of an optimum limit to recognition programs. Identifying the perimeter or the boundary to the recognition practices transcends the scope of this research endeavor.

Other important recommendation is to align rewards and recognition strategy with business strategy. Researches have pointed to the importance of rewards and culture alignment; it is said that rewards and recognition help hasten the change in culture and also work most effectively when aligned with business strategy, structure and culture (Heneman, Fisher and Dixon 2001). Welch also
supports the argument and in his rendition, "By not aligning measurements and rewards, you often get what you're not looking for." (Welch 2001 p.387)

Another significant point, as indicated by one of the participating organizations in the research, appreciation of efforts must be meaningful for employees. Any recognition is meaningful when it is precise and points to the specifics in the employee's achievement. "Thanks for the good job" is a value ridden statement as it does not indicate what is being reinforced. Praise has to be in the form of a positive feedback which indicates the behaviors that are being recognized. Also as Steven Kerr had pointed in "Rewarding A while hoping for B", the managers need to be clear in their communication and must reinforce the 'functional performance behaviors' and not the 'dysfunctional behaviors'.

Before concluding the suggestions for recognition framework, it is imperative to identify the DONT'S of recognition process and practices. The most important aspect is to **not start with the end in mind.** Do not equate recognition with a sales contest whereby managers and executives are provided the incentive to perform, and they hit the market with the aim of doing stretch targets in a single day. Recognition as asserted earlier is a process and cannot be an event. The return on investment in case of recognition cannot be evaluated on a short term basis, it can be felt subjectively and quantified across a period of time.

It should also be clarified that managers **should not expect people to feel valued if they continue to be productive.** In researcher's earlier work (Mphil), the employees at the Indian organization were fairly productive and the organization was consistently meeting its targets. However as indicated by the
Gallup survey administered in the organization, the employees did not feel wanted in the system. **If the ROI of non-monetary recognition is not apparent, the repercussions of not investing in it are also concealed.**

The feelings of disengagement and disidentification with the organization are covert and may have far reaching consequences.

It is also to be understood that even though money is one of the chief satisfiers at work, **money should not be used as a psychological compensation for treating people badly.** Opportunities to make more money are galore and as such an organization cannot hope to retain its productive employees only through monetary rewards. Different studies quoted in literature review have indicated the ephemeral impact made by monetary rewards; it must be accepted and internalized that it is the non-monetary features at work which are the most influential.

Furthermore as indicated from the study, the organization must **not overdo the recognition practices** and also **must not attempt initiating newer ones without the organization culture and top management supporting them.** Adding unnecessary practices adulterate the existing relevant practices and incorporating newer practices without top management belief is like putting on extra flab without any strength in bones.

Finally one word of caution for top level managers and every employee in the organization would be to **not merely delegate the responsibility of recognition;** consider it one's own key performance area. No one else can recognize his/her team; ever individual manager is accountable for the recognition that one imparts to his/her team and peers.
To conclude in nut-shell, a few points are made for the basic framework of an employee recognition program: rewards and recognition alignment with organization strategy, sensitivity from top managers demonstrated through active participation, improved relations with senior, more opportunities to witness recognition, improved and balanced set of organization recognition practices, precise communication of recognition, celebration as a part of organization culture, and increased informal forums for recognizing and celebrating success.
7.3. Implications for practitioners

Motivation of employees has been a concern for practitioners; although recognition is one of the ways in the myriad of motivation approaches, it remains ineffective on account of various confounding factors. Dayr Reis and Leticia Pena (2001) assert that motivating people to work in the information age cannot happen with theories and practices conceived in the 1800s and the early 1900s. Authors suggest a framework of friendship, work and respect to cultivate a motivating environment for employees in the contemporary times. The emphasis is clearly on non-monetary aspects of work.

The present study provides a composite picture of employee recognition for practitioners such that necessary changes can be made in the system for improving the effectiveness of the recognition program. Managers need to realize that passing on the buck to HR managers cannot help deliver the expected outcomes. Recognition as a KPI (key performance indicator) of any particular manager does not accomplish its objective; it has to be the key area for all the managers. Sensitivity from each individual is essential so as to develop a culture of recognition. Recognition is not an event but a process and consequently demands investment in energy at all stages of implementation.

Managers also need to focus on their rapport with subordinates; strained relations lead to a setback at every stage of work.

HR managers on the contrary need to accept the futility of excess recognition ideas. What is valued is the one that is more meaningful, precise and well communicated. HR managers also need to advocate 'soft-skill' training such that
managers are trained in providing positive feedback and recognition that is valued by employees.

Another challenge for HR managers is to influence top manager's belief in recognition. This can be accomplished only if the manager himself/herself believes in recognition as a motivator and demonstrates the conviction by walking the talk. Various studies done in the field of non-monetary recognition can be quoted and statistics from organizations like Gallup and Globoforce may be cited. Moreover an in house survey may be conducted to grasp the feel of employees as regards their recognition. This may serve as an eye opener for top managers. Unsettling the dogmatic thinking of senior managers may be a test of HR manager's capability and conviction. This can however happen with ease if recognition is considered by managers as an issue demanding urgent action and does not remain in the important category. Other urgent issues like recruitment and training may be dealt without much effort if recognition is dealt with rightly.

John Sullivan (2006) asserts that no organization has a 'non-monetary motivation department' even though everyone knows that a motivated worker is a more productive worker. The veracity of the argument however does not necessarily warrant an action as recognition is a simple process that can be accomplished with minimal steps. Organizations merely need to recognize the fact that the impact of monetary rewards is ephemeral while that of non-monetary recognition is far-reaching. An acknowledgement of one's efforts may not be worth a month's salary, but it sure has the potential to please the person for days to come. A well-designed rewards and recognition program has the
ability to instill passion in the employees and make the entire performance journey, an enjoyable celebration. If initiated and carried forward with the right impetus, these rewards have the capacity to cure various malaises in the system. The benefits of non-monetary recognition are various; however, the likelihood of their success depends largely on the management's inclination towards them. Leaders have to be sensitive towards such initiatives and need to incorporate them readily. It is to be realized that the impact of such rewards cannot be captured quantitatively in strict 'material' terms within a short span of time; the repercussions have to be felt subjectively and results be enumerated with some investment of time and energy.

7.4. Future research concerns
Allen and Helms (2001) found in a study that the reward practices were significant predictors of performance (F=4.269, p<.0001), and the reward practices explained nearly 41% of the variance in organizational performance (r² = .409). As quoted in the studies in literature review, the recognition performance link has been established and it is generally accepted that rewards and recognition are important part of work. However it is not elucidated as to which rewards and recognition category is the most effective. "Authors agree that it should and must exist, but researchers disagree on which rewards best achieve organizational performance goals. It seems logical that some rewards are more effective than others, but propositions regarding rewards have remained largely untested, and there is a recognized need for more scientific research in this area." (Allen and Helms, 2001, p.74) The present study identified the underpinnings for
the success of recognition program, the structure of the program however needs to be designed based on an analysis of specific recognition practices.

The present research analyzed the responses of managers from across different functions, career stages and years of experience. It remains to be seen as to how does the perception of recognition differs between managers and other lower level employees. A study focusing on the perception of blue-collared workers is imperative for complete understanding.

The study was constrained in terms of time and resources and as such a limited sample was analyzed. Further studies with a larger sample and varied milieu may provide new insights into the understanding of the phenomenon.

No differences were reported in the present research as regards employee perception of recognition across different career stages and years of experience for employees. It may however be assessed in a time-series research effort as to whether employee perception about recognition changes with time and a change in the environment or whether it remains constant.

The capability of human mind renders every undertaking with scope of improvement and far-off from perfection. As such hope continues that with every fresh effort, challenges in the field of recognition can be dealt with in a better fashion, and the flaws of previous work be taken care of. Holistic understanding of recognition as a phenomenon and its interaction with the individual and the environment can be made with further efforts in the field.