

SIGNIFICANCE OF EMPLOYEE RECOGNITION PROGRAMS IN FIVE STAR HOTELS IN CHENNAI

¹Dr.S.N.Soundara Rajan, ²Harini Mokshashri Pragadish

¹Professor, Saveetha School of Management, 162, Poonamallee High Road, Chennai – 600077

²MBA Graduate, Saveetha School of Management

ABSTRACT

A key dimension for effective leadership includes supporting and motivating others to encourage superior performance. Organisations utilize many types of strategies to keep employees motivated in the organisation. Both Monetary and Non-monetary rewards are used in firms to satisfy the employees. Nowadays Effective employee motivation and satisfaction may be achieved by using one of the most effective non-monetary reward being employee recognition programs in organisations. The aim of this study is to satisfy those objectives such as gaining awareness about the significance of the employee recognition programs, to know the essentials needed to conduct such programs and to learn about those programs that are conducted in five star hotels in Chennai. In this paper the researchers have discussed about those programs, the significance of employee recognition programs and finally the discussion is narrowed down to the application of such programs in five star hotels in Chennai.

Key words: Employee Recognition, Recognition Programs, Hospitality, Five star hotels.

INTRODUCTION

All around the world, Employees in different organisations work hard to complete both individual and organisational goals. In the Hospitality Industry the majority of employees work continuously for a minimum of 10 hours in a day. The stress levels are huge. So the motive of achieving their goals may be changing from time to time. Of course all organisations offer a sum amount of money as compensation to the employees as per the terms of agreement. But there are times when one tends to think, whether only money would be the only motivating factor that helps the employees to complete the shared objectives of the organisation. It is the employer's job to think what more is needed in order for the employee to be motivated, so that there would be an overall enhancement in the Individual and the organisational performances. Some of the most common practices that motivate employees other than the monthly salary are the employee recognition programs. It is necessary that the management takes all the necessary steps to ensure that such programs are implemented. So that both the parties, being employees and the organisation, are mutually benefited.

OBJECTIVE OF THE STUDY

- 1.To know about employee recognition programs and its importance.
- 2.To study the essentials of an employee recognition program.
- 3.To know the programs that are implemented in five star hotels in Chennai.

SCOPE OF THE STUDY

This study discusses about significance of employee recognition programs in five star hotels in Chennai. The discussions are based on a qualitative research study conducted by the researchers during the course of a two month long internship at a five star hotel in Chennai.

LIMITATIONS OF THE STUDY

- Time frame of the study was only for a duration of two months. Those conclusions that were made based on the observations that were noted during this short time frame may not be reliable.
- In any organisation the schedule of work would be very hectic, especially The Accord Hotel, Chennai as it is a part of the service industry.
- This study lacked the ability to relate to a wider society in general. The study was only conducted in The Accord Hotel, Chennai excluding the other branches of the organisation which are widely spread out all over the country. The other branches were contacted but the researchers were not able to collect adequate data.
- There was no privacy for recording those observations. The researchers had to take part in the operations of the company and take notes of those operations and therefore it meant that the researchers had to wait until they are alone and reply on their memory.

REVIEW OF LITERATURE

Employee recognition and its importance

Understanding what motivates employees is one of the key challenges for managers. At a minimum, employees expect the organization to provide fair pay, safe working conditions, and fair treatment. Employees usually expect more, contingent on the strength of their needs for security, rank, participation, contest, power, and responsibility. It is the management's duty to motivate their employees so that they will promise success. Some employees may just be satisfied with the monetary rewards, but a few employees expect more. This is when the management uses Employee recognition programs to motivate the employees. Which in turn helps with the increase in performance of the employee, leading to higher productivity that contributes to the growth and development of the individual and the organisation as a whole.

The recognition process gives an employee a certain position within an organization. This is a very crucial factor towards an employee motivation. It states the path an organization provides its employees and the remuneration and status for his work and activities. (Rizwan Qaiser Danish, 2010)

(Roy Saunderson, 2004) conducted a study with help of a survey to know the importance of employee recognition but lack the leadership and organizational support to make it happen in their organizations. The survey was mailed to the samples of organisations in the United States of America and also in Canada. It was discovered that Effective recognition happens in organizations with a strong culture.

While belief in the importance of recognition exists, few organizations have an effective rewards and recognition strategy that covers all three essential recognition areas, i.e. everyday recognition, informal recognition and formal recognition. Organizations have established the organization-wide formal award programs that typically lead to evolving department-centric awards and informal recognition activities among its very own social environment. The management must realise that there is a need for everyday recognition. This type of process recognises everyday contributions on the job from a majority of employees and acts as reinforcement. Leaders and managers require much more training and educational resources to become more effective recognition givers. Greater accountability for giving verbal, written, and tangible forms of recognition needs to be built into performance contracts and reviews.

Freedman (1978) states that when rewards and recognition are applied within an organization, a positive working environment is shaped which motivates employees to shine in their performance. Employees consider recognition as feelings of value and as an outcome it increases employee morale which in turn increases the productivity of organizations.

Flynn (1998) states that rewards and recognition programs maintain a high state of mind among employees, boosts up employee morale and creates a link between performance and motivation of the employees. Robbins (2001) states that, the recognition which is a dominant point towards employee motivation adores an employee through appreciation and provides the employee a status.

Keys to an Effective Program

Recognition and reward programs play an important role in organizational success by helping attract and retain high-performing employees. (Mussie T. Tessema, 2013) An effective recognition program should meet several essential criteria, as outlined below.

1. **Management Commitment:** Managers must commit credible and sufficient resources to any incentive program. Managers must dedicate the resources, including the time it takes to plan and execute a program. Managers must also provide employees and supervisors the power to run the program.
2. **Link to Bottom-Line Results of the Company** to be effective, any program must connect with the needs and expectations of the workforce, as well as the company's overall goals and strategies.
3. **Recognized Value of Awards to Employees:** Employees must understand the mission—why the incentive program is being launched. They must be convinced that the chosen recognition system is appropriate for the sacrifices that will be expected in order to achieve the program's goals. Any materialistic awards and rewards must be valued by all participants and perceived as having value, dignity and meaning. A recognition system begins to falter when employees start thinking that their actions are being insulted by inconsequential incentives.
4. **Fairness/Equity in Distribution of Awards:** The participants in the program must believe that the system of recognition is just and objective.
5. **Simplicity of Program:** The entire incentive process should be thoroughly maintained with a minimum of administrative effort.
6. **Continuous Evaluation/Improvement:** Programs must be continuously monitored in order to keep them relevant and current.

Employee recognition programs implemented in five star hotels in Chennai

The researchers has employed a combination of naturalistic and participant observation techniques in the five star hotel located in Chennai to conduct this research and arrive at this result of the study. The General way of implementation is to appraise the employee's performance and then after adequate analysis, the results are evaluated and decisions are taken as to which reward is suitable for which employee and the same for the recognition programs as well. The usual criteria for eligibility for nomination for the recognition programs after employee appraisal might have many factors, but the outstanding factors are: Continuous attendance, No Warning letter or misbehaviour and a good recommendation from the Head of the Department. It is important to recognise employees' efforts and achievements and reward performance. The managers must take the time to personally thank employees for doing something well which in some way has increased the level of productivity or even the betterment of the organisation. Performance appraisal and review must be made an obligatory process to ensure that proper, fair and equitable reward system is maintained.

Company Activities: Recognition Programs:



- The Best Employee of the month - Individual enhanced responsiveness help the organization to work so that it directly links toward arise in profit and growth in organizational responsiveness. The

management makes a point of recognizing employees for their contributions every month. Not only does this make that person feel great, it lets the leadership team promote behaviours and results that the management expects from its employees.

- **Champion of the Quarter** - This is an Activity that recognises the performance and capability of the employee in the organization to motivate and retain employees. The data of the employee will be recognized by the direct manger and produce the nomination and final result to the Hr executive by the end of the Quarter. It will be celebrated in a grand manner by announcing the final Winners details in front of dignitaries and the chief guest with monetary and non- monetary rewards. All these details of winners will be displayed in the notice board for the notice of all the employees.
- **Annual Day awards** - Annual days are the best and the most complete form of employee motivation. It's important to get it right each time you do it. Higher morale, comradeship, pride, sense of belonging, fun, networking with colleagues, acquiring new friends these are a few things consistently delivered through the annual days.

SUGGESTIONS

The researchers have a few suggestions regarding the functions performed in the Five Star Hotels with respect to Employee recognition programs. Some of the suggestions are:

- All the employees must be made aware of those recognition programs in the organization so that they work harder to get a chance to share the spotlight in front of their fellow colleagues.
- As per observation all the events are conducted well but they lack punctuality. Therefore it is the job of the HR management to ensure that punctuality is maintained and the employees will cooperate with the agenda of the event.
- Must reduce the no. of employees who help the Human resource department to ensure that everything goes on properly. So the HRs must let those employees to participate and get involved in the event as the audience and not the event managers.
- Can also introduce other types of recognition programs such as Years of Service Award: where in the recognition of an employee's continued contributions to an organization over many number of years, a 'Years of Service' award can be provided at precise intervals, or milestones. 'Years of Service' awards do not often involve financial compensation, but may include a gift of some kind.

CONCLUSION

The researchers had undergone an internship period of two months, in a reputed five star hotel in Chennai, as part of the course requirement. The objectives of the study were achieved successfully by the researchers. The researchers had successfully studied about the significance of employee recognition programs in five star hotels in Chennai. During this study the researchers learned about the importance of employee recognition programs. The researchers also realized the importance of the role played by those programs in the way the employees perform their job and behave at the workplace. They also realized how those programs are conducted in five star hotels in Chennai and gained awareness about the essential criteria needed to conduct employee recognition programs. The researchers have employed a combination of naturalistic and participant observation techniques in the five star hotel located in Chennai and have also taken help of the Human Resource department, which was very helpful.

REFERENCES

1. Ali, R., & Ahmed, M. S. (2009). The impact of reward and recognition programs on employee's motivation and satisfaction: an empirical study. *International review of business research papers*, 5(4), 270-279.
2. Saunderson, R. (2004). Survey findings of the effectiveness of employee recognition in the public sector. *Public Personnel Management*, 33(3), 255-275.
3. Freedman, M. S. (1978). Some Determinants of Compensation Decisions. *The Academy of Management*. 21397-409.
4. Flynn, G. (1998). Is your recognition program understood? *Workforce*, 77(7), 30-35

5. Robbins, S. P. (2001). *Organisational Behaviour* (9th ed.). New York: Prentice-Hall, Inc.
6. Danish, R. Q., & Usman, A. (2010). Impact of reward and recognition on job satisfaction and motivation: An empirical study from Pakistan. *International journal of business and management*, 5(2), 159.
7. Tessema, M. T., Ready, K. J., & Embaye, A. B. (2013). The effects of employee recognition, pay, and benefits on job satisfaction: Cross country evidence. *Journal of Business and Economics*, 4(1), 1-12
8. Callan, R. J. (1989). Small country hotels and hotel award schemes as a measurement of service quality. *The service industries journal*, 9(2), 223-246.
9. Brun, J. P., & Dugas, N. (2008). An analysis of employee recognition: Perspectives on human resources practices. *The International Journal of Human Resource Management*, 19(4), 716-730.
10. Luthans, K. (2000). Recognition: A powerful, but often overlooked, leadership tool to improve employee performance. *Journal of Leadership Studies*, 7(1), 31-39.
11. Mohrman, S. A., & Ledford Jr, G. E. (1985). The design and use of effective employee participation groups: Implications for human resource management. *Human Resource Management*, 24(4), 413-428.
12. Grawitch, M. J., Gottschalk, M., & Munz, D. C. (2006). The path to a healthy workplace: A critical review linking healthy workplace practices, employee well-being, and organizational improvements. *Consulting Psychology Journal: Practice and Research*, 58(3), 129.
13. Hansen, F., Smith, M., & Hansen, R. B. (2002). Rewards and recognition in employee motivation. *Compensation & Benefits Review*, 34(5), 64-72.
14. Saqib, S., Abrar, M., Sabir, H. M., Bashir, M., & Baig, S. A. (2015). Impact of tangible and intangible rewards on organizational commitment: evidence from the textile sector of Pakistan. *American Journal of Industrial and Business Management*, 5(03), 138.