Shri Dharmasthala Manjunatheshwara Institute for Management Development, Mysuru, India

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A Study on the Role of Employee Recognition Programs for Effective Talent Managemnt

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Abstract

Employee Recognition is an important aspect of any job role, a happy employee is a productivity employee, an employee can give his best only when he is satisfied with the job he does, this obviously leads to employee happiness. The workplace of an employee is the main contributing factor that leads to keeping an employee engaged, motivated and to give his best to the organisation where he works. Employee Recognition is also an important part of Talent Management as it is linked to the reward system. In a fast-pacing world when the algorithms of work have changed there is a huge transition of how work needs to be performed, the transition from a traditional approach to a digital workspace needs a spirit of continuous learning and motivation from the employee. Therefore, in this context this research aims to study the importance of various recognition programs and its impact on employee productivity, higher morale, good work environment, financial and non-financial incentives and employee well – being. The research focuses to identify the best practices and intend to give suggestions for enhancing employee happiness at workplace. By doing so the findings will help in creating a progressive culture of appreciation and support, which will lead to employee engagement, loyalty and organisational prosperity.

Keywords: *Talent Management, Employee Engagement, Employee Happiness, Employee Recognition*

Introduction

Employee recognition and talent management go hand in hand. Recognition serves as an integral component of talent management, enhancing both performance and professional development. Acknowledging employees' achievements fosters their engagement, motivates them to enhance their skills, and strengthens their commitment to their positions, thereby increasing their likelihood of flourishing within a talent management system. Conversely, talent management establishes the framework and opportunities necessary for employees to grow, ensuring they possess the requisite skills and competencies to excel in their roles, thus creating a perpetual cycle of engagement and advancement.

In the contemporary landscape characterized by intense business competition, organizations are progressively acknowledging the essential significance of employee recognition and talent management practices in the pursuit of enduring success. The capacity to attract, cultivate, and retain premier talent has emerged as a crucial differentiating factor for enterprises endeavouring to sustain a competitive advantage.

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Employee recognition, conceptualized as the prompt acknowledgment of an individual's or a team's endeavours and achievements, has been empirically demonstrated to considerably elevate job satisfaction, enhance morale, and promote a constructive organizational culture. Concurrently, efficacious talent management practices—comprising recruitment, onboarding, training, performance management, and career development—are indispensable for fostering a proficient and motivated workforce capable of propelling innovation and growth.

In conclusion, both employee recognition and talent management are essential for cultivating a positive and high-performing work environment. When effectively executed, they result in enhanced employee satisfaction, improved retention rates, and extraordinary organizational performance.

LITERATURE REVIEW

Employee Recognition Programs: Experience and New Reality- (Valeriya Konovalova

2 Jul 2021)

The scholarly literature underscores the significance of employee recognition as a pivotal mechanism for augmenting productivity, retention rates, morale, motivation, job satisfaction, employee well-being, and comprehensive engagement within organizational contexts. Empirical research substantiates the assertion that recognition exerts a favourable impact on these variables, consequently fostering a more dedicated workforce. The deficiency of recognition can precipitate adverse outcomes, including employee burnout. This underscores the imperative for organizations to adopt robust recognition strategies designed to alleviate these risks and cultivate a more conducive work environment. The manuscript explores a range of recognition modalities along with their associated benefits and drawbacks. It posits that organizations ought to synchronize recognition initiatives with their overarching business objectives and talent management frameworks to amplify their efficacy. The literature delineates multiple challenges that obstruct the efficacy of recognition programs. These obstacles encompass an absence of structured peer recognition systems, challenges in the selection of individuals for acknowledgment, ambiguous objectives for recognition efforts, and inadequate consideration of age and cultural variances in perceptions of recognition. The manuscript observes that organizational culture plays a crucial role in shaping recognition programs. For example, competitive organizational cultures may inhibit the inclination of employees to acknowledge and commend their peers, thereby undermining the potential advantages of recognition endeavors. The literature advocates that organizations should prioritize the enhancement of the structure and clarity of their recognition programs. This entails ensuring that recognition practices are congruent with espoused organizational values and cultivating an environment in which employees feel empowered to recognize one another's contributions.

Talent Management, Employee Recognition and Performance in the Research Institutions-(Nadine El Masri, Abubakr M. Suliman, April 2019).

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This paper emphasizes the significance of performance as a concept that is crucial for the success of both employees and organizations. This paper focuses on performance that is linked to an employee's capacity to complete tasks, satisfy management standards, and accomplish work goals; essential components include work responsibilities, abilities, zeal, and innovation readiness. It also highlights the increased interest in comprehending stress and poor work behaviours, which can have a severe impact on organizational performance.

The paper also examines the relationship between employee recognition (ER) and talent management (TM), arguing that both are crucial facets of HRM that have a big impact on worker performance. In addition to highlighting the significance of employee recognition in boosting employee engagement, contentment, and overall performance within the company, it shows that employee recognition is a more important predictor of performance than talent management.

Employee Recognition, Task Performance, and OCB: Mediated and Moderated by Pride-

(**Tianfei Yang,Xia Jiang,Huan Cheng**, **30 Jan 2022).**

According to the literature study, employee recognition is a popular management technique that has a big impact on organizational outcomes including lowering negative behaviours and raising job satisfaction, organizational commitment, and employee well-being. Instead of concentrating only on financial incentives, it highlights the need of acknowledging employees

The review also discusses the dual nature of pride, distinguishing between authentic pride and hubristic pride, —and the ways in which these feelings influence and control the connections among task performance, organizational citizenship behaviour (OCB), and employee recognition are also covered in the review. The comprehension of emotional reactions in organizational behaviour and the impact of distinct emotions on worker performance is enhanced by this investigation.

The Impact of Talent Recognition on the Intention to Stay in Work Context: Empirical Overview-(**K. Venugopal**, **02 Jun 2023**).

The significance of talent management within organizational contexts, with a particular emphasis on employee retention as an essential dimension of human resource management (HRM). It elucidates that organizations consider their employees' competencies and skills as invaluable assets that play a pivotal role in achieving competitive advantages in the context of a swiftly evolving global marketplace.

Employee recognition is articulated as an indispensable mechanism for augmenting retention. The existing literature posits that acknowledging employees' contributions can result in heightened job satisfaction and engagement, which are critical for the retention of talent.

The investigation examines a variety of factors that affect employee retention, including opportunities for career progression, rewards, and recognition. It asserts that organizations

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must recalibrate their retention strategies to align with the evolving expectations of the workforce, particularly in a globalized and competitive landscape.

The manuscript further indicates that employee turnover is frequently instigated by dissatisfaction with management or a deficiency in growth opportunities. Consequently, it is imperative for organizations to comprehend and address the concerns of their employees to mitigate turnover rates.

The authors contend that a proactive stance towards human resource practices is vital for the effective retention of employees. This encompasses the implementation of strategies that prioritize employees' personal aspirations and the provision of a supportive work environment.

The literature review reveals that social factors, work-life balance, and job design exert a considerable influence on employee retention. Organizations that cultivate a positive organizational culture and provide flexible working arrangements are more likely to retain their workforce.

The outcomes of the study indicate a robust correlation between employee recognition and retention, suggesting that organizations that emphasize appreciation and recognition are more adept at retaining their talented personnel.

PROBLEM STATEMENT

Talent Management Practices has gained a momentum in today's business. Employee Recognition is a way of rewarding employees for their commitment and service to the workplace where they belong to. When an employee is rewarded for his work, it leads to happy, satisfied and a productive learning environment. But not always an employee who gives their best is chosen for professional growth, and this can be due to ineffective recognition programs, biases of the management and unstructured policies.

This becomes a roadblock for an employee to grow in the organization and thereby decreases his morale. This study will provide context to understand how employee recognition programs can be made effective and how this practice helps in managing good talent at the workplace and why this is a pre-requisite in today's evolving business landscape.

HOW EMPLOYEE RECOGNITION PROGRAMS CAN BE MADE EFFECTIVE

Employee recognition programs are essential for enhancing motivation and performance within organizations. Various methods are employed to implement these programs effectively, ensuring they align with organizational goals and employee needs.

- **Software for Employee Recognition and Digital Platforms**
  To expedite the recognition process, several organizations use digital platforms or specialized software. These tools make it simple for managers and staff to give and receive praise and track awards in real time.

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Employees can receive prizes like gift cards, more time off, or points for experiences, or they can be sent notes of gratitude or award points using tools like Bonusly, Kudos, Terryberry and Awardco.

Such programs enable peers to acknowledge one another that promotes a culture of gratitude at all levels.

- **Initiatives for acknowledging Peers** - during this phase, personnel recognize and appreciate the contributions made by their colleagues. Organizations implement initiatives that enable employees to nominate their peers for accolades or incorporate platforms that allow staff members to express commendations for daily accomplishments. These practices enhance the efforts of colleagues and foster an environment of inclusivity.

- **Recognition facilitated by Management**

  Team Managers exhibit a profound attentiveness to their subordinates and possess a comprehensive understanding of the performance metrics of their team members. Recognition of individuals demonstrating exemplary performance may be facilitated through individualized meetings, collective team discussions, or during formal assessment procedures. Verbal commendations and tangible incentives, such as financial bonuses or advancements in position, may be awarded. Such practices fosters enhanced interpersonal relationships between management and staff, while simultaneously aligning recognition efforts with the overarching objectives of the organization.

- **Recognition Based on Performance**

  Such an acknowledgment is accorded to individuals who fulfil or surpass established performance standards. This encompasses sales objectives and customer satisfaction indices. Key Performance Indicators (KPIs) are utilized to monitor employee performance metrics. Employees are awarded bonuses, promotions, or public commendation.

  It enhances employee retention and engagement by demonstrating sustained appreciation, while concurrently reinforcing loyalty.

- **Structured Award Presentations**

  Top achievers are honoured in annual or quarterly award ceremonies, which also honour individuals in particular categories like "Most Innovative," "Best Team Player," or "Employee of the Year." Trophies or certificates may be awarded at these formal or semi-formal ceremonies.

  Winners might get cash payouts or chances to grow in their careers. This motivates staff to aim for excellence and lends a sense of distinction to the award process.

- **Social Media and Public Acknowledgement**

  Through utilising internal communication tools (such as newsletters or the company's intranet) or social media platforms to publicly acknowledge staff members' contributions.

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Employee accomplishments are shared with the community at large through internal emails or social media platforms.

Digital screens in the office could also be used to show public acknowledgment. It creates a sense of pride and achievement, raises employee visibility, and improves morale through public recognition.

- **Employee Acknowledgment via Professional Growth.**

  Recognizing staff members by funding their chances for professional development. Promotions, leadership positions, increased training, and funding for degrees and certifications are all possible for top performers. shows a sustained commitment to workers' careers, which encourages drive and loyalty.

- **Programs for rewards and incentives**

  Many businesses provide employees with material incentives like gift cards, vacation vouchers, or experiences in addition to acknowledgment. Employers frequently implement reward programs in which staff members receive points or credits for performing tasks, which may then be exchanged for rewards. It gives immediate satisfaction, promotes sustained work, and offers customized rewards according to preferences.

CONCLUSION

Recognition is an integral part of effective management of people in an organisation. It showcases the culture fostered by a workplace. It encourages initiatives, builds motivation and promotes job satisfaction. People Management can happen provided there is a structured Talent Management Framework in place. Talent management serves as a foundational framework for attracting, developing, and retaining top talent. It ensures that employees are not only aligned with organizational objectives but also provided with opportunities for continuous growth. Effective Talent Management practices such as Recruitment, Onboarding, Training, and succession planning enable companies to build a resilient and adaptable workforce (Cappelli, 2008). Moreover, organizations that invest in their employees' professional development are more likely to retain them long-term, which is critical in an era where employee turnover can be costly. Studies have shown that talent management improves job satisfaction, performance, and organizational loyalty (Collings & Mellahi, 2009).

However, talent management alone is not enough. Employee recognition plays a crucial role in reinforcing positive behaviours and ensuring that employees feel valued for their contributions. Recognition programs, whether informal or formal, acknowledge and celebrate achievements, which boosts morale and enhances job satisfaction. The impact of recognition extends beyond simple appreciation—it increases employee motivation, engagement, and retention (Brun & Dugas, 2008). According to Gallup (2020), employees who feel recognized are more likely to remain with their organization and contribute to its success. The combination of meaningful recognition and talent management practices creates a positive feedback loop that drives both employee performance and organizational outcomes.

When both talent management and employee recognition are implemented effectively, they create a workplace culture that is supportive, empowering, and productive. Employees are more likely to remain engaged and committed when they feel their talents are being nurtured

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and their efforts are being appreciated (Gallup, 2020). This, in turn, leads to higher levels of performance, greater collaboration, and stronger organizational loyalty. Companies that fail to integrate recognition into their talent management strategies may risk losing valuable employees and struggling to maintain productivity and innovation.

In summary, the relationship between talent management and employee recognition is symbiotic and crucial for organizational success. Companies that prioritize these areas are better equipped to develop a skilled and engaged workforce capable of achieving long-term business goals. As the workforce continues to evolve, integrating robust talent management systems with employee recognition programs will be essential for attracting, retaining, and motivating employees. Ultimately, investing in people is the key to creating a thriving organizational culture that leads to sustained growth and success.

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