



## TenStep Supplemental Paper

---

7 July 2005

### **Recognition -The Biggest Reward**

A bonus is not the best way of rewarding good performers who have done an outstanding job. A recent study showed that withholding praise and recognition is one of the primary reasons for employees leaving their jobs.

#### **Not merely money**

Money is, no doubt, important. But, other key factors influencing an employee are:

- A sense of contribution
- Appreciation from managers
- Respect from colleagues and peers
- Interesting and challenging work

#### **Cash rewards**

Merit raises are usually given as rewards for exceptional performance. As a result, top performers continually expect such rewards. Therefore, getting a very small raise or none at all is de-motivating for them. The demand for material rewards destroys the use of incentives as managerial tools.

If cash rewards do not motivate, recognition may be the answer. It indicates that someone has noticed their work and cares enough to make a mention of it.

#### **Salary**

A salary compensates employees for their jobs; it does not guarantee that they will do more than their usual work. Though the absence of a salary causes dissatisfaction, its presence need not necessarily act as a motivator.

Praise and appreciation provide the motivation for excellent work. Irrespective of their profession, most people would like to be creative and identify with the success of their organization. They also want to be known for their contribution to society. An acknowledgement of their contribution is considered the biggest reward.

#### **Motivation**

Employees cannot control how much they earn. However, the attitude of the manager can influence their motivation towards work. By interacting and communicating with employees everyday, managers can significantly increase their enthusiasm for work

Companies must make employees feel valued to get the best from them. This is possible only by focusing on how to treat employees, instead of how much to pay them.