

A STUDY ON REWARDS AND RECOGNITION SYSTEMS ACROSS SECTORS AT FDC INDIA

#¹Dr. DANDA UDAYA SHEKHAR, *Professor & HOD,*

#²T.VINITH KUMAR, *PG Student,*

Department of MBA,

J.B. INSTITUTE OF ENGINEERING & TECHNOLOGY (AUTONOMOUS), HYDERABAD.

ABSTRACT: R&R programs are not only helpful for managers, but they also help employees feel appreciated and like they belong on the job. Organizations foster an environment where employees are motivated to give their all when they take the time to acknowledge achievements with incentives such as financial compensation, public acclaim, or opportunities for advancement. In India, businesses in the manufacturing, fast-moving consumer goods (FMCG), information technology (IT) services, and healthcare sectors have all developed unique approaches to team recognition and support. The strategies they utilize are dictated by the demands of their job and the expectations of their staff. One way FDC India stands out is by its strategic initiatives, which include financial awards, professional development programs, and peer praise. This ensures that every person's gratitude is meaningful and distinct. This strategy promotes staff engagement and innovation by raising morale and rewarding loyalty. The takeaway is crystal clear: as demonstrated by FDC India, well-planned recognition programs can substantially boost job satisfaction, inclusiveness, and long-term performance in today's workforce.

Keywords: Rewards, Recognition, Employee Engagement, Performance, Motivation.

1. INTRODUCTION

The point of offering incentives and rewards is to make employees feel appreciated and valued above what is often expected in the job. A crowded hospital ward, an energetic classroom, or a hectic corporate office are just a few examples of the numerous settings where praise may raise spirits and motivate individuals to give their all. An environment where employees love being a part of the team is created when companies increase productivity by acknowledging hard effort and making sure rewards are in accordance with goals. Recognizing and appreciating the value in others' contributions increases engagement, strengthens loyalty, and motivates others to do their best. How people exhibit appreciation depends on a lot of factors. It frequently manifests as opportunities for career advancement, sincere expressions of gratitude, or long-term appreciation in the healthcare and academic sectors. In the corporate sector, it may manifest as opportunities for advancement, promotions, or prizes. Praise, in its many forms, serves the same overarching purpose: to inspire recipients to do their best and to feel that they are part of something greater. A well-planned incentive program is becoming increasingly vital in modern organizations as a means of motivating employees and ensuring their long-term success. Modern technology has revolutionized the way we express our gratitude. Identity verification is now easy, accessible, and fast thanks to digital platforms, smartphone applications, and performance tools. It is

more valid and fair to acknowledge leaders' achievements promptly. Employees value feedback on how they're doing in their roles as they advance in their careers. Expressing gratitude in a timely and transparent manner, rather than letting it fester, helps to bridge communication gaps and fosters trust.

Recognition is only meaningful when it includes everyone and caters to their needs, and businesses are starting to see this. Money is just one component of modern strategy. Among these are opportunities to learn and advance in your job, health programs, and peer recognition. These events recognize that individuals' motivations vary and that there is room for creativity in how we express our appreciation at work and in our personal life. Businesses that step back and look at the larger picture are better able to assemble cohesive teams, foster better connections, and help employees feel like they belong.

PROBLEM STATEMENT

It's common for employees to think that award and recognition programs don't work at many businesses these days. Inspiring people, enhancing their performance, and maintaining their interest are the three main objectives. But it's possible that the applications' layout and administration don't mesh with the needs of the business. Strict regulations that don't allow for consistent efforts create incentives in some regions. Awards appear to be given at random or without merit in other regions. Employees may lose faith in the initiatives and their motivation as a result of their perception that they are unfair or useless. Recognizing employees for non-work-related achievements can lead to feelings of undervaluation, which in turn can decrease workplace satisfaction and productivity. For businesses to make a difference, they must investigate the underlying mechanisms of these systems, identify issues that impact several sectors, and establish procedures that prioritize employee requirements while being fair and transparent.

2. REVIEW OF LITERATURE

E. Figueiredo (2025): The impact of incentive systems on employee behavior and organizational performance is the subject of this comprehensive review of 61 articles. Research is classified in the report according to the study's design, outcome (such as retention, motivation, or performance), and the incentive employed. Financial incentives alone do not have the same impact on employee motivation as well-designed reward systems that incorporate opportunities for advancement and public acknowledgment. Factors influencing the efficacy of recognition are examined in the review, including job autonomy and job relevance. A number of issues are highlighted, such as the lack of randomized trials and the fact that individuals have diverse conceptions of what "recognition" entails, in the course of providing an overview of various measurement techniques. The authors lay out a comprehensive model for behavior modification that incorporates social dynamics, incentive systems, and purpose. Creating complex incentive structures that are industry or job specific is one method to approach policy. Sectoral comparisons and experimental reviews are the study's primary research aims.

Paul W. Black (2024): Black investigates the efficacy of peer recognition schemes in fostering more helpful employee behavior. The primary finding indicates that, in the presence of financial incentives, peer recognition significantly boosts support within a group, but has a

lesser effect on support from outside the group. Official acknowledgment strengthens social rules, according to the study's central thesis. While it could be effective in well-integrated companies without monetary incentives, it could be necessary to incentivize positive behavior in cross-functional or poorly linked contexts. In addition to demonstrating these interaction effects using controlled experiments and organizational data, the study offers helpful recommendations for promoting equitable peer recognition. It serves as a cautionary tale about the schisms that can form in poorly designed peer systems. In order to reduce prejudice inside each group, the impacts include precise grouping, explicit nomination processes, and regular recognition between teams.

Ndiango,S.(2023): This evidence review compiles studies on non-monetary performance and recognition from experiments and quasi-experiments. Important results: the impact of non-monetary acknowledgment on performance at work can range from mild to large, with the intensity of these effects being highly dependent on the significance of the job and the method of recognition. Research shows that while specific praise for major achievements boosts engagement, generic praise simply getting up to work could have the opposite effect in certain occupations. Randomized trials, thorough evaluations, and an all-encompassing plan with defined responsibilities, opportunities for advancement, and expressions of gratitude are all supported. Important tips on how to measure appreciation's impact and how to avoid typical pitfalls are provided by the authors.

Rusin, N. (2022): This 2022 study examined the effects of rewards and recognition on employee involvement and used quantitative questionnaires to gather data from a medium-sized group of Indonesian employees. Incentives and participation are positively correlated, according to the findings. Recognizance frequently serves as a connecting link in these instances. Social and psychological benefits, such as the opportunity to advance professionally and gain recognition from peers, play a significant role in people's level of engagement over the long term, according to research. It further demonstrates that the effectiveness of recognition is contingent upon its compatibility with regional customs. Included in the authors' list of practical remedies are things like teaching supervisors the best approach to express genuine gratitude, allowing peers to propose candidates, and incorporating recognition into talent evaluation processes. The study's limitations, including its cross-sectional design and regional emphasis, should not discourage its replication in other fields.

Shinde, S. (2021): This empirical study from 2021 investigates the impact of formalized systems of rewards and recognition on job satisfaction among Indian employees. It use surveys and correlational analysis to discover favorable correlations between job satisfaction, recognition frequency, and perceived fairness of praise. Open rules and consistent management are crucial for developing credibility, according to the report. Some of the suggestions include creating uniform procedures for making nominations and integrating rewards with defined career advancement opportunities. The authors advocate for frequent surveys of employees to gauge their level of satisfaction with award programs.

3. TYPES OF EMPLOYEE REWARDS

The issue of rewards lacks a definitive and all-encompassing answer. Some workers place a premium on the compensation. A small amount of public attention is all some people desire. First and foremost, you must learn to read people's motivations in order to plan initiatives that will benefit your business.



Monetary rewards: Wealth does have an impact, but its true power becomes apparent when it communicates well. One effective way to reward consistent performance, motivate employees to go above and beyond, and keep them motivated to achieve their goals is through the use of financial incentives such as bonuses, pay hikes, and special prizes. However, you should not abandon your endeavors at this stage. Financial incentives are effective, yet they are insufficient when utilized independently. They lay the groundwork for immediate inspiration and enduring commitment when coupled with genuine, personalized appreciation.

Non-monetary rewards: Things can't always replace time, trust, and opportunities. Extra time off or membership to a professional development program are examples of non-monetary rewards we're offering because we value your efforts and want you to succeed. The absence of chances for professional advancement ranks high among the non-financial reasons employees are considering leaving, as stated in our Engagement and Retention Report. Persuade them to stay and take the next step.

Experiential rewards: Transform the acknowledgment into a significant occasion to guarantee its lasting impression. Employees have access to over 1.5 million global vacation options through the Achievers Travel Store, powered by Switchfly. With 390,000 events, 750,000 hotels, 75,000 airline routes, and 45,000 car rentals, this list is definitely packed with numbers. Employees are more invested and the company culture is strengthened when employees receive experience-based awards, such as team trips or items on a person's bucket list.

Milestone rewards: Reaching a milestone, whether it's the beginning of a major endeavor or the conclusion of five years of labor, is always significant. Because of how long they have been committed, they are worthy of more than just a brief expression of gratitude.

Intentionally recognizing milestones sends a message to employees that their work will have an impact down the road and highlights the importance of dedication.

Social rewards: Not everyone requires a budget. Public displays of gratitude can sometimes have a greater impact than monetary donations. Social incentives, such as nominations from peers, organizational recognition, or team praises, are necessary to foster an attitude of thankfulness. Employees who receive positive feedback are 1.7 times more likely to remain with their current employer indefinitely, which is another way in which praise helps retain talent.

Points-based rewards: These are like open-ended acknowledgements that you can adjust depending on how you act. You can reward employees with points that can be turned into

meaningful items when they demonstrate behaviors that align with your company's basic values, such as going above and beyond, helping new employees, or showing resilience. Flexible, individualized, and consistently motivating, point-based reward systems are the way to go. Here is the meaning of the extra: what actually works.

4. BENEFITS OF EMPLOYEE REWARDS AND RECOGNITION

Employee appreciation and rewards are critical to maintaining company values, promoting healthy competition, improving customer satisfaction, and motivating employees to go above and beyond.



Unprecedented boost in productivity: When we examine our professional and personal life, we can observe that actions that yield positive results are more likely to be repeated. This is mostly due to the fact that praising and rewarding people for their efforts is one of the most fundamental methods to demonstrate the value of their work.

Ups the ante of happiness: The average workweek for an employee is above forty hours. It requires two thousand hours each year. Their mental condition during that time reveals whether they will be a benefit or a burden to you. Assuring their happiness is the answer, and perhaps the only one. A good, mind-based technique to achieve it is to get joy from acknowledgment.

Retains the best talents: Posting job opportunities, reviewing resumes, conducting interviews, and negotiating salary packages all contribute to the rising cost of finding the ideal applicant. Hiring someone will cost you around \$4,425. Without adequate notice, an employee's abrupt departure will render all of these initiatives meaningless. Change is a double-edged sword because of the high prices it inevitably carries. Because it helps them feel valued and appreciated, praising employees is the only way to alleviate their agony.

Skyrockets employee engagement : According to Gallup, just 33% of respondents felt valued for their efforts in the previous week. Staff engagement and appreciation complement one another in ways no one could have predicted. Workers will put in more effort for you if you appreciate them.

Greater pull for talent pool: Top performers expect a lot more from their employers than merely a salary. The essential components that individuals want to construct their ideal package are reward, acknowledgment, compensation, benefits, and an ideal work environment.

An organic rise in employee advocacy: When employees don't feel appreciated, they have a hard time recognizing and praising the aspects that set their organization apart. It could lead others to believe they are being treated unfairly if they are not acknowledged for their contributions.

Incubates the innovation: A study was conducted by Monash University and La Trobe University in Australia to determine the factors that foster greater creativity in the workplace. Several studies have demonstrated that when organizations engage in pleasant interactions with their employees, it leads to a greater number and quality of innovative ideas.

Pithily instills the meaning and purpose: Among young Americans, 57% express a desire to work on initiatives with a social impact. This demonstrates that the search for purpose and meaning has always been a part of human nature. Making employees aware of how essential their efforts are to the organization's greater picture is the best method to make them realize that they are included.

Greater and better customer experience: “Employees will be more invested in the company's success if you prioritize their health and happiness. Sir Richard Branson, creator of the Virgin Group. Eighty percent of CEOs globally consider employee experience (EX) to be either very important or essential to their company strategy, according to a Deloitte study. One obvious truth that demonstrates the significance of employee experience (EX) is that it encompasses customer experience.

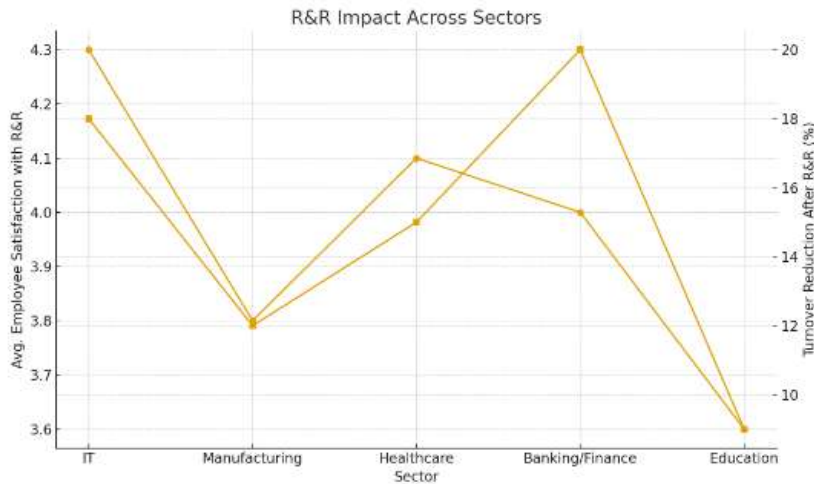
Offsetting workplace loneliness subtly: During the pandemic, experts have voiced concerns about the social isolation and loneliness experienced by those who work from home. The most common ailment in modern civilization is smoking, according to Vivek Murthy, a former US Surgeon General.

5. ANALYSIS AND DISCUSSION

REWARDS & RECOGNITION PRACTICES – SECTOR COMPARISON

SECTOR	MOST USED REWARD TYPE	RECOGNITION FREQUENCY	AVG. EMPLOYEE SATISFACTION WITH R&R	TURNOVER REDUCTION AFTER R&R (%)
IT	Monetary + Spot Awards	Monthly	4.3	18%
Manufacturing	Performance Bonuses	Quarterly	3.8	12%
Healthcare	Non-monetary (Appreciation, Peer Recognition)	Weekly	4.1	15%
Banking/Finance	Monetary (Incentives, Bonuses)	Monthly/Quarterly	4	20%

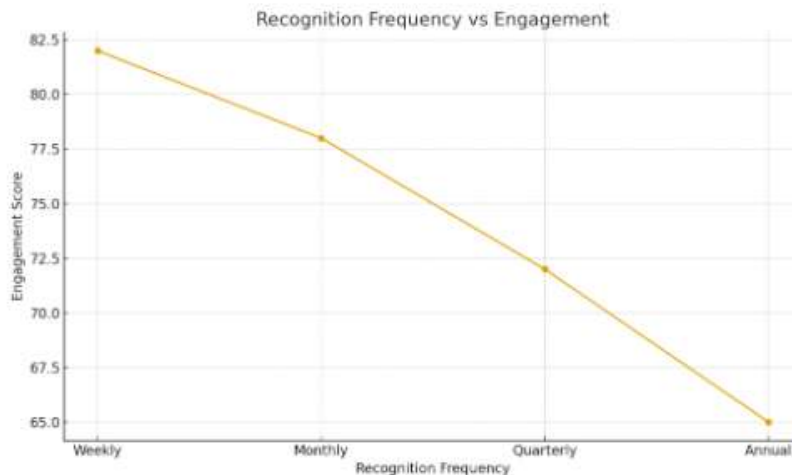
Education	Non-monetary (Certificates, Public Recognition)	Semester/Annual	3.6	9%
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DISCUSSION: Employee satisfaction is higher (4.0-4.3) and turnover is lower (15-20%) in industries that provide weekly or monthly recognition in addition to cash or other substantial prizes. The significance of the time and kind of reward is demonstrated by the fact that organizations that provide prizes less frequently or primarily in non-monetary forms tend to have lower employee contentment (3.6-3.8) and a weaker effect on turnover (9-12%).

RECOGNITION FREQUENCY VS. EMPLOYEE ENGAGEMENT

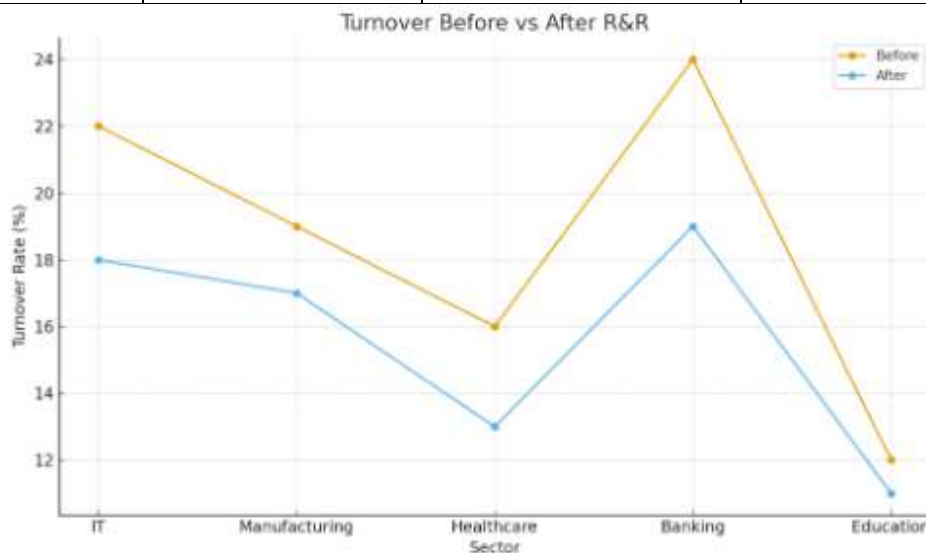
RECOGNITION FREQUENCY	SECTORS PRACTICING	AVG. ENGAGEMENT SCORE	CORRELATION OBSERVED
Weekly	Healthcare, IT	82	Highly positive
Monthly	IT, Banking	78	Moderate-high
Quarterly	Manufacturing, Banking	72	Moderate
Annual/Semester	Education	65	Low-moderate



DISCUSSION : People are more invested when they are consistently acknowledged. Industries that express gratitude to their employees on a weekly or monthly basis have witnessed higher engagement rates (78-82%) indicating a moderate to strong positive correlation. After acknowledgment every three months or once a semester, the influence of intermittent recognition is reduced by lower participation levels (65-72) and only moderate to low-moderate linkage.

EFFECTS OF R&R PROGRAMS ON TURNOVER AND PRODUCTIVITY

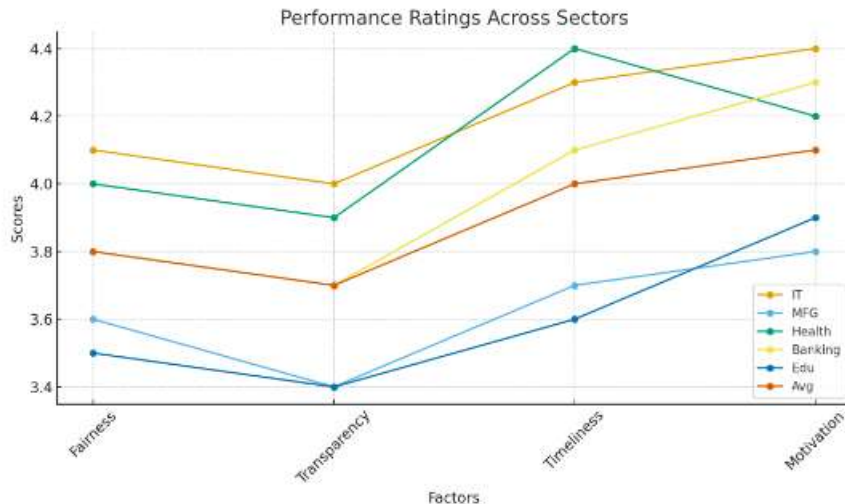
SECTOR	TURNOVER BEFORE R&R	TURNOVER AFTER R&R	PRODUCTIVITY INCREASE (%)
IT	22%	18%	14%
Manufacturing	19%	17%	8%
Healthcare	16%	13%	12%
Banking	24%	19%	15%
Education	12%	11%	6%



DISCUSSION : The adoption of R&R resulted in significant decreases in employee turnover across all industries. This was particularly true in healthcare (from 16%) and banking (24% to 19%), indicating that it had a significant impact on staff retention. While productivity increased across the board, the banking, information technology, and healthcare sectors saw the largest increases at 15%, 14%, and 12%, respectively. This demonstrates that well-designed R&R activities reduce employee turnover while also raising productivity.

EMPLOYEE PERCEPTION OF REWARDS & RECOGNITION

FACTOR	IT	MFG	HEALTH	BANKING	EDU	AVG
Fairness	4.1	3.6	4	3.8	3.5	3.8
Transparency	4	3.4	3.9	3.7	3.4	3.7
Timeliness	4.3	3.7	4.4	4.1	3.6	4
Motivation	4.4	3.8	4.2	4.3	3.9	4.1



DISCUSSION: When it comes to timeliness (4.3-4.4) and motivation (4.2-4.4), information technology and healthcare receive the highest average scores across the board, demonstrating the efficacy of R&R. The overall averages suffer because Manufacturing and Education typically obtain lower grades (3.4-3.9), indicating that they aren't as prompt, fair, or clear as they need to be.

6. CONCLUSION

A well-designed rewards and recognition program serves a dual purpose, ensuring that all participants are treated equitably and that they are kept informed. This is the last point, but it is surely not the least important. Furthermore, it ensures that the program will be able to integrate the goals of the organization with those of the staff. This is a significant benefit. Technology, a culture of continuous recognition, and monetary and non-monetary incentives are all variables that can assist organizations in a wide variety of industries in improving employee engagement and performance within their workforce. These aspects can be utilized to help businesses improve their workforce. In order to assist businesses in accomplishing their objectives, these characteristics might be leveraged. It is beneficial to appreciate and acknowledge the accomplishments of others, to take into consideration the feedback of one's contemporaries, and to make things more personal than they would otherwise be in order to build drive and cultivate a sense of belonging. These are all things that can be done individually or in combination. The installation of a well-planned employee training and development program has the potential to become a strategic weapon that assists businesses in keeping top talent, training new hires, and ensuring the success of their employees over a longer period of time. This is because the program has the ability to become a strategic weapon.

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