11 Things You May Not Know about Employee Recognition

Officevibe, the employee engagement company from Montreal, Canada says there are 11 things you don't know about employee recognition. Perhaps there are more, but for now, let's evaluate what Jacob Shriar, Officevibe's in house oracle has to say:

The biggest reason that most Americans leave their jobs because they don't feel appreciated. Can't argue with that one, but why is this so prevalent? If you ask managers and supervisors about their employee who have left, many times they are surprised, stating that they didn't even know anything was wrong and that the employee appeared happy and engaged. That means that it's a communications and trust problem, not a company policy issue. Employees must feel like they can trust and count on their leaders. Then, all you have to do is give them the direction and tools they need and get out of the way. Small doses of acknowledgement (Peer to Peer) recognition along with rewards for meeting measurable standards (Performance Management) will fan the flames and optimize employee morale, engagement and profitable results. Consider these 11 facts:

1 – Jacob claims that 41% of companies that use Peer to Peer recognition have seen increases in customer satisfaction. I can't confirm the percentage, but I agree with the trend. Peer to Peer recognition creates a simple, clean and trackable way for employees and supervisors to catch people doing something right. If you ask employees, many will say that they only hear from their boss when the mess up, so a well-designed and accessible Peer to Peer program makes is easy to catch people doing something right!

2 – 46% of senior managers view recognition programs as an investment rather than an expense. That sounds pretty good, but it leads to the realization that 54% of managers see recognition as an expense, which can get trimmed, cut or marginalized during cost cutting times … the exact opposite of what the company needs to be doing when things get tight. The reason recognition is seen as an expense is when it is disjointed, poorly measured and viewed by employees as an entitlement. Small trickles of money going out with no way to measure if it's worth spending … sound like an expense or an investment? Organizing recognition into a comprehensive strategy using technology to make it easy to educate and share among employees and managers will give you a track to run on, so you can compare costs with results and see true ROI. Otherwise, why bother?

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3 – 14% of companies feature their recognition programs as a part of the recruiting process. Not a bad idea, because recruiting is about attracting employees whose personal purpose is in line with the company's purpose. In other words, you need to find folks who will blend with your organizations culture … that's even more important than experience and qualifications. If you have a good recognition strategy that promotes what you're all about, it's a great idea to mention it during interviews. If people aren't intrigued by what you expect and recognize, they may not be a good culture fit.

4 – Companies that have a strategic approach to recognition report a 23% lower turnover rate. That's huge! If you consider that the cost of recruiting, hiring, training and then losing an employee is estimated to be about 300% of their salary, a reduction of 20+% in turnover could easily pay for most, if not all of the cost of a formal recognition program all by itself. The big question is – "why do they stay?" That gets right back to trust, which is based on having a consistent culture of Love, Respect and Transparent Communication. It really makes good common sense and is nothing more than the Golden Rule applied to your business. Treat others as you'd like them to treat you will go a long way toward developing a winning culture of trust that will immediately impact turnover rates.

5 – Recognizing Employee Performance increases Engagement by almost 60%. That's an interesting statistic, but considers this; behaviors that are measured are perceived to have value. As Elton Mayo discovered back in the mid 20's at Western Electric's Hawthorne Works – "The need for recognition, security and sense of belonging is more important in determining workers' morale and productivity than the physical conditions under which he works." The very fact that you acknowledge your understanding and value of an employee's work is actually more effective that the level of performance itself. Just noticing people and thanking them for their work and will go a long way towards improving overall engagement.

6 - A well run recognition program can lower frustration levels by as much as 28%. Why? It has to do with the comfort of knowing what's expected of them and having the tools and support to get the job done. The One Minute Manager talks about the importance of not micromanaging. Ken Blanchard suggests that you hire good people, train them well, and then get out of their way! Most employees that know what to do and have the resources to do it, will give you more than a basic day's work and be happier to do it than employees that are over managed and limited in their flexibility.

7 – Peer to Peer is 35% more likely to have a positive impact than Manager-only programs. While Peer to Peer is just one small slice of the total recognition pie, this added component empowers employees and makes it easy for them to point out what's going on in real time. By making it easy for everyone, from leadership to management to supervision to employees, to show appreciation, say "thanks" and point out when others are going above and beyond, everybody get a lift and it's contagious!

8 – 85% of companies that spend 1% or more of payroll on recognition see a positive impact on engagement. Statistics show that most organizations spend between 1 and 2% of payroll on all of their recognition, employee engagement and performance management budgets. They're not doing it because they have extra cash. Sure, they could just give everyone a 1 or 2% raise, but the best companies realize that a formalized, well-structured program that focuses on supporting the organization's Purpose, Culture, Mission, Values and Goals is a far better use of their money and the ROI they get from a well-designed program proved it year after year.

9 - Organizations that recognize both individual employees and teams see results approximately 14% higher than companies where recognition is not consistently used. Today's younger employees prefer frequent and honest recognition. They also like to see everyone on their team share in the glory, so using team recognition, then singling out individual super-stars as well, makes a lot of sense to your Gen Y employees and will get them more engaged.

10 – Organizations with a serious approach to recognition are 12 times more likely to have strong business results. Wow, that's a lot! Think about it – Recognition drives Culture, a good Culture improves Behaviors and better Behaviors directly impacts Results. But, none of the Results will happen if you don't have both managers and employees trusting your leaders and believing that your motives are sound. We call it, "Making it Real", and it makes all the difference!

11 – 31% lower voluntary turnover is reported by companies using effective recognition programs. Sure, you're going to mis-hire from time to time and have to fire some under-achievers, but voluntary turnover is much more dangerous. Often those employees who leave on their own are your better performers, so they not only hurt productivity immediately, but when they wind up with your competitors, it's a double whammy to your organization.

Quality recognition is about tying together all of the ways you touch employees, doing in a manner that gains and maintains their trust, and consistently letting everyone know what's expected. When you do it right, you are well on your way to optimizing your most valuable asset – people!

John Schaefer is a Consultant with more than 25 years of experience helping companies realize and react to what he calls the *Employer/Employee Disconnect*. "Your people have the capacity and desire to become far more involved and productive than they are today. The resources required are freely available, if you simply choose to use them," says Schaefer. "The key is to get your managers and supervisors to embrace this challenge by seeing what's financially in it for them." John is the author of the book *Get More Productivity for Less Money … Your Employees will Love You for It!* as well as *The Vocational Shrink The Game* and Manager Training Program *"Why Should Supervisors Care*?" which gets to thebottom of what they're *really* thinking, "what's in it for me?" [ww.SchaeferRecognitionGroup.com](http://www.SchaeferRecognitionGroup.com)