



Employee Recognition

One Size Does NOT Fit All

Employee recognition is a \$46 billion market and on average, companies spend about 1% of payroll on it. Many companies have employee recognition programs, some of which have been around for years and others established more recently in response to the employment environment. Recent research from Bersin & Associates found that 87% of this investment goes to programs that focus on length of service recognition. Ironically, tenure-based programs have little to no impact on organizational performance. Yipes! Consider this:

- Organizations with recognition programs have 14% better employee engagement, productivity and customer service than those without.
- Great recognition programs drive 31% lower voluntary turnover.

Properly designed employee recognition programs can be very effective in improving employees' job satisfaction, increasing their desire to do their best and motivating them to make significant contributions that achieve better results for their companies. Here are 6 best practices:

1. Recognize people in ways that are meaningful to them – Some people love public recognition while others are mortified by it. Occasionally money is meaningful, but usually it is not. Interestingly, the most appreciated recognition costs little or nothing.
2. Recognize people for specific results and behaviors – Telling an employee, “Your comment about our safety features was perfect and

convinced the client to award the contract to us,” is far more meaningful than simply saying, “Great job in the meeting.”

3. Peer to peer recognition is more effective than top down – People value recognition most from their peers who are in the trenches with them. Providing a way for employees to recognize one another will get the ball rolling.
4. Use recognition stories – Telling stories is one of the most powerful aspects of human communication and it is equally true when recognizing people. For those people who enjoy public recognition, tell their stories in department meetings, company meetings, newsletters and blogs.
5. Make recognition easy and frequent – Create ways for people to give rewards or points to others.
6. Tie recognition to company goals or values – Appreciation that ties back to your company's values or strategies (e.g. teamwork, customer service, sales, process improvement, etc.) is a win-win for everyone.

Whether you are establishing a new recognition program or reviewing an existing one, I encourage you to consider the points above. It can help your organization achieve lower turnover, more engaged employees and improved results.

For more information about effective recognition programs, contact Janet Treer at 717-653-6118 or janet@thetreergroup.com.



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