



Your Complete Guide to

Employee Recognition



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Recognition makes a strong impact, especially within a workforce, and can lead to a strong company culture. **Employee recognition** is the open acknowledgment and praise of employee behavior or achievement, and organizations use it to express appreciation, motivate employees, and reinforce desired behavior.

Employee recognition is crucial because it boosts morale, increases productivity, and builds positive relationships. Praising employees for their achievements reinforces quality performance, benefitting both the staff and the organization.

Why Should Managers Prioritize Employee Recognition?

According to a recent poll of over 2,000 workers:



Effective employee recognition can boost employee engagement, motivation, productivity, retention, job satisfaction, and more. It has also been shown to reduce rates of employee burnout. With resignation rates at an all-time high, managers are on the front lines when it comes to influencing retention and creating a positive work environment for their employees. Effectively recognizing your team can make all the difference.

This Guide to Employee Recognition covers the knowledge you'll need to successfully understand, cultivate, and support a culture of recognition—ultimately helping you build a better team.

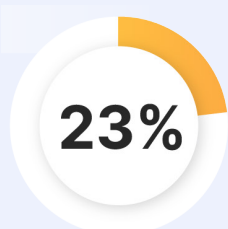
What Does Recognition Look Like?



Employee recognition is the open acknowledgment and expressed appreciation for employees' contributions. It could be a high-five for a job well done, a special shout-out during an all-hands meeting, or even a monthly bonus. Recognition can take many forms; it's one of the most valuable areas a team can focus on. Implementing the right kind of recognition program is critical in giving your team the motivation to reach and surpass its goals. Effective employee recognition gives many successful businesses a competitive edge.

Employees are 5X as likely to be connected to company culture and 4X as likely to be engaged.

Additionally, companies with highly engaged employees are, on average:



more profitable



more productive



more loyal customers

Who Gives Recognition?

Everyone in an organization should give one another recognition. That being said, the most effective source of recognition is based on the situation and circumstance.

Top-Down Recognition

Recognition is traditionally given in a top-down system, where an employee's supervisor, manager, or leadership team recognizes and appreciates their contributions. This is a great model for many reasons: since these leaders are typically in decision-making roles, their recognition often has financial results, like a raise or promotion. These people are also in the best position to assist employees with their chosen career paths or growth plans.

Peer Recognition

In a peer recognition system, managers, as well as other co-workers, are all encouraged to recognize and reward the contributions of each other. It's easy for managers to congratulate an employee on their general job performance, but their peers are working right beside them, day after day. They're in a much better position to recognize an employee's specific contributions and understand the immediate impact of those contributions have.

How Will Recognition Impact My Team?

Every team can benefit from better, more frequent employee recognition. When you implement a recognition program, you give your employees a way to celebrate one another's achievements. These interactions build stronger team connections, boost company culture, and motivate employees to do their best work. When executed successfully, recognition provides positive peer influence and communicates the notion that good work is valued by everyone in the company.

Companies that score high for building a "recognition-rich culture" have **31% lower turnover rates** than their peers.

Employees who don't feel recognized are **2X more likely to quit** within a year.

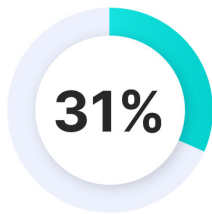
A recognition-rich culture is a worthy and achievable goal for any organization in any industry. It benefits the whole team, from the newest hire to the CEO.

Why Is Employee Recognition Important?

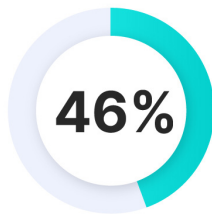
Engaged employees are beneficial for workplaces in every way: they're higher performers, they're connected and committed to their company, and they're willing to go above and beyond their roles. In organizations that put a heavy emphasis on praising and recognizing employee achievements, engagement levels, productivity, and performance increase by between 14-60%. Here are some more reasons why employee recognition is important:

1. Retention

Recognition is something all employees appreciate and respond to, and it's a critical step in reducing turnover. Indirect costs of employee turnover include decreased productivity, lost knowledge, and lower morale. When an employee leaves, the team absorbs additional responsibilities, which can lead to burned out, unhappy team members and a bruised company culture.



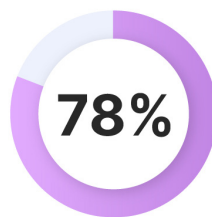
Organizations with effective recognition programs had 31% less turnover



46% of workers say they have left a job due to feeling unappreciated.

2. Productivity

Productive employees benefit companies in every way, from increasing profitability to optimizing resources. Productivity is very closely tied to companies' profitability and is a top driver of success at companies. Recognition boosts employee engagement, which then increases productivity. One study even discovered that 78% of employees would work harder if they were recognized more often. When you start prioritizing inspiring employees to do their best, productivity skyrockets.



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3. Morale

Employee morale is the glue that holds your company together. It's a crucial part of any organization and should be a top concern on your priorities list. With low morale, nearly every aspect of an employee's contributions will suffer. 65% of employees agree that the respectful treatment of employees at all levels is a significant contributor to their job satisfaction and overall morale. Frequent and visible praise can promote inclusion and a sense of belonging at work that increases job satisfaction. Along those same lines, a study revealed that 60% of employees value recognition as much as they value money.

Types of Employee Recognition

Recognition and reward options vary from organization to organization. It all depends on how your team likes to be appreciated and recognized. Your team could be motivated by a company-sponsored outing, a thoughtful email, or a gift card to their favorite store. It's up to you to understand how to appreciate your team members in the most meaningful way.

Bonuses

Bonuses and monetary recognition show an employee the value placed on their work. Giving small bonuses when an employee achieves a goal or shows a high level of performance can help create an environment of spontaneous praise and motivation. Seasonal bonuses and monetary rewards, such as commissions, also show appreciation and the value of an employee's work.

Written Praise

Written praise, such as a thank-you letter or email, offers a tangible and personalized note of gratitude and recognition. This form of recognition is easy to do and offers words of affirmation that assure employees of the impact of their contributions. Written praise encourages employees who value encouragement and benefit from concrete and direct reassurance of their impact.

Verbal Praise

Small recognitions, such as a thank you when submitting work or completing tasks, show employees that others see and appreciate their work. Verbal praise also includes a public or private declaration of appreciation. Peers and managers may offer verbal praise of others in a group or one-on-one meeting. Verbal affirmation and recognition benefits individuals whose motivation comes from seeking approval and validation.

When Should Recognition Be Given?



Milestones

Work Anniversaries:

It's a great opportunity to meaningfully thank employees for the impact they've made with their time with you.

Project Completion:

Recognize everyone that worked on a project and all the hard work and effort that went into the process.

Quarterly Review:

This is a perfect opportunity to recognize employees and award them with bonuses on a business quarter basis.

Year End:

A year-end or annual bonus is financial compensation given to employees in addition to their base pay.

Events

Employee's First Days:

Making it through the first few days or weeks of a new job definitely deserves some kudos.

Birthdays:

Birthdays are special occasions to show them that they are recognized and valued.

Employee Appreciation Day:

Employee Appreciation Day is a great opportunity to recognize employees without the pressure of annual or quarterly reviews.





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