EMPLOYEE RECOGNITION IS A CRUCIAL PART OF GREAT WORKPLACE CULTURES. But what is the best way to recognize employees? How do you convince executives that employee recognition comes with a substantial ROI? Where do you begin to build an effective employee recognition program? How can you avoid traps like low participation or program burnout? Use this guide to create a successful, sustainable program that helps employees feel valued and appreciated every day.

WHAT IS EMPLOYEE RECOGNITION?

WHY IS EMPLOYEE RECOGNITION IMPORTANT?

HOW TO GIVE EMPLOYEE RECOGNITION

SIMPLE EMPLOYEE RECOGNITION IDEAS AND EXAMPLES

HOW TO START AN EMPLOYEE RECOGNITION PROGRAM

WHY EMPLOYEE RECOGNITION PROGRAMS FAIL
What is Employee Recognition?

Employee recognition and appreciation are slightly different things. Appreciation is feeling valued for one’s unique point of view, attitude, talents, and contributions. Recognition is the action of showing appreciation. It’s the process of recognizing and expressing gratitude for extra effort, great work, and accomplishments. Employee recognition is often lumped with rewards, as “Rewards and Recognition,” but true recognition helps employees feel appreciated in a way that is completely separate from other compensation and benefits packages.

In the past, employee recognition was mostly associated with staff or team member recognition programs, employee of the month programs, or small programs that use treats and gift cards to say thank you. Most companies today utilize a formal recognition program that combines a point system, a social wall, and meaningful reward nominations to help employees feel appreciated.

While there are many forms of recognition, it’s important that a comprehensive recognition strategy include recognition for work accomplishments small and large, service anniversary (or career celebration) awards, and company events that celebrate shared success.

RECOGNITION FOR EXTRA EFFORT AND RESULTS

This type of recognition helps you create a culture where celebrating workplace triumphs is an everyday way of life. It helps teams bond over shared accomplishments and deepens their connection to organizational purpose and goals. You can use this kind of recognition to say “thank you” or “great job” for day-to-day work, or to recognize above-and-beyond effort, personal victories, team triumphs, and major accomplishments. This type of recognition fuels positive momentum and helps employees feel part of a winning team. Think about both encouraging effort and rewarding results whenever employees make a difference people love.

RECOGNITION FOR YEARS OF SERVICE

This type of recognition celebrates life at work to foster a sense of belonging. It helps employees see how they fit into the organization by showcasing their career achievements over time and spotlighting their unique contributions to the team. It honors friendships and celebrates careers in a meaningful, memorable way.
COMPANY CELEBRATIONS

Corporate events are opportunities to bring people together around a shared goal or achievement. This type of recognition helps communicate company values, create bonds, connect employees to one another, and make people feel part of something bigger. Whether it’s major company accomplishments or historical milestones you are celebrating, this type of recognition helps define your culture and rally people around a common purpose.

Why is employee recognition important?

Employee recognition contributes to a great workplace culture, but it also impacts a company’s bottom line and improves business results in some very specific, scientifically proven ways.

Employee recognition benefits

• Attracting talent
• Engagement
• Retention
• Culture
• Performance and Innovation

ATTRACTING TALENT

In today’s workplace, attracting top talent is a crucial competitive advantage. The best and brightest talent is looking for a workplace culture that recognizes and appreciates people who do great work.

A global survey of 200,000 job seekers asked employees to choose the most important attributes in a new job from a list of 26. The number one attribute was: my employer or manager shows “appreciation for my work”. Good relationship with colleagues, good work-life balance, and good relationships with leaders came after, with an attractive salary coming in at number 8.

Gallup says, “In today’s war for talent, organizations and leaders are looking for strategies to attract and retain their top performers while increasing organic growth and employee productivity. But in their search for new ideas and approaches, organizations could be overlooking one of the most easily executed strategies: employee recognition.”

While employee recognition programs in the workplace are usually seen as a Human Resources activity, we find that the most effective employee recognition programs are part of a corporate-wide culture-enhancing initiative, and not just an HR-centric program.

Companies typically implement recognition programs to engage employees, provide positive feedback, reward employees for hard work, and motivate and inspire them to work harder and smarter, especially in challenging work environments. But recognition can be part of something even more important – creating a workplace culture where employees thrive.

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According to the O.C. Tanner Institute, both leaders (48%) and employees (57%) say “making employees feel valued and appreciated” is the aspect of workplace culture that is most important to them. Recognition is a top priority for employees seeking jobs, and leaders who want to recruit the best talent for their organizations.

**ENGAGEMENT**

Employee recognition has a huge impact on employee engagement. 78% of employees are highly engaged when they feel strong recognition from their organizations, compared to 34% of employees who are highly engaged in companies with weak recognition.

![Highly Engaged](image)

Un fortunately, employees rated “making employees feel valued and appreciated” as the top aspect of workplace culture their organization struggles with (41%).

But there’s hope. There’s a 32% increase in employee engagement when employees feel appreciated, and a 26% increase in engagement when employees give recognition. So the simple act of giving and receiving recognition can boost engagement levels.

**RETENTION**

The impact of recognition on turnover and retention is indisputable:

- **Gallup** found employees who are not adequately recognized are 2x more likely to say they’ll quit in the next year.

- **Glassdoor** reports 53% of employees would stay at their jobs longer if their employers showed them more appreciation.

- **Qualtrics** says those who have managers that regularly acknowledge them for good work are 5 times more likely to stay.

Effectively recognizing years of service can help with retention as well. By having a service award program, companies can retain employees for 2-4 more years than companies without a service award program.

**Average number of years an employee stayed at their previous company**

<table>
<thead>
<tr>
<th>With service awards</th>
<th>6.7 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without service awards</td>
<td>4.7 yrs</td>
</tr>
</tbody>
</table>

**CULTURE**

Employees say recognition would be an effective way of improving relationships with leaders at their organizations.

**Employee’s choice of which benefit would improve their relationship with their direct manager**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition for ongoing effort</td>
<td>50%</td>
</tr>
<tr>
<td>Recognition for going above and beyond</td>
<td>28%</td>
</tr>
<tr>
<td>5% Salary Bonus</td>
<td>22%</td>
</tr>
</tbody>
</table>
Recognition also impacts the 6 essential aspects of workplace culture: purpose, opportunity, success, wellbeing, appreciation, and leadership.

Employees who receive strong recognition are 33% more likely to be proactively innovating and generate 2x as many new ideas per month. They are 2X more likely to be highly innovative, and are also more likely to be working at 80% capacity or higher.

Employee recognition doesn’t just make workers feel appreciated, it builds a workplace culture where people feel positive about their leaders, aligned to something greater, and an improved sense of growth, accomplishment, and overall wellbeing.

PERFORMANCE AND INNOVATION

Recognition is more effective than a salary bonus at encouraging people to be more innovative and productive.

Companies have attributed employee recognition to improving sales, customer service, patient satisfaction, and even quality metrics.
Recognition 101: Your Comprehensive Guide to Employee Recognition Programs

feel like a transaction, forced, or something you do to “check the box”.

2. **Specific.** Describe what the individual did, the outcome of their work, why it exceeded expectations, how it made a difference, and how it impacted the team and organization. Generic statements like, “I heard you did a good job” take the meaning out of recognition.

3. **Timely.** Give recognition as soon as you see good work. Delaying recognition lessens its impact.

4. **Frequent.** Employees should be thanked or praised once a week if possible. Getting recognition only 1 or 2 times a year will not make someone feel appreciated.

5. **Connected to purpose.** Align recognition back to your organization’s purpose. Why did that individual’s work make a difference to the company? How does it further your organization’s purpose?

6. **Presented in person.** Not left on someone’s desk, or emailed to them, but presented in a meaningful and heartfelt way. Plan your words in advance, and invite peers to participate.

7. **Public.** Public presentations not only showcase the employee’s work to their peers and other leaders, but it also inspires observers of the recognition. It helps them see what behaviors and work are valued in your organization, and want to do more of the same.

**RECOGNITION REWARDS**

You may also be wondering what you should give as a reward for great work. Many people assume cash or gift cards are the best gifts for recognition, and while those things can be appropriate in some instances, they are certainly not the best recognition for every type of accomplishment. Cash is spent quickly and easily forgotten, there are negative tax implications to giving cash, and it can be awkward to present cash in a public setting. Gift cards can be personal for on-the-spot recognition, but are not meaningful enough for larger accomplishments or years of service recognition. It’s best to have a variety of awards available to give (and choose from) in different situations.

**EMPLOYEE RECOGNITION AWARD EXAMPLES FOR PERFORMANCE RECOGNITION**

- Ecards
- Verbal thank you
- Handwritten thank you note
- Emails
- Lunches/Dinners out
- Points in a point-based program
- On the spot awards like gift cards, treats, personal items
- Merchandise awards
- Travel, concert and event tickets, experiences
- Charitable giving
- Symbolic awards
- Cash awards

**EMPLOYEE RECOGNITION AWARDS FOR YEARS OF SERVICE**

- Personal note of congratulations from CEO or senior leader
- Personalized brochure with messages and comments from peers and leaders
• Symbolic award to represent the years of service and connect back to something meaningful to the company
• Choice of award item (ranging from jewelry, electronics, home accessories, leisure/sports items, travel accessories, etc.)
• Nice celebration or meal out

Simple Employee Recognition ideas and Examples

Want to give an employee some recognition but not sure how? Try a few of these and see the impact for yourself:

1. Start a meeting with a shout out to someone who put in extra effort or did something great that week.
2. Give recognition on the spot – when you see great work happening, or gather a small group of peers and create a “recognition moment” where you present recognition to the individual.
3. Recognize someone more formally in a team meeting, company meeting, or town hall.
4. Publicize recognition on shared screens or spaces. Describe what the person did and why they are being recognized.
5. Spotlight recognition on the front page of your intranet or the first section of your company newsletter.
6. Schedule a reoccurring meeting once a month with the sole purpose of recognizing your people for specific instances of great work.
7. Show your appreciation during your regular one-on-one meetings with your employees.
8. Recognize when employees make healthy choices or contribute to their own or someone else’s positive wellbeing.
9. Recognize up—often we forget to recognize our own managers and leaders. They want to feel appreciated too.
10. Recognize unsung heroes—those who do great work, day after day, to support their peers but may not be in very visible roles.

How to start an employee recognition program

Here are a few things to consider when starting a recognition program:

• Determine your employee recognition criteria
• Provide tools for employee recognition activities
• Communicate, educate, and inspire
• Get Senior Leadership Buy-in and Commitment
• Choose the right partner

DETERMINE YOUR EMPLOYEE RECOGNITION CRITERIA

Set a purposeful foundation. Think about what you want to recognize, and why. Start by identifying your organization’s purpose, values, and what’s most important to you. What behaviors and accomplishments best align with your values and further your organization’s purpose?

Give everyone a chance to recognize. Ensure sure everyone gets the opportunity
to give and receive. The criteria for recognition should be very clear, and include all employees and locations, no matter the tenure, level, function, or area.

**Incorporate both manager and peer-to-peer recognition.** Receiving recognition from both leaders and peers is meaningful to an employee, and the very act of giving recognition can impact engagement, retention, and culture for those who give.

**Provide tools for employee recognition activities**

Once you’ve identified the *why*, you must decide the *how*.

**Put recognition in the flow of work.** Think about the tools you want to use: the type of technology, mobile tools, offline tools, etc. Put recognition tools in apps and sites your employees are already using for work, so they don’t have to leave the flow of work to give and receive recognition.

**Match awards to accomplishments.** What awards do you want to have available? Beware of recognition programs with a one-size-fits-all strategy (for example, gift card only programs, cash only programs, etc.), as not all employees have the same wants and needs.

**Create purposeful, meaningful, personal experiences.** Don’t forget about the personal experience, which can be just as important as the award itself. You’ll want to encourage leaders and peers to create recognition moments for recipients, with a highly personal and genuine presentation that can include peers.

**Communicate, educate, and inspire**

**Leverage the what, why, and how.** Communication and training will be crucial parts of starting a recognition program. You’ll want employees to be excited about your new recognition program, so good communication and a specific recognition brand is key. Think about creative employee recognition program names that reflect your organization’s purpose and brand and inspire employees.

Ongoing communication and reminders about your program will ensure all employees are aware of the tools available, understand the importance of recognition, and know how to give. Leadership training should teach leaders why recognition is important, and how to give recognition in a meaningful way. Encourage leaders to use storytelling to reinforce your organization’s purpose and align employees’ work to that purpose.

**Refresh often.** Don’t let your program get stale after the first year. Introduce new recognition activities, awards, and communication campaigns. Keep the energy and excitement of your program up, and recognition top of mind.

**Get senior leadership buy-in and commitment**

The most important aspect of a recognition program is *senior leadership buy-in and*
commitment. Your program will not succeed if executives are not bought into the importance of recognition, encourage your people to recognize, and role model how recognition is done. You won’t be able to secure the needed budget and resources for recognition, and your program will become another HR perk instead of a culture-building initiative.

Calculate your return on investment (ROI). By showing senior leaders the ROI of your recognition efforts, you’ll earn their continued commitment and investment. Look at who is giving and receiving recognition, how recognition is impacting culture and engagement, and the impact of recognition on business metrics like retention, customer service, quality, and sales.

CHOOSE THE RIGHT PARTNER

If building a recognition program seems daunting, find a partner to help you. Look for an established recognition provider that has proven experience working with companies like yours, in industries like yours. Lean on them to provide best practices in program design, awards, communication, training, measurement, and culture consulting. Look for a partner with a solution that has long term impact, can grow your recognition initiatives, and is more than just a social wall—someone who can truly help you embed recognition into your workplace culture.

For a more detailed guide to starting a recognition program, read our complete Recognition Program Guidebook.

Why employee recognition programs fail

The top reasons employee recognition programs fail:

• Budget constraints
• Employees have low perceived value
• Recognition has a lower priority than other business initiatives and is not aligned to main business and workforce priorities
• No ongoing communication or reminders of the program
• No measurement or calculated ROI

HOW TO ENSURE RECOGNITION PROGRAMS SUCCEED:

1. Maintain leadership commitment. Share the ROI of recognition with executives, and reinforce the need for their support and commitment. Position recognition as...
a company culture initiative and not just an HR tool in order to gain the highest levels of budget and resources.

2. Provide meaningful, easy to use recognition tools. If the recognition is not meaningful (with appealing awards and personal presentations), or easy to use, organizations risk underutilization of the program.

3. Don’t just “set it and forget it”. Refresh solutions often so they don’t get stale. Use communication and reminders to maintain awareness and share the impact of the program. Train managers on the best ways to recognize their people. Encourage peer-to-peer recognition. Utilize recognition champions: employees and leaders who are specially trained to keep the energy and excitement of recognition alive.

When you recognize your people for their great work and effort, you’ll build a workplace culture where employee feel appreciated, inspired, and thrive.

Ready to start? Download our step-by-step guide to building an effective recognition solution. or check out Culture Cloud, our suite of culture-building apps and recognition solutions that help people thrive at work.