You know employee recognition is important, but practically speaking, there are a lot of questions to answer when it comes to setting up a successful recognition program. Read on as we explore the O.C. Tanner Institute’s latest global study where we explore recognition culture from an employee’s perspective. We will examine recognition from the unique perspective of the person giving recognition and show how the act of giving recognition, combined with receiving and observing recognition, is a powerful way for any organization to influence the greatness found in every employee. This study shows the organizational benefits associated with giving recognition, explores which employees are giving recognition, tells what is holding employees back from giving more recognition, and provides best practices for building a successful recognition program.

This global study explores the organizational benefits associated with employees who give recognition and shows how these organizational benefits are magnified when employees frequently give recognition, receive recognition, and observe others receiving recognition.

The O.C. Tanner Institute’s latest global study is aimed specifically to understand the benefits associated with recognition culture. The study aims to show the immense impact that a comprehensive recognition strategy can have on individual employees. The study examines the organizational benefits associated with employees who give recognition and shows how these organizational benefits are magnified when employees give recognition, receive recognition, and observe others receiving recognition on a frequent basis. Whether your company is just beginning the recognition journey or you’re several years in and looking for ways to grow, this paper will surely deliver helpful insights about recognizing and help your organization succeed at achieving a recognition culture – and all the benefits that come with it.
Despite the old adage, “it’s better to give than to receive,” most organizations heavily emphasize receiving when it comes to employee recognition. By doing so, organizations fail to realize the full impact of their recognition solutions are having. Receiving recognition is definitely correlated with many key metrics most organizations track and seek to improve, but there are also immense benefits that can be attributed to the act of giving recognition to others. These benefits are often overlooked, but include increases in employee engagement, employee wellbeing, innovation, work results, and revenue.

On average, employees score 26% higher on their engagement scores when comparing employees who ‘never/rarely’ give recognition to those that ‘always’ give recognition. In more simple terms, as employees give recognition more, the data shows increases in these areas related to engagement:

- Increased motivation to contribute
- Increased support of company values
- Increased understanding of how teams contribute to organizational success
- Increased likelihood to recommend the organization
- Increased pride in the organization
- Increased willingness to go above and beyond
- Increased desire to be working at the same organization in one year

No matter where you are starting, increasing the amount of times an employee gives recognition results in incremental gains in engagement.
Looking at the data in terms of the percent of employees who are engaged:

- 30% of employees who said they ‘never/rarely’ give recognition are engaged
- 46% of employees who said they ‘sometimes’ give recognition are engaged
- 66% of employees who said they ‘often’ give recognition are engaged
- 81% of employees who said they ‘always’ give recognition are engaged

Overall, that is a 170% increase in the percentage of engaged employees when comparing employees who ‘never/rarely’ give recognition to those that ‘always’ give recognition. While there are definitely more things associated with engagement than just giving recognition, having employees give recognition and notice the effort of others is clearly a great place to focus when trying to increase engagement.

The percentage of employees engaged increases 170% when employees give recognition.

Employees who give recognition are not only more engaged, but they are also more holistically well. About 1 out of every 10 employees who ‘never/rarely’ give recognition have excellent wellbeing. This increases to 1 out of every 4 employees when they ‘always’ give recognition. Holistic wellbeing
represents how individual employees rate their current lives at work and at home and how optimistic they are about their future. By giving recognition more often, employees not only feel more secure in their present circumstances, but are also more optimistic about their future.

Again, it doesn’t matter where you start in terms of how often employees are currently giving recognition in order to see gains in overall wellbeing. Looking at the data in terms of the percent of employees who have excellent wellbeing:

- 11% of employees who ‘never/rarely’ give recognition have excellent wellbeing
- 19% of employees who ‘sometimes’ give recognition have excellent wellbeing
- 22% of employees who ‘often’ give recognition have excellent wellbeing
- 25% of employees who ‘always’ give recognition have excellent wellbeing

Overall, that is a 140% increase in the percentage of employees with excellent wellbeing when comparing those who ‘never/rarely’ give recognition to those that ‘always’ give recognition.

The percentage of employees with excellent wellbeing increases 140% when employees give recognition.

In addition to improved employee engagement and wellbeing, employees who give recognition are also more innovative. Overall, there is a 33% increase in innovation scores when comparing employees who ‘never/rarely’ give recognition to those that ‘always’ give recognition. This increase represents how well employees ask the right questions, go see problems for
themselves, seek help from their outer circles, improve the mix of solutions, and deliver a difference people love.

Furthermore, innovation scores have one of the largest differences associated with giving frequency. The incremental gains in innovation, as employees give more recognition, are astounding:

- 18% of employees who ‘never/rarely’ give recognition are innovating
- 26% of employees who ‘sometimes’ give recognition are innovating
- 45% of employees who ‘often’ give recognition are innovating
- 71% of employees who ‘always’ give recognition are innovating

Overall, that is a 294% increase in the percentage of employees who are innovating when comparing employees who ‘never/rarely’ give recognition to those that ‘always’ give recognition.

**The percentage of employees innovating increases 294% when employees give recognition.**

Fortunately, the increased innovation doesn’t lead to less quality work either. Rather, it leads to even better work results. There is a 22% increase in actual work results when comparing employees who ‘never/rarely’ give recognition to those that ‘always’ give recognition. This increase represents better quality of work, increases in how often work goes beyond expectation, and improved value that a particular employee’s work adds.

Employees who give recognition more often are also more likely to work at an organization where revenue is increasing year over year. Only 65% of employees who ‘never/rarely’ give recognition say that their organization’s revenue increased over the past year. This number increases to 92% among
employees who say they ‘always’ give recognition. While this particular study didn’t target specific organizations, there is definitely a change in employee perspective in regards to how successful their organization is when they give recognition more often.

In addition to the organizational benefits already outlined, employees themselves see the value of giving others recognition. By asking employees a set of questions about how they feel giving recognition affects them personally, we found:

- 90% agree that giving others recognition is important
- 89% agree that giving recognition creates a better company culture
- 79% agree they, the giver, works harder after they recognize another’s achievement
- 84% agree that giving recognition inspires them to think about better ways to do things
- 86% agree that giving recognition helps them better connect with colleagues
- 81% agree that giving recognition helps them better connect to the organization
- 76% agree that giving recognition helps them better connect with their organization’s products/services
- 88% agree that giving recognition makes them happy
- 87% agree that giving recognition makes them feel more positive
- 84% agree that giving recognition improves their personal sense of wellbeing
- 75% agree that giving recognition makes them want to stay at their current organization longer
Clearly there are a lot of benefits associated with giving recognition and employees also see the overall value in giving recognition. However, do these benefits actually translate into employees giving recognition? A closer look at the data reveals that a lot of employees do in fact give recognition, but also a lot of employees do not give recognition. Overall, 14% self-report that they ‘never/rarely’ give recognition at work, 38% ‘sometimes’ give recognition, 37% ‘often’ give recognition, and 11% ‘always’ give recognition.

More specifically, when asking employees to think about the past month, 29% haven’t given any recognition at all. This decreases to 17% who have not given recognition in the past 6 months and 11% who have not given recognition in the past year. We also found that there is a clear correlation in terms of not giving and job title within the organization. Management at all levels are more likely to have given recognition at least once over all the established time frames.

While employees recognize the importance of giving recognition, 29% haven’t given any recognition in the past month.
Have Not Given Recognition:

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Senior Leaders</th>
<th>Mid-Level Mangers</th>
<th>Non-Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the Past Month</td>
<td>29%</td>
<td>23%</td>
<td>26%</td>
<td>36%</td>
</tr>
<tr>
<td>In the Past 6 Month</td>
<td>17%</td>
<td>11%</td>
<td>13%</td>
<td>24%</td>
</tr>
<tr>
<td>In the Past Year</td>
<td>11%</td>
<td>8%</td>
<td>7%</td>
<td>19%</td>
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</table>

Further breaking down the numbers, employees report, on average, that they have given recognition approximately 2.6 times in the past month, 7 times in the past 6 months, and 13 times in the past year. However, in terms of frequency, non-manager employees outperform management. So, while fewer non-manager employees give recognition overall, those non-managers who do recognize do so more frequently.

**While fewer non-managers give recognition, non-managers who do give recognition do so more than management.**

<table>
<thead>
<tr>
<th>Average Times Gave Recognition:</th>
<th>Overall</th>
<th>Senior Leaders</th>
<th>Mid-Level Mangers</th>
<th>Non-Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the Past Month</td>
<td>2.6</td>
<td>2.9</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>In the Past 6 Month</td>
<td>7</td>
<td>6.3</td>
<td>6.5</td>
<td>8</td>
</tr>
<tr>
<td>In the Past Year</td>
<td>13</td>
<td>11</td>
<td>12</td>
<td>15</td>
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In addition to the differences associated with job-title, there are also large differences looking across countries. Overall, employees in the United States and the United Kingdom give recognition at a higher rate than other countries. Australian, Canadian, and German employees fall in the middle range and employees in the Asian countries of India and Singapore give recognition the least.
It is important to point out that the overall median associated with giving recognition is much smaller than the average. In the past month, the median times given is 1 and the median increases to 2 in the past 6 months and 4 in the past 12 months. The large discrepancy between average and median reveals that there is a subset of employees who give a disproportionately high amount of recognition relative to most other employees. These ‘super givers’ skew the average number higher. Overall, most employees actually give less than the averages would suggest.

The median number of times employees have given recognition is 4 times over the past year, or approximately once per quarter – much less than the average.

So, what stops employees from giving recognition more? The top 5 reasons that employees report they personally don’t give recognition more often are:

1. I’m saving recognition for only the “best” work
2. I have budget concerns
3. My organization doesn’t have a program to give recognition
4. I don’t feel empowered to give recognition at work
5. I don’t feel like it is my responsibility to give recognition at work
To overcome these challenges, organizations should use email to communicate tips and reminders for giving recognition. Nearly three-fourths of employees indicated that if their organization chose email as the primary method to encourage them to give recognition that they would want emails at least monthly. 13% indicated that they would want emails daily, 29% would want emails weekly, and 31% would want emails monthly. Email communications are an easy way to reach all employees, help them understand that recognition is everyone’s responsibility, and empower all employees to give recognition.

Email communication to employees and executive buy-in and modeling of recognition are needed to improve the amount of recognition given.

In addition to asking specifically about email, respondents were also asked what the single most effective thing their organization could do to encourage them to give recognition more often. A clear theme of these open-ended comments was that recognition culture needs to be championed by leadership within the organization. One respondent said, “Have a culture of recognition - if leaders and others don’t recognize employees much, it doesn’t motivate us to do it either.” Another employee emphasized that leaders need to “create a culture with more genuine recognition.” Ultimately, leaders are the ones who set the tone. They decide to implement a program and assign a budget to that program. Only a concerted effort from senior leaders will allow organizations to overcome some of the top reasons employees are not currently giving recognition.

Best Practices for Successful Recognition Programs

While a focus on the giving side of recognition results in increased metrics, the combination of giving recognition, receiving recognition, and observing recognition is powerful. About 17% of employees indicated that they ‘often’ and/or ‘always’ give, receive, and observe recognition at their organization and 5% of employees indicated that they ‘rarely’ and/or ‘never’ give, receive, and observe recognition at their organization. This leaves the majority, about 78%, of employees who give, receive, and observe recognition at
varying degrees. Comparing the best, the worst, and the in between clearly shows how powerful a combined approach can be:

- **591%** the percentage of employees who are engaged
- **420%** the percentage of employees who have ‘excellent’ wellbeing
- **536%** increase in the percentage of employees innovating
- **571%** the percentage of employees who have ‘excellent’ work results

These increases represent a comparison between those giving, receiving, and observing recognition the most and those doing the same the least. However, the impact is also incremental in nature. There is almost a 3 times increase across all the metrics when comparing the worst at giving, receiving, and observing recognition to employees who are in between. Additionally, when comparing employees who are in between with those that are the best at giving, receiving, and observing recognition, the results almost double again (on top of the 3X already assessed) across all the metrics.

<table>
<thead>
<tr>
<th>How often give, receive, and observe recognition</th>
<th>Never/Rarely</th>
<th>In Between</th>
<th>Often/Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent engaged</td>
<td>13%</td>
<td>50%</td>
<td>90%</td>
</tr>
<tr>
<td>Percent with ‘excellent’ wellbeing</td>
<td>5%</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Percent innovating</td>
<td>11%</td>
<td>31%</td>
<td>70%</td>
</tr>
<tr>
<td>Percent with ‘excellent’ work results</td>
<td>7%</td>
<td>19%</td>
<td>47%</td>
</tr>
</tbody>
</table>
Clearly, there is something special going on when employees give, receive, and observe recognition, so what is different about these employees? There are statistically significant differences associated with how actual recognition programs are configured and how often recognition is given, received, and observed at an organization. Continuing to compare those that ‘often’ and/or ‘always’ give, receive, and observe recognition; those that ‘never’ and/or ‘rarely’ give, receive, and observe recognition; and those that are in between, it is clear that how a recognition program is set up matters:

<table>
<thead>
<tr>
<th></th>
<th>Never/Rarely Give, Receive</th>
<th>In Between</th>
<th>Often/Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team has a formal performance recognition program</td>
<td>30%</td>
<td>66%</td>
<td>92%</td>
</tr>
<tr>
<td>Recognition program is run at the corporate level</td>
<td>39%</td>
<td>51%</td>
<td>57%</td>
</tr>
<tr>
<td>Recognition program has designated champions/ambassadors</td>
<td>30%</td>
<td>50%</td>
<td>84%</td>
</tr>
<tr>
<td>Recognition program has a mobile app</td>
<td>13%</td>
<td>15%</td>
<td>28%</td>
</tr>
<tr>
<td>Recognition program has an online interface</td>
<td>29%</td>
<td>40%</td>
<td>48%</td>
</tr>
<tr>
<td>Recognition program has an online 'wall of fame'</td>
<td>29%</td>
<td>34%</td>
<td>52%</td>
</tr>
<tr>
<td>Recognition program has an offline option to give</td>
<td>19%</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>Recognition program is easy to use</td>
<td>66%</td>
<td>82%</td>
<td>97%</td>
</tr>
<tr>
<td>Organizations communicate about the program well</td>
<td>70%</td>
<td>81%</td>
<td>97%</td>
</tr>
</tbody>
</table>

Overall, many of these program configurations are intuitive. For example, it is no surprise that employees giving, receiving, and observing recognition the most have a formal performance recognition program.
within their team. However, this also leads to less obvious findings.

Successful Recognition Programs:

- Are run at the enterprise level
- Have designated employee champions/ambassadors who encourage program usage
- Utilize mobile technology
- Publicize accomplishments via online ‘wall of fame’
- Primarily use an online interface
- Has offline options to give and receive recognition
- Are easy to use
- Have a good communication strategy for the program

Organizations have a unique opportunity to influence the greatness that is inherently found in everyone. One of the most effective levers senior leaders can use to attract, retain, and engage employees is recognition. While the benefits of recognition are often solely attributed to the person receiving recognition, this study has shown that a combination of giving recognition, receiving recognition, and observing recognition is more impactful on individual employees than any single part of the full recognition experience. The organizational benefits discussed in this paper include increases in employee engagement, employee wellbeing, innovation, work results, and revenue.

Giving recognition, receiving recognition, and observing recognition combine together to form a powerful tool for organizational leaders. Organizations looking to use employee recognition as a strategic tool to influence greatness must focus on the full recognition experience. From an employee giving recognition, to the employees who observe a recognition moment, and finally to the employee actually receiving the recognition. Organizations who focus on all three experiences will realize the full impact of meaningful and purposeful recognition. The gains of recognition culture are clear, and organizations should reevaluate how they can better nurture a culture that fosters recognition, not just for the recipients’ sake, but also for those giving it and those observing it.

Conclusion
The O.C. Tanner Institute conducted a quantitative study to 3,496 employees covering countries in four continents. The survey targeted adults (age 18+) working full-time at companies with more than 500 employees. The survey was conducted using an online survey administered to an online panel of individuals who have agreed to take part in surveys. The survey solicited respondents’ self-assessment of different aspects of their work and work culture.

Employees surveyed worked in a broad range of industries and across all job titles and responsibilities. Employees surveyed represent employees who work for private sector firms, government organizations, and non-profit agencies. Additionally, respondents represent every workplace age group and a broad range of socioeconomic situations including representation across education levels, household income, and gender.

The responding sample is weighted to the profile of the sample definition to provide a representative reporting sample. The profile was derived from census data or, if not available from the census, from industry accepted data. Fieldwork was undertaken between October 10th - October 19th, 2016. The figures have been weighted to make them representative of the aggregated adult (aged 18+) full-time working populations of the United States, Australia, Canada, United Kingdom, Singapore, India, and Germany. Within each country representative and statistically valid samples were taken. Overall, there were 716 respondents from the United States, 406 from the United Kingdom, 417 from Germany, 418 from Canada, 706 from India, 431 from Australia, and 402 from Singapore. Unless otherwise stated, all figures within this document represent global figures. The O.C. Tanner Institute makes every effort to provide representative information. All results are based on a sample and are therefore subject to statistical errors normally associated with sample-based information.

Within the survey, many questions were combined to form a single measure or index. For this study, the following indices were used:

**Engagement Index**

The engagement index used for this study combined 7 questions and assigned each employee an engagement score between 0 and 6. The questions used for this index measured things like an employee's
willingness to go beyond normal responsibilities, pride in the organization, willingness to recommend the organization, desire to stay at the organization, and understanding how they and their team contributes to organizational success. The mean global engagement score was 4.5. Any employee scoring 5 or higher on their engagement score is considered ‘engaged’ for the purposes of this study. Within this study, 54.7% of employees globally are considered ‘engaged.’

INNOVATION INDEX

In innovation index used for the study combined 15 questions and assigned each employee an innovation score between 0 and 6. The questions used for this index measure how well an employee is currently doing the 5 great work skills. For more information on the 5 great work skills please see New York Times bestselling book Great Work: How to Make a Difference People Love by David Sturt in partnership with the O.C. Tanner Institute. The mean global innovation score was 4.8. Any employee scoring 5 or higher on their innovation score is considered ‘innovating’ for the purposes of this study. Within this study, 36.9% of employees globally are considered ‘innovating.’

WELLBEING INDEX

The wellbeing index used for the study combines 4 survey questions and assigned each employee a wellbeing score between 0 and 10. The questions used for this index assess how good individual employees feel like their current life is within work and outside of work. Additionally, the questions assess how optimistic individual employees are about where their life will be in 5 years both within work and outside of work. The mean global wellbeing score was 6.1. Any employee scoring 8 or higher on the index was considered to have ‘excellent’ wellbeing for the purposes of this study. Within this study, 19.7% of employees globally are considered as having ‘excellent’ wellbeing.

WORK RESULTS INDEX

The work results index used for the study combines 5 survey questions and assigned each employee a results score between 0 and 6. The questions for this index assess the quality of work done by an employee, how much above expectations work went, and the value that the work ultimately provided. The mean global results score was 4.0. Any employee scoring 5 or higher on their results score is considered as having excellent work results for the purposes of this study. Within this study, 23.9% of employees are considered as having excellent work results.
Outcomes are everything
We’d love to share what we’ve helped thousands of our global clients achieve.
Contact us today at octanner.com

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