



Why employee recognition is so important

By Kim Harrison,

Consultant, Author and Principal of [Cutting Edge PR](#)

Employee recognition is the timely, informal or formal acknowledgement of a person's or team's behavior, effort or business result that supports the organization's goals and values, and which has clearly been beyond normal expectations.

To be really effective in your job, you need to understand the psychology of praising others for their good work, to apply the principles of employee recognition yourself and to encourage others to initiate it in their working relationships.

Appreciation is a fundamental human need. Employees respond to appreciation expressed through recognition of their good work because it confirms their work is valued. When employees and their work are valued, their satisfaction and productivity rises, and they are motivated to maintain or improve their good work.

Praise and recognition are essential to an outstanding workplace. People want to be respected and valued for their contribution. Everyone feels the need to be recognized as an individual or member of a group and to feel a sense of achievement for work well done or even for a valiant effort. Everyone wants a 'pat on the back' to make them feel good.

There are two aspects to employee recognition. The first aspect is to actually see, identify or realize an opportunity to praise someone. If you are not in a receptive frame of mind you can easily pass over many such opportunities. This happens all too frequently. The other aspect of employee recognition is, of course, the physical act of doing something to acknowledge and praise people for their good work.

As a PR practitioner, why should you get involved in employee recognition? Firstly, because you can use the principles to great effect in your own working relationships (and personal relationships).

Secondly, because employee recognition has a *huge* communication component! Recognizing people for their good work sends an extremely powerful message to the recipient, their work team and other employees through the grapevine and formal communication channels. Employee recognition is therefore a potent communication technique.

Employee recognition isn't rocket science – it is an *obvious* thing to do. Despite the unquestioned benefits arising from employee recognition, one of the mysteries of the workplace is that recognition invariably is done badly, if done at all. Managers need reinforcing and coaching. Employee recognition remains an undervalued management technique.

One thing you can do is to ensure there are questions on employee recognition in your organization's employee surveys. The results can be used to prove the need for greater employee recognition.

Surveys conducted by Sirota Consulting have revealed that only 51% of workers were satisfied with the recognition they received after a job well done.¹ This figure is as conclusive as you could get – it has been reached from interviewing 2.5 *million* employees in 237 private, public and not-for-profit organizations in 89 countries around the world in the ten years to 2003.

Cost-benefit analysis of employee recognition

The cost of a recognition system is quite small and the benefits are large when implemented effectively. Meta-analysis conducted by the Gallup Organization in 2003 of the results from 10,000 business units in 30 industries found [a meta-analysis is the statistical analysis of results across more than one study]:

Benefits





- Increased individual productivity – the act of recognizing desired behavior increases the repetition of the desired behavior, and therefore productivity. This is classic behavioral psychology. The reinforced behavior supports the organization’s mission and key performance indicator
- Greater employee satisfaction and enjoyment of work - more time spent focusing on the job and less time complaining.
- Direct performance feedback for individuals and teams is provided.
- Higher loyalty and satisfaction scores from customers.
- Teamwork between employees is enhanced.
- Retention of quality employees increases – lower employee turnover.
- Better safety records and fewer accidents on the job.
- Lower negative effects such as absenteeism and stress.

Costs

- Time spent in designing and implementing the program.
- Time taken to give recognition.
- Dollar cost of the recognition items given
- Time and cost of teaching people how to give recognition.
- Costs of introducing a new process. ²



Measurable improvement in profitability

Measuring the direct impact on profitability is difficult because it is only one of many factors influencing employees in every workplace. However, case studies make a persuasive case that bottom line benefits have been achieved through recognition schemes. The Walt Disney World Resort established an employee recognition program that resulted in a 15% increase in staff satisfaction with their day-to-day recognition by their immediate supervisors. These results correlated highly with high guest-satisfaction scores, which showed a strong intent to return, and therefore directly flowed to increased profitability.

Likewise, Sears, Roebuck & Co. found for every 5% increase in employee attitude scores, they saw a 1-3% increase in customer satisfaction and a 0.5% increase in revenue.

On the other hand, the cost of extremely negative or ‘actively disengaged’ workers comprises about 10% of the US Gross Domestic Product annually, including workplace injury, illness, employee turnover, absences and fraud.³

How you can give employee recognition





Traditionally, employee recognition has not been a core public relations activity, but you can be a catalyst in your organization. If you are a PR manager, you can initiate it in your area. You could start doing it discreetly, not even telling others about the change, but doing it and observing the results.

You can spontaneously praise people – this is highly effective. To many employees, receiving sincere thanks is more important than receiving something tangible. Employees enjoy recognition through personal, written, electronic and public praise from those they respect at work, given in a timely, specific and sincere way.

This day-to-day recognition is the most important type of recognition. Day-to-day recognition brings the benefit of immediate and powerful reinforcement of desired behavior and sets an example to other employees of desired behavior that aligns with organizational objectives. It gives individuals and teams at all levels the opportunity to recognize good work by other employees and teams, and it also gives the opportunity for them to be recognized on the spot for their own good work.

Even if you aren't a manager, you can be alert for opportunities to recognize others and take the initiative to do something. You can nudge your manager to do more of it and to encourage it in other departments.

The best formula for recognizing an individual for their efforts is:

- Thank the person by name.
- Specifically state what they did that is being recognized. It is vital to be specific because it identifies and reinforces the desired behavior.
- Explain how the behavior made you feel (assuming you felt some pride or respect for their accomplishment!).
- Point out the value added to the team or organization by the behavior.
- Thank the person again by name for their contribution.

Recognition is a key success factor even at higher levels of management. Dr Lawrence Hrebiniak, Professor of Management in the Wharton School at the University of Pennsylvania, states, "What's absolutely critical...is that the organization celebrates success. Those who perform must be recognized. Their behavior and its results must be reinforced...Managers have emphasized this point to me time and time again, suggesting that, as basic as it is, it is violated often enough to become an execution problem...Give positive feedback to those responsible for execution success and making strategy work." ⁴

If you would like to know how to initiate and conduct employee recognition activities, you can find lots of ideas, and the best framework and guiding principles from my e-book, *Creative ideas for employee recognition*, at [Cutting Edge PR](#).

References

1. Sirota, David; Mischkind, Louis A.; Meltzer, Michael Irwin. *The enthusiastic employee – how companies profit by giving workers what they want*. Upper Saddle River, New Jersey: Pearson Education, Inc., publishing as Wharton School Publishing, 2005, pp. 207-208.
2. Harter, J.K., Schmidt, F.L., & Killham, E.A. *Employee engagement, satisfaction, and business-unit-level outcomes: a meta-analysis*. Washington DC: The Gallup Organization, 2003.
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4. Hrebiniak, Lawrence G. *Making strategy work: leading effective execution and change*. Upper Saddle River, New Jersey: Pearson Education, Inc., publishing as Wharton School Publishing, 2005, pp. 200-201.

This article is based on a chapter in the e-book, *Creative ideas for employee recognition* by Kim Harrison. The e-book can be accessed on [Cutting Edge PR](#).

