



## Why Is Employee Recognition Important?

Research on workplace wellness confirms that employers who provide positive recognition and reward contribute to higher levels of employee engagement, quality employee performance, and workplace stability. In addition, staff recognition and reward matter more than compensation, indicating that managements' skills and ability to provide verbal and written recognition are more meaningful than increasing salaries.

However, 75 percent of respondents felt that skilled employees were not given proper recognition. Many formal recognition programs - as much as 87 percent - focus on tenure, providing awards for length of service at significant milestones. While older generations tend to work longer at each company, younger generations work about three years on average.

## Formal Recognition Programs

Consider implementing a formal recognition program if you don't already have one:

- Choose criteria for recognition. Tenure shouldn't be the only criteria for employee recognition. If you want to recognize employees for years of service, you should do that in addition to performance-based bonuses. Will you recognize employees for submitting great ideas? Will you recognize employees who overperform on sales or other goals? Many companies, including Google, even celebrate big failures to encourage employees to think boldly and come up with ideas that may or may not work.
- Choose an incentive. What will the recognized employees receive for their work? This could be a cash bonus, a gift card (which is treated as cash for IRS tax purposes), listing on an employee-of-the-month wall, premium parking, extra PTO, public recognition at an event like an annual meeting, or a plaque or certificate.
- Establish a time period. How often do you want to formally recognize employees? This can differ for each workplace. You can recognize employees weekly, monthly, quarterly, semi-annually, or on the spot.
- Establish a formal process for nominations or consideration. Who decides which employees are recognized for their efforts? Can their peers nominate them? Can their managers nominate them? Who makes the final decision—managers or the HR department?
- Train managers and employees on the recognition program. Only 14 percent of companies provide resources and tools to managers for recognition, according to TINYpulse. If managers aren't trained on the importance and logistics of a recognition program, they won't participate. This risks having them skip over talented employees, who might feel resentment toward the company when they don't receive recognition for success.

Follow through on your commitments and regularly review the program. If you establish a program, make sure that the program is properly recognizing top performers. If you skip or delay a process, even when things are busy, you risk not recognizing people who deserve the praise and performance.



If your workplace already has a formal recognition program, review the program to make sure it is working for your company. Survey your employees for tips on how to improve your program.

### **Informal Recognition Programs**

You can also encourage informal recognition at your workplace. Younger generations, in particular, tend to respond to immediate feedback, but everyone likes to hear they did a good job.

- Train managers on the importance of recognition. Encourage managers to give positive feedback (“What a great report!”) as soon as a deliverable is met.
- Add recognition to your staff meetings. Set aside five minutes for employees to give each other praise and kudos for a job well done.
- Enlist the help of senior management. Recognition from the executive leadership team means a lot to employees at all levels. Encourage your C-suite executives to publicly praise and recognize employees for good work.
- Hold managers and executives accountable. Include recognition and praise of direct reports in job descriptions for managers. Ask them to provide examples of recognition and nurturing of their employees during their performance reviews.