The Power of Recognition

People work better when they are recognized for their time and effort. A 2016 Bersin report found that CEOs and HR leaders believe that creating a better culture for their employees, with regular, frequent feedback and recognition, needs to be a top priority if their organizations want to experience better business results overall.

Be it bonuses, awards, rewards, a virtual gold star, or a simple shout out on social media, fostering a culture of recognition drives higher levels of engagement, which translates into improved performance and better results.

In fact, organizations with highly engaged workplaces outperform their peers by 147 percent in earnings per share. When it comes to the key drivers of engagement, recognition ranked at the top of the list (at 72 percent) as having the greatest impact for employees, according to a 2013 HBR study. The question isn’t whether to start building a recognition culture, but how to get started.

**24% of respondents say employees in their organization are highly engaged.**

**71% of respondents rank employee engagement as very important to achieving overall organizational success.**

**72% of respondents rank recognition given for high performers as having a significant impact on employee engagement.**
Recognizing Today’s Workforce

Today’s workforce is hyper-connected, fluent on multiple platforms, multigenerational, global, and always on. Generally, they are highly influenced by the prevailing millennial culture, which values frequent feedback, transparency, learning & development opportunities and a desire to be appreciated for their time, energy and skills.

They value the chance to collaborate, understanding that work is a collective endeavor. They support each other’s efforts, and expect their managers will do the same. They want to be challenged, but above all else, they want to feel a sense of alignment with a company’s mission and values.³
Inclusivity Encourages Engagement

Using antiquated rewards such as gold watches and plaques for recognition is a thing of the past. The promise that after years of toil you’ll receive an embossed something-or-other? Probably not in line with this workforce’s expectations. Deloitte’s 2017 survey on millennials found that most of its 8,000 respondents prefer company leadership that makes a concerted effort to be inclusive.

In millennials terms, inclusivity can pertain to the encouragement of ideas, a sense of purpose and free-flowing communication. In keeping with this overarching shift towards openness and inclusivity, recognition should reflect these values. Don’t withhold individual recognition, but make sure it’s done in context — with an understanding that everyone deserves a chance to shine and is measured by the same criteria.

After clearly communicated recognition criteria are established, recognize employees in a public fashion. In keeping with the highly social nature of the millennial workforce, encourage them to share as well, both within and outside the organization.

“Strong sense of purpose, inclusiveness, and open communications are higher where employees intend to stay longer” 4
Praising employees on rare occasions is not the way to drive better behaviors, or deepen engagement. Bersin by Deloitte found that organizations practicing timely and frequent recognition have 14 percent better employee engagement, productivity and customer service.\textsuperscript{5}

However, we’re only beginning to climb out of an appreciation deficit, according to “The Greatness Gap,” a 2015 survey of the North American workforce. The study, conducted by Achievers, found that just 41 percent of employees felt they were recognized at their preferred frequency, and 60 percent felt their managers did not provide sufficient in-the-moment feedback.

Even more telling, over half (53 percent) said they didn’t feel recognized for their achievements at work at all.\textsuperscript{6} That represents a tremendous opportunity for employers to pick up the slack.

\textbf{41\% of employees} felt they were recognized at their preferred frequency, and

\textbf{60\% felt their managers} did not provide sufficient in-the-moment feedback.\textsuperscript{7}
Two Sides to Social

In a workforce that shares everything, one voice of discontent can amplify and compound the effect of isolated negative sentiment. A recent Gallup study noted that actively disengaged employees may act out their unhappiness, undermining the work of their coworkers.

Rather than having disgruntled employees sharing their complaints on Twitter and Glassdoor, why not make it easy for them to share their positive sentiments in the form of recognitions and compliments for a job well done? Any worthwhile recognition platform will allow for social sharing of recognition moments and this kind of positive social sharing tends to go viral, spreading engagement throughout the organization and beyond.
Driving Behaviors, Aligning Values

A successful recognition program should be calibrated to the values and goals of an organization, allowing colleagues to recognize one another for personifying those values while achieving desired business goals. Recognitions should be regular, immediate, specific, and encouraging – Achievers suggests the acronym R.I.S.E. to keep this top of mind.

Recognitions should reinforce great efforts and praise good habits such as outside-the-box innovation by a creative team, an 11th-hour effort in a quarterly push, or going out of one’s way to help a peer with a challenging project. Regular affirmation of this sort helps sync company and employee values by infusing recognition organically into the culture.

The goal is for giving recognition to become as natural as taking a coffee break – a form of emotional caffeine: A window pops open on a desktop allowing a co-worker to offer quick praise for a well-run meeting; an executive posts a heartfelt thanks to a team that’s instantly seen by the entire organization; a C.E.O. awards points to a whole department for great work on a special project.

As employees start to recognize their peers with an increased frequency, a culture of recognition begins to take root.

R
Regular
Recognize your employees at least once a week. Build a routine in your schedule that will allow you time to focus on recognition.

I
Immediate
The sooner you can recognize an individual for a particular behavior, the more likely they will repeat it.

S
Specific
Give meaningful recognition that is of personal importance to the recipient.

E
Encouraging
Encourage your employees to recognize their peers. A culture of recognition will only be achieved once everyone is involved in the process.
Multiple Formats and Flowing Data

Recognition can come in many forms, but the two most common are monetary (often via a points-based rewards system), and “social” recognitions – a cheer, shout-out, or other brief public commendation. Both should identify and offer praise for desired behaviors: commitment, productivity, and the exertion of discretionary effort.

Offering both monetary and social recognitions allows employees at all levels, in all directions, including the C-suite to participate in the recognition program, not just those with a points budget. For managers, a well-designed recognition program offers many benefits such as the ability to keep track of recognition history as a way of bolstering team performance data and people analytics.

This is where having a central recognition platform in place can have an even greater impact on an organization. It provides a way for the company to learn from itself, generating a constant flow of meaningful data, providing managers and leaders with a way to continuously adjust their bearings and strategies as necessary. It’s also a way for employees to check on their own performance, providing insight into their strengths and areas of achievement.
A powerful, high-quality recognition platform should include the following features and attributes:

- **Accessibility:** Above all else, an effective employee engagement solution must actually be used by employees. A highly intuitive platform offering a joyful employee experience will help ensure the chosen platform is being used.

- **Alignment:** How employees are aligned to the organization’s vision, and values.

- **Centralization:** The ability to unify disparate programs to reduce administrative burden on managers and HR employees.

- **Cloud-based:** Utilizing the latest technology for accessibility and cost-effectiveness.

- **Configurable:** Allowing organizations the ability to create events, contests, and custom images that reflect the look, feel, branding and unique goals of their company.

- **Global:** Spanning business locations around the globe, providing an organizationally unified platform.

- **Integration:** Assimilated into daily business functions and commonly used tools and platforms. Achievers refers to this as, “recognition in the flow of work.”

- **Multifaceted:** Allowing the recognition and rewarding of daily achievements, goals and priorities met, as well as rewards for milestones or targets such as sales initiatives or customer satisfaction scores.

- **Scalable and Open:** Allowing for integration with health & wellness, learning & development, and other key drivers of engagement.

- **Security:** The right platform should leverage ISO 27001, the highest security standard for software providers.

- **Socially-enabled:** Optimized for unfettered peer-to-peer recognition and easy social sharing.

- **Strategic:** Tying recognition criteria to real business goals and outcomes, both daily and longer term.

- **Support for multiple platforms and mediums (desktop, mobile, etc.):** Allowing employees to access the platform from the device of their choice to increase user adoption and encourage frequency of use.
Recognition in Action: Cases in Point

The two organizations below provide compelling evidence of the power of a well-designed recognition program. For both, it solved a host of challenges, including reinforcing values and goals within one central, consolidated platform. It propelled employee engagement and drove performance — as clearly shown in the success metrics below.
Ericsson, a communication and tech services giant (managing some 2.5 billion subscribers globally), already had a range of manual recognition programs in place. But between them, there was no cohesion. The company needed a recognition program for its North American division that would connect 15,000 employees across 30+ locations.

Company leadership was looking for an enterprise-wide platform that would encourage and support shared goals and values, innovation in particular, and enable the HR team to automate recognition among employees, track program spend, and use program data to link recognition to business results.

After considering a number of options, the solution they selected was the Achievers Recognition and Engagement platform. It was quickly adopted by Ericsson’s employees, soon becoming the most widely-utilized voluntary enterprise platform the organization had ever implemented. Ericsson credits the program’s success on the platform’s intuitiveness, and the popularity and “stickiness” of social recognition, which consistently reinforces employee achievements and behaviors.

As most of the recognitions given and received through the platform are social (non-monetary) recognitions, the program stayed on budget. It also featured modules for team-based activities, engagement pulses, manager insights, points purchasing, and sales campaign management.

Functionally, the platform was up and running upon implementation. It required no downtime, even to install the frequent updates pushed into the platform to further expand its scope.
An effective recognition program can transform culture, even in some of the most high-pressure fields. Consider employees in the health insurance and medical profession who have a high rate of turnover, yet are on the front lines, working with people dealing with stress, tragedy, and various physical maladies.

Research has shown a strong correlation between recognition and employee engagement, customer satisfaction, and revenue growth. With that in mind, Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ) wanted a program that could boost engagement among their 5,000 employees spread out over (at that time) four locations.

They wanted to replace the company’s manual recognition program with a more modern, automated approach that would appeal to today’s social media-savvy employees, and would allow them to create and post recognitions to each other, on a peer-to-peer level. They also wanted to enable the HR team to use the data generated by the program to link recognition to business results.

Horizon BCBSNJ originally rolled out its Step It Up Employee Recognition Program in 2013, and encouraged employees to recognize each other for living company values. The program caught on like wildfire, with over 90 percent of employees enrolling in the program by the end of the year. Utilization was also immediate, particularly among the company’s leadership team, who continue to be the most active set of users on the platform four years later.

Since launching the program, Horizon BCBSNJ has seen a 6 percent bump in its overall engagement scores, putting it 5 percentage points above its target, the IBM benchmark of 70 percent. In addition, Horizon BCBSNJ has seen a 14 percent improvement in engagement survey results related to recognition, which is particularly noteworthy when considering Horizon BCBSNJ went from below the IBM benchmark in this category to Best in Class status in just three years.

The ability to so easily offer praise has transformed Horizon BCBSNJ’s culture into one of engagement:

- **6% increase in its overall engagement scores**
- **14% improvement in engagement survey results related to recognition**
- **97% activation rate for its Step It Up Employee Recognition Program**
Conclusion

Adopting a recognition program is a proven method for organizations to move the needle on employee engagement and gain alignment around core values and desired behaviors.

With the right measurement tools in place, they can begin to assess the level of engagement in their company as they move forward and adjust accordingly. A single cloud-based platform that supports both social and rewards-based recognition can help unify a company around a shared culture of recognition. It can serve to unify flaws in former rewards efforts that are disjointed and inconsistent, replacing them with a level of transparency and control that provides a clear picture of program goals and desired values.

It should offer a tangible, trackable return on investment – key for executive buy-in. A great recognition program should also boost employer brand on multiple fronts as employees share praise across social networks, conveying the image of the company as a great place to work, which serves to attract top candidates.

Inviting participation and offering frequent feedback tailored to the specific needs of an organization is a powerful way to galvanize a company’s greatest asset: its people.

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4. ibid
7. ibid

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