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5 things every leader should know about recognition and business performance

Key insights from

Harvard Business Review Analytic Services research

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Organizations are under pressure to adapt faster than ever.

Whether the goal is driving innovation, strengthening collaboration, improving productivity, or accelerating AI adoption, success ultimately comes down to one thing: people changing how they work.

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New research from Harvard Business Review Analytic Services, sponsored by Achievers, reveals that recognition plays a much larger role in achieving these outcomes than many leaders realize.

Recognition is no longer just an employee engagement initiative. The most successful organizations use it as a strategic tool to reinforce behaviors that drive business performance.

Here's what you need to know.

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1. Recognition is a business performance driver, not just an engagement tool

For years, recognition has been viewed primarily as an engagement initiative. Research today tells a different story.

The organizations seeing the greatest impact from recognition aren't using it simply to boost morale. They're using it to reinforce the actions, habits, and behaviors that drive business results. When appreciation is specific, timely, and connected to impact, it helps employees understand what matters most and encourages them to repeat those behaviors.

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"Recognition is powerful but tends to be underestimated by people in practice. For recognition to be powerful, it needs to be meaningful."

— **Robert Dur,** Professor of Economics, Erasmus University Rotterdam

Why it matters

Organizations don't execute strategy through plans alone; they execute through employee behavior. Recognition creates clarity around what success looks like and helps turn desired behaviors into everyday habits. When leaders intentionally recognize the actions that support business goals, they create alignment between culture and performance.

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2. There is a significant execution gap

Most organizations understand the importance of recognition. Far fewer are getting the outcomes they want.

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66% say recognition is very important to business performance

33% say their recognition program is very effective at influencing business performance

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This gap reveals a critical challenge: Belief alone doesn't drive results. Organizations need a deliberate strategy for connecting recognition to business priorities and ensuring appreciation happens consistently across the workforce.

Why it matters

Recognition delivers value only when it's intentional and well executed. Closing the gap between recognizing the importance of recognition and making it effective can unlock meaningful improvements in collaboration, productivity, innovation, and execution.

3. High-performing organizations intentionally reinforce specific behaviors

The organizations seeing the greatest business impact don't leave recognition to chance.

88% of leaders say their recognition program is designed to drive specific employee behaviors

Instead of recognizing effort in general terms, these organizations clearly connect appreciation to behaviors that support organizational goals, whether that's innovation, customer focus, collaboration, safety, adaptability, or embracing new technologies.

Recognition becomes a signal that helps employees understand what the organization values and what behaviors should be repeated.

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"Nothing is more important than appreciation in shaping organizational culture and delivering on strategy."

— **Amy Edmondson,** Novartis Professor of Leadership and Management, Harvard Business School

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Why it matters

Employees make countless decisions every day about where to focus their time and energy. Recognition acts as a compass, helping people prioritize the behaviors that matter most. When recognition is tied to strategy, it becomes a scalable way to influence performance across the organization.

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4. Frequent recognition drives better business outcomes

Recognition is most effective when it's continuous, not occasional.

Organizations with highly effective recognition programs are significantly more likely to report stronger business performance across a range of critical outcomes. From productivity and collaboration to innovation and customer experience, frequent appreciation helps reinforce the behaviors that move work forward.

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49% of organizations with the most effective recognition programs report improved productivity

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The full report explores more data points around the additional business benefits linked to effective recognition programs, highlighting the powerful connection between employee appreciation and organizational performance.

Why it matters

Business results are driven by the actions employees take every day. Frequent recognition reinforces desired behaviors in real time, helping organizations build momentum, drive alignment, and create a culture where high performance becomes repeatable. Recognition doesn't just celebrate success, it helps create it.

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5. Technology helps organizations scale and measure impact

As organizations grow, recognition needs to be easy, visible, and measurable.

The most effective recognition strategies combine human appreciation with technology that makes recognition simple to give, easier to track, and more visible across the organization. Dedicated recognition platforms help embed appreciation into the flow of work while giving leaders greater insight into the behaviors driving performance.

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57% of organizations using a dedicated recognition platform say it helps support peer-to-peer recognition

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Beyond enabling recognition at scale, technology can help organizations connect appreciation to strategic objectives and better understand its impact across teams and the business.

Why it matters

Recognition shouldn't depend on a manager remembering to say thank you. Technology helps create consistency, expand visibility, and make appreciation part of how work gets done every day. The result is a recognition strategy that can scale with the organization and support measurable business outcomes.

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You have the highlights. Now uncover the full story.

The research points to a clear conclusion:

Recognition has evolved from an engagement initiative into a business performance strategy.

Organizations that see the greatest impact understand the importance of recognition, intentionally connect it to strategic behaviors, deliver it frequently, and use technology to scale and measure results.

But these findings are only part of the story.

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The full report explores the data behind these trends, the gap between recognition intent and execution, and how leading organizations are using recognition to drive outcomes such as productivity, collaboration, innovation, customer experience, and more. It also includes real-world examples and expert perspectives from organizations putting these practices into action.

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Download your copy of the report

Get the complete Harvard Business Review Analytic Services report, sponsored by Achievers, for the complete research findings, deeper analysis, and actionable insights for building a recognition strategy that drives measurable business performance.

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