

There Is No One-Size-Fits-All Recognition

FINDINGS FROM A GALLUP-WORKHUMAN STUDY





Over the last quarter of a century, the business world has completely transformed – and employees' wants and needs have transformed with it. Yet, some companies are still utilizing outdated practices that provide no benefits to the organization or its employees.

Forward-thinking business leaders have started taking a more personalized approach to workplace strategies to provide every employee with what they need – and rewards and recognition are no exceptions.

Gallup's latest report, "<u>Unleashing the Human</u> <u>Element at Work: Transforming Workplaces Through</u> <u>Recognition</u>," found a 10,000-employee company can save up to \$16.1 million in turnover costs annually by creating a culture of recognition. And that's not even including additional cost savings from increased productivity, engagement, and so on.



Keep in mind, a simple "thank you" email from the CEO and balloons around the office aren't the kinds of recognition that drive impact like that. Recognition must be meaningful in order for it to move the needle on the business's bottom line.

Five pillars of recognition

So, what does meaningful recognition look like? According to Gallup's findings, recognition that hits the mark has five essential pillars:

1. Fulfilling

Recognition moments must be genuine and create a consistent, reliable experience.

2. Authentic

Awards must mean something, both to the giver and the receiver.

3. Equitable

While every award message should be unique, employees should be recognized in a consistent, equitable way – especially with monetary rewards.

4. Embedded in the culture

Recognition must be woven into employees' everyday lives to build a genuine culture of appreciation.

5. Personalized

Different employees have different preferences for how or where they receive employee recognition. All good recognition has these five pillars, but that doesn't mean all good recognition looks the same. Every employee at every company has unique feelings on how they like to be recognized – meaning no good recognition is one-size-fits-all. **Above all, good recognition must be personalized and authentic to make a difference in the employee experience.**

What is authentic recognition?

Companies can say "thank you" to employees every which way, but if the appreciation is perceived as insincere, their efforts will go to waste. After all, empty words mean nothing.

Recognition is authentic when it:

- Means something to the giver
- Means something to the receiver
- Is clear why it's being given
- Is backed with monetary value

And when recognition meets those standards, it has a huge influence on employee engagement and wellbeing. This is especially true for employees of color.

When employees strongly agree the recognition they receive is authentic, they are more likely to strongly agree that ...

	Black employees	Hispanic employees	White employees
l see a path to grow at my organization.	8x as likely	5x as likely	5x as likely
My organization cares about my well-being.	8x as likely	6x as likely	6x as likely
I would recommend my organization as a great place to work.	7x as likely	6x as likely	5x as likely

It's unfortunate that Gallup research found only about one-third of employees strongly agree the recognition they get is authentic. With authentic recognition that hits the mark, organizations can cultivate a culture of gratitude that lifts employees – lifting business metrics with it.

What is personalized recognition?

Recognition can have all the ingredients to be fulfilling, authentic, equitable, and built into the culture. But if it isn't personalized to the employee, it could completely miss the mark.

The best way to determine how your employees like to be recognized is to ask! And while this sounds simple, only 10% of employees strongly agree they have been asked by someone at their current workplace how they like to be recognized. Some employees enjoy being recognized publicly in front of their peers, but for others that can be daunting. Others may find it more meaningful to be recognized privately. Gallup found:



of employees say they prefer to receive **recognition only in private** of employees say they prefer to receive **recognition only in public**



of employees say they prefer a mix of **both public and private recognition**

Employee recognition programs have the potential to create lasting culture and connection while also benefiting the business. And while it's not difficult to achieve, it won't happen unless it's a priority. And for many businesses, it's not. Eighty-one percent of leaders say recognition is not a strategic priority for the organization.

Forward-thinking leaders have an opportunity to get ahead of the curve – and reap the rewards. By building out a strategy that allows for personalized and authentic recognition to be given up, down, and across the business, leaders will watch their return on investment and workplace culture rise to new heights. Personalized and authentic recognition has the potential to completely transform an organization. See how else employee recognition can boost your business in the newest <u>Gallup survey report</u>, "Unleashing the Human Element at Work: Transforming Workplaces Through Recognition."



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