

# The Art and Science of Recognition: 5 Best Practices for Employee Recognition Programs

By Elle Mason

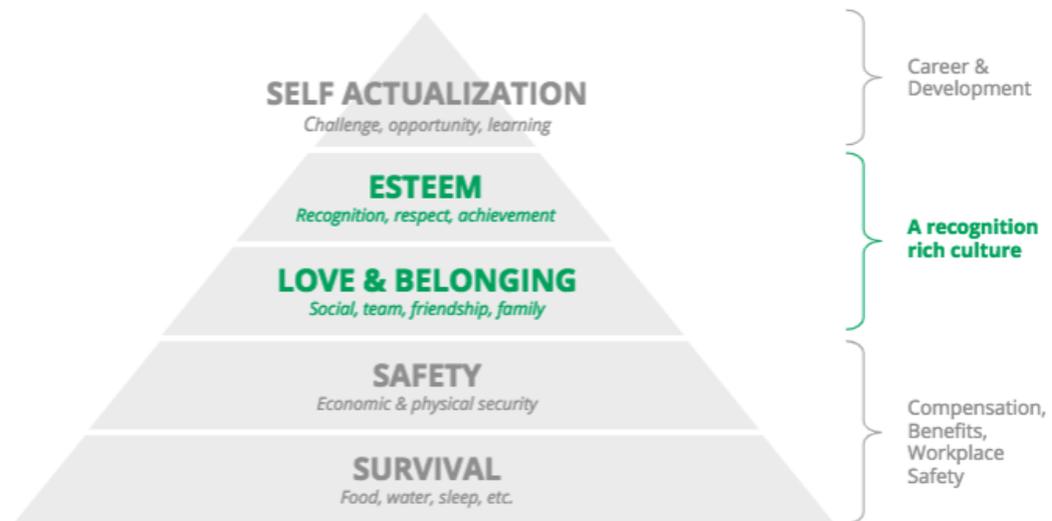
What do we mean by employee recognition, and why does it matter?

Employee recognition is the open acknowledgment and expressed appreciation for an employee's contributions to their organization, and it provides a number of business, social, and wellness advantages to teams.

- [Benefits of Recognition](#)
- [Characteristics of Effective Recognition](#)
- [Best Practices for Recognition Programs](#)

While the interest in addressing recognition in the workplace may be recent, psychological research has well-documented evidence of our need to be appreciated, respected, and acknowledged. This knowledge has spurred the development of employee recognition programs in organizations around the world.

One way to understand the impact of recognition programs is through Maslow's Hierarchy of Needs. Essentially, after our baseline physiological needs (food, water, rest) are met, we can focus on our need for shelter and security, followed by belongingness, esteem, and self-actualization, in that order. Modern employee recognition supports both belongingness and esteem in the workplace.



"...two of the most valuable psychological needs we have as human beings are the need to be appreciated and the need to belong. **These needs are met through peer-to-peer thanks and recognition.**"

Josh Bersin  
 Founder & Principal  
 Bersin by Deloitte



Recognition is integral in creating a [psychologically safe environment](#), where employees feel that it's acceptable to offer feedback, make mistakes, and share contrary opinions. By rewarding strategic risks through recognition, teams can reinforce creative and innovative behavior without feelings of insecurity or embarrassment

But even beyond our survival and needs – *being appreciated just feels good*. [And there's a reason why](#): Being recognized releases the flow of oxytocin, the chemical our bodies create when we bond with others and feel loved. It could be as small as a “thank you” note or as large as an award – the more often employees are valued and acknowledged, the better they'll feel.

## Benefits of Recognition

There are a number of demonstrated benefits that stem from recognizing people, at all levels, in the workplace. To start, it's been shown to:

- **Increase Morale and Motivation** – [40%](#) of Americans say that they would put more effort into their work if they were recognized more often.

- **Enhance Productivity and Lead to Bottom-Line Improvement** – When you increase morale, [productivity, performance, and work quality also increase](#), ultimately affecting your bottom line.
- **Help Retain Top Performers** – It's important for individuals to know that their work has impact. If they don't feel appreciated, don't expect them to continue putting in the same effort. Companies that score highest for building a "recognition-rich culture" have [31%](#) lower turnover rates than their peers. Aside from direct costs, losing your top performers carries many indirect costs, like [lost institutional knowledge and relationships](#).
- **Identify Low Performers Before It's Too Late** – Once you have a recognition program in place, you'll be able to quickly see who your low performers are and support them through professional development, a better team environment, or otherwise.
- **Drive Engagement** – Motivation and productivity are just one piece of the engagement puzzle. Recognition also [helps drive employee engagement](#) by providing a sense of value and accomplishment. Research shows that recognition increases employee engagement [up to 60%](#).



If you're looking for a deeper dive on the importance and benefits, head over to [The Guide to Modern Employee Recognition](#) that also includes tools, resources, and case studies on unique and interesting ways to recognize your employees. Now we'll dive into what makes recognition effective.

# Characteristics of Effective Recognition

Before implementing an employee recognition program, it's important to understand the characteristics of great recognition. Effective recognition is specific and timely. It's the difference between "Thanks – you did a good job on that report" and "Thanks for the report – I appreciated the clear visuals you used. The graphs on page 14 were especially effective in demonstrating your point. Excellent work!" Naturally, this type of praise should follow soon after the report is delivered, rather than an employee hearing about it 8 months later at a review.

[Recognition should also be frequent, visible, tied to organizational values, and inclusive.](#) Frequent recognition encourages employees by providing them with regular and ongoing appreciation and acknowledgement; visible recognition provides positive reinforcement for both the employee being recognized and the others around them; values-based recognition encourages teamwork towards common goals; and inclusive recognition lets employees know that their contributions and opinions are noticed.

Want to know more about these characteristics? [Read our recognition guide here.](#)



# Best Practices for Recognition Programs

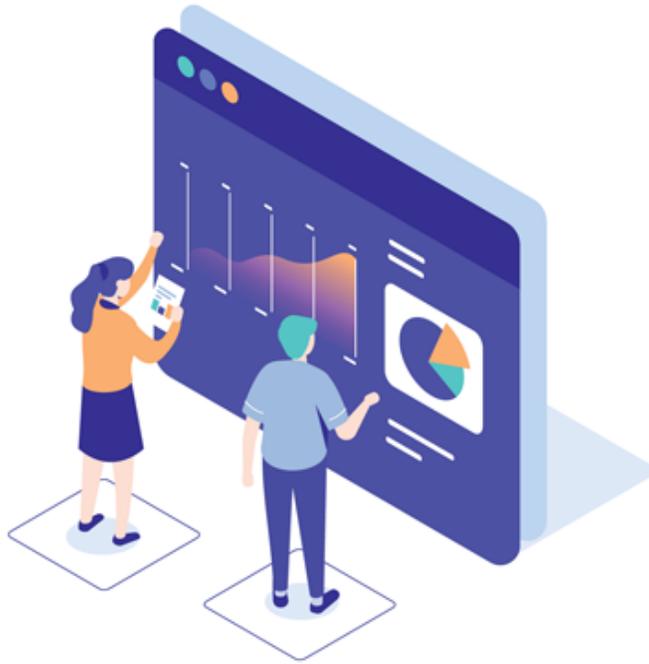
Now that your team understands the benefits of recognition and the characteristics of effective recognition, it's time to examine your own program. Are you following employee recognition best practices?

Managing your recognition program using the following five recommendations will help you make the most of appreciation on your team:

## Define Clear Recognition Program Objectives and Criteria

Employers should be clear about [what behaviors or actions they'd like to see from recognition programs](#) and the impact of recognition on business objectives. Whether you're [starting a new employee recognition program](#) or updating an existing one, challenge your team to answer the following questions:

- **What types of behaviors will be rewarded?** Reference your business objectives and decide which behaviors to incentivize, and remember that effective recognition is tied to organizational values! Reward deliverables completed on time if lateness is a challenge, and applaud cross-departmental collaboration if your organization is stuck working in silos.
- **How should the desired behavior be rewarded?** It's important to know your team and reward behavior accordingly. In general, [praise should be public](#) and can be a great learning opportunity to the whole team. Tying that praise to a tangible reward or experience can remind employees of their achievements long after praise is given.
- **How often should recognition occur?** Effective praise is frequent, so it's important to regularly recognize your team. Giving recognition on the spot is a good habit, and reiterating that praise during team meetings, especially for special achievements, can amplify the effects of recognition.
- **Who should recognition come from?** Recognition is traditionally given top-down by managers, but [peer-to-peer and 360-degree recognition is even more effective](#).



## Use a Multifaceted Rewards and Recognition Program

Many employers assume that employees always want money instead of non-tangible rewards, but research suggests that's not true. [Research by Deloitte](#), for example, identified two different types of recognition: 1.) praise and emblematic recognition and 2.) token and monetary rewards. They found that *both* types of recognition are important to employees, as “this varied approach helps to constantly and frequently reinforce desired employee behaviors.”

This may not seem intuitive at first, but imagine receiving a bonus without any note or explanation. How would you know how to replicate the behaviors that led to the bonus? You'd have no idea what you did correctly to earn it – and how to avoid doing something incorrectly!

Similarly, it's beneficial to understand the difference between [extrinsic and intrinsic motivation in the workplace](#). Whether the praise or the monetary reward is the primary form of recognition, both approaches complement each other.

## Give Employees Voice and Choice

Don't assume that you know what everyone wants; engage your employees to better understand the types of rewards they're most interested in. This is true even for monetary rewards, where a gift card may be preferred over company-branded materials. For example, if you're rewarding employees with gift cards, make sure employees will use and enjoy products or services from that business.

Once you've drafted ideas for [potential rewards](#), it's easy to get employee preferences by sending a survey and asking everyone to rank the options. Giving employees a say in rewards redemption can increase their personal investment in the program and make recognition even more enjoyable.



## Ensure Effective Implementation and Roll-Out

When introducing a new system or approach, it's important that [communication around the roll-out](#) is clear and the implementation is as painless as possible. Any team participating a new program should be clued in on that program's purpose, how to use it, and when it will take

effect. Here are three factors that should be considered when as you're thinking about implementing or updating a recognition program:

## Alignment

Management should be aligned on the program's purpose, especially when they're leading the roll-out of the program. Teams and employees may start to feel jaded if no one is taking it seriously. Imagine being on a team where the manager withholds recognition and doesn't think it's important, while watching the team next door receive reward after reward – it would be demoralizing.

Recognition should also be aligned with organizational objectives and goals; creating recognition programs around behaviors that the business doesn't value leads to confusion and may have the negative impact of directing energy away from company goals. Consider it a *reinforcement of existing priorities*.

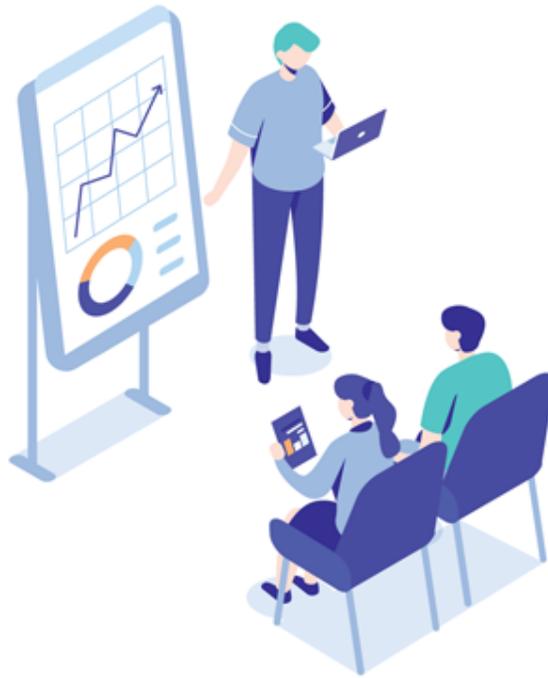
## Visibility

Managers should strive for publicly-visible recognition, especially at the start of any recognition program. Employees should be able to see when their peers are recognized, fostering a culture of recognition. Data from that recognition should be visible for teams to help improve communication.

## Delivery

With current technology, how recognition is delivered is also critical to determine. How will recognition or rewards be delivered in your organization?

Meet your employees where they're at. If you regularly communicate through a collaboration tool like Slack, find a program that integrates with it. Use existing team meetings to reiterate recognition where appropriate, and consider using an automated system to fulfill rewards.



## Measure Your Recognition Program's Effectiveness

Recognition programs impact many different areas of an organization. Using a measurement system like [employee net promoter score](#) can provide a useful way to measure the effect of recognition on factors like employee engagement and morale.

Successful recognition programs should positively impact other factors like performance, productivity, and turnover. You can use a number of ways to analyze changes in those areas, like [survey tools](#), [brief interviews or feedback sessions](#), and [performance management software](#). Gather feedback on a regular basis, and use it to adjust your program where necessary.

To take it one step further, use data from your recognition program to inform other business decisions. Research behavior to determine if any team or individual is isolated, review *how* teams are connected, and facilitate collaboration where needed. Are there teams with outstanding behavior? Study them to understand how to take those learnings to other departments.

## Conclusion

Beyond measures of productivity and performance, employers can use recognition as a catalyst for widespread positive organizational change by engaging employees, connecting teams, and fostering a culture of appreciation

Nearly every company can benefit from implementing or improving their existing recognition practices. Whether you're creating a new recognition program or refining an existing one, effective recognition can be an extremely powerful positive force.

Want to learn more about employee appreciation and the value it can bring to your team? Here's the next piece of the puzzle:

# How to Recognize Employees the Right Way

**Watch the webinar**

presented by  **Bonusly** + **Namely** 

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