

# The Power of Meaningful Employee Recognition: Why One Size Does Not Fit All

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While virtually everyone recognizes the power of positive reinforcement for a job well done, an in-depth study of recognition preferences and practices shows that there is much to learn about how to maximize the effectiveness of recognition practices. A common error is to assume that recognition practices and programs motivate everyone similarly. In practice, this assumption could not be further from the truth.

As an example, consider the impact of public recognition. For some, being honored in front of one's peers represents the ultimate motivator. For others, the thought of being put on display in front of others is a sufficient reason to deliberately underachieve. In one instance, a company thought it was a good idea to give employees 'gold' coins that had no monetary value, but were intended to recognize employees for engaging in behaviors that managers liked. When a manager would spot an employee 'doing something right,' he or she would give that employee one of these coins to put in a display outside of his or her cubicle. Instead of being a motivator, this recognition program engendered a high degree of hostility from employees who saw the coins as worthless and even worse, divided employees who viewed this practice as a way for managers to identify their 'pet' employees since there was no consistency on how the coins were given out.

Despite the best of intentions, recognition practices often simply do not hit the mark. Maritz recently conducted a national poll of 1002 full-time employees across North America to assess recognition practices vs. employee preferences. Those in the study were asked how they *were* recognized in the workplace, as well as how they *wanted* to be recognized. The results are presented in the following table:

Table 1: Recognition Preferences vs. Recognition Practices

Recognition Practice	% Who <b>Want to Be</b> Recognized in This Manner	% Who <b>Are</b> Recognized in This Manner
Cash bonus	82%	25%
Verbal praise	49%	70%
Recognized for individual achievements	46%	53%
Written praise	45%	29%
Non-cash incentives	44%	17%
Recognized for both individual and group achievements	39%	25%
Recognized for team/group achievements	38%	43%
Formal praise in front of others	38%	32%
Recognition event	23%	14%
Symbolic award	17%	13%

As the previous table demonstrates, there is generally a discrepancy between 'supply' and 'demand' when it comes to specific recognition practices. One interesting case, however, is recognition through verbal praise. The data show that, while 70% report they are verbally praised at work, only 49% desire this type of praise. This is not to say managers should stop telling their employees they are doing a good job. Receiving praise for a job well done can often be likened to receiving a birthday present or holiday gift you didn't request. You appreciate it, but it wasn't what you really wanted.



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What makes the finding on verbal praise even more interesting is that only 79% of those who *wanted* verbal praise in the workplace actually received it. In most cases, fewer than half receive their desired form of recognition. The following table shows the percentages that received the form of recognition that they personally desired.

**Table 2: Percentages Receiving Their Desired Form of Workplace Recognition**

Form of Recognition (% That Desire It)	% of People Who Receive the Particular Type of Recognition They Desire
Verbal praise (49%)	79%
Recognized individual achievements (46%)	64%
Recognized for team/group achievements (38%)	63%
Recognized for both individual and group achievements (39%)	42%
Formal praise in front of others (38%)	41%
Written praise (45%)	40%
Recognition event (23%)	30%
Cash bonus (82%)	29%
Non-cash incentives (44%)	27%
Symbolic award (17%)	27%

### What is the impact?

The results showed that when employees received the type of recognition they wanted, they were significantly more satisfied with their jobs, more likely to remain with the company, and more likely to recommend their workplace to others. They were also significantly more likely to invest in their own company and felt significantly more valued as an employee.

The following two tables show the percentages of employees who, when they received their desired form of recognition as opposed to when they did not receive

their desired form of recognition, strongly agreed they would be:

- happy to spend the rest of their careers with their present companies and,
- extremely likely to recommend their company to their family and friends as a great place to work.

The differences are striking.

**Table 3: Percentages That Indicate Long-Term Interest in Remaining with a Present Employer When Receiving a Desired Form of Recognition vs. When Not Receiving a Desired Form of Recognition**

Recognition Practice Desired by Employee	% Intending to Remain Long Term When Recognized in This Manner	% Intending to Remain Long Term When Not Recognized in This Manner
Formal praise in front of others	33%	7%
Symbolic award	35%	16%
Non-cash incentives	34%	16%
Recognition event	35%	18%
Cash bonus	30%	14%
Written praise	30%	14%
Recognized for both individual and group achievements	28%	12%
Recognized for team/group achievements	28%	14%
Recognized for individual achievements	26%	16%
Verbal praise	22%	20%

In most cases, the intent to remain with a company long-term is doubled when employees receive their desired form of recognition. The data show similar findings with all of the other outcomes, including the likelihood to recommend a workplace to family and friends, as shown in the following table.

**Table 4: Percentages That Would Strongly Recommend Their Present Workplace to Family and Friends When Receiving a Desired Form of Recognition vs. When Not Receiving a Desired Form of Recognition**

Recognition Practice Desired by Employee	% Likely to Recommend When Recognized in This Manner	% Likely to Recommend When Not Recognized in This Manner
Formal praise in front of others	31%	9%
Recognized for both individual and group achievements	33%	12%
Cash bonus	32%	13%
Non-cash incentives	35%	18%
Written praise	30%	13%
Symbolic award	33%	17%
Recognized for individual achievements	30%	14%
Recognized for team/group achievements	28%	14%
Verbal praise	25%	11%
Recognition event	29%	18%

The same two-to-one ratio is observed when comparing those most likely to recommend their workplace to others. While receiving desired verbal praise did not significantly impact the likelihood to remain employed, it does impact the likelihood of recommending the company to others.

## Conclusions

Employers often speak of two major concerns. The first is reducing employee turnover; the second is becoming an ‘employer of choice.’ Both are critically important for maintaining high levels of productivity. By becoming an employer of choice, a company has the advantage of being able to hire from a larger selection pool of workers. Talented employees are more likely to leave their current

jobs and move to companies that are perceived as having strong work cultures. In this regard, internal branding to employees becomes nearly as important as external branding to customers. Similarly, the cost of turnover may be as much as 1 1/2 times an employee’s first year salary. If turnover could be cut in half, it would result in tremendous savings to a company’s bottom line.

Most companies have some kind of recognition program in place. There is a frequent assumption that ‘one size fits all’ and that everyone will respond similar to the same type of program or practice. While it may seem difficult to customize recognition programs, there are some fairly straightforward steps to heighten effectiveness of these programs.

1. *Each manager should spend at least one hour per quarter with his or her employees to determine how that employee is best motivated.* Does the person like to be publicly praised or privately praised? From whom do they like to receive recognition? What type of reward best motivates these employees? What things have the most value to each employee? Can those kinds of things be leveraged in the workplace? If this seems like too much to ask of a manager, that manager probably has too many employees under his or her direction.
2. *Once meaningful recognition is identified, managers should find ways to integrate this type of recognition into each employee’s personal development plan.* Arrange performance incentives to be consistent with the employee’s preferences, rather than what managers find most easy or convenient to implement. If a cash bonus is most important, consider developing a pay-for-performance plan that might involve a lower base salary, but higher earning potential based on productivity.

3. *Make sure that everyone has a chance to receive meaningful recognition.* Sometimes, certain positions are recognized, while others are ignored. Make sure that management recognizes the importance of everyone's contributions.

4. *Be careful when using competitive rewards.* While competition is often a great motivator, there is sometimes a perception that the same people win every year, thus proving de-motivating for everyone else. Consider replacing competitive rewards with criterion-based rewards. These are rewards given for achieving certain standards of productivity and can be won by multiple people.

5. *Make sure recognition is given consistently.* Employees become cynical with each 'program of the month' that comes and goes.

6. *Communicate clearly why recognition is being given.* In the earlier example of the 'gold coin' program, it was unclear why some employees were recognized while others were ignored, leading to jealousy and hostility.

7. *Employees should recognize one another whenever possible.* While peer-to-peer recognition may not be as powerful as management recognition, it helps to build a strong work culture and positive feelings among team members. Peers work more productively with one another when they sense sincere appreciation from their colleagues for their contributions to the overall good.

In summary, recognition programs and practices can be either one of a company's greatest assets or one of its most frustrating components depending on the care and consideration a company takes in making these practices meaningful, personal, and obtainable.



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