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Countering the Employee Recognition Gap

By Stephen Miller, February 2006

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Managers have a lot to learn about employee recognition, given that a recent national survey reveals a significant gap between how employees are currently recognized in the workplace and how they actually want to be recognized.

The [Maritz](#) poll of 1,002 full-time employees compared companies' reward practices to employee preferences and found that:

- Only 27 percent who want to be recognized by non-monetary employee incentives, such as award merchandise, gift card or trips, are recognized that way.
- Only 27 percent who want to be recognized by a symbolic award (trophy/plaque) are recognized that way.
- Only 29 percent who want to be recognized by a cash bonus are recognized that way.
- Only 30 percent who want to be recognized by a recognition event are recognized that way.
- Only 40 percent who want to be recognized by written praise are recognized that way.

In addition, even though 70 percent of employees receive verbal praise—the most prevalent form of employee recognition—only 49 percent of them want it. And 21 percent of those who actually want verbal praise still aren't getting it from their companies.

Different Strokes

"Managers know the power of positive reinforcement for a job well done, but this study shows employees are motivated in vastly different ways and companies still have a long way to go to ensure their employees feel valued," says Mark Peterman, vice president, client solutions at Maritz Incentives.

For example, consider public recognition. "For some, being honored in front of one's peers is a great award, Peterman says. "For others, the thought of being put on display in

front of their peers embarrasses them. It depends on the culture and preferences of your particular employee-base."

Effect on Retention

"Two of the most pressing concerns for companies today are reducing employee turnover and becoming an 'employer of choice' because they both impact the bottom line," Peterman points out. "The cost of turnover may be as much as one and a half times an employee's first year salary. In addition, by becoming an employer of choice, a company attracts a more talented, productive pool of workers."

The study found that employees satisfied with their employee recognition programs are significantly more satisfied with their jobs, more likely to remain with the company and more likely to recommend their workplace to others than employees who aren't happy with their recognition programs.

Specifically, those who feel their value is being recognized are:

- Eleven times more likely to be completely satisfied with their jobs than those who are not completely satisfied with their employee recognition programs. (76 percent versus 7 percent).
- Seven times more likely to spend the rest of their careers with their present company than those who are not completely satisfied with their employee recognition programs. (63 percent vs. 9 percent).
- Seven times more likely to strongly endorse their company as a great place to work than those who are not completely satisfied with their employee recognition programs. (80 percent vs. 12 percent).
- Six times more likely to invest money in their company if they could than those who are not completely satisfied with their employee recognition programs. (75 percent vs. 12 percent).
- Five times more likely to feel highly valued at their job than those who are not completely satisfied with their employee recognition programs. (73 percent vs. 16 percent).

The research reveals that 55 percent of employees agree or strongly agree that the quality of their company's recognition efforts impacts their job performance. At the same time, only 10 percent of employees strongly agree that they are completely satisfied with their company's employee recognition efforts.

What Managers Can Do

Following are some tips managers can use to ensure their employees feel valued, which can ultimately increase a company's success and impact the bottom line:

- ***Offer employee reward options.*** The survey found that 64 percent of employees think their company needs to offer a greater choice of rewards in the workplace with employee recognition efforts.
- ***Train managers on employee recognition best practices.*** One of the main responsibilities of managers is motivating employees to higher levels of performance. Yet, many have not received any kind of training on how to make the most of their employee recognition programs.
- ***Identify what's meaningful to your employees.*** Managers should spend time with each employee to determine how they are best motivated. Do they like to be publicly or privately praised? From whom do they like to receive recognition? What type of employee reward system best motivates them? Then check in periodically to make sure employee recognition efforts are hitting the mark.

Companies can also conduct employee surveys to obtain the same type of information to determine what types of recognition will have the most impact on their overall workforce but this doesn't replace the personal touch of having one's manager understand what drives each person.

- ***Keep employee recognition programs fresh.*** The Maritz Poll found that 60 percent of employees agree or strongly agree that their company needs to refresh its employee recognition efforts by offering new and different awards. Involving people from different levels and different parts of the company on an advisory council is one way to bring new ideas and enthusiasm.

It's also crucial to keep communications fresh, especially on long-running programs. Often, managers and employees only receive details on a recognition program when it is launched. Companies should provide reminders throughout the life of the program to keep awareness and enthusiasm for recognition high. For example, you could send out fun flash e-mails to managers with quiz questions about what recognition is and how to do it well.

- ***Recognize all levels of employees.*** 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.
- ***Make sure recognition is given consistently.*** Employees become cynical with each 'program of the month' that comes and goes. Consider one or two core programs that deliver consistency but rotate different short term programs and events that reinforce the core programs to address current business needs and trends.

The survey, conducted in October 2005, featured responses from 1,002 randomly selected, full-time, employed adults (502 male, 500 female) ages 18 to 65-plus from throughout the United States.

[Stephen Miller](#) is the editor/manager of SHRM Online's [Compensation & Benefits Focus Area](#).

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[As Workers Eye Greener Pastures, Retention Incentives Grow in Importance](#), Comp & Benefits Focus Area (November 2005)

[The Fundamentals of Employee Recognition](#), SHRM Research (May 2005)

[Employee Recognition: Selling, Implementing and Communicating the Program](#), SHRM Research (May 2005)

[The Science of Motivation](#), SHRM Research (May 2005)