Recognition: The Key Driver of Talent Attraction, Retention, and Engagement

"Nice work!" "Excellent job!" "Great effort!" "A+!!"

Many people remember seeing these encouraging comments written on the top of their elementary school homework assignments. The friendly green ink and the accompanying colorful stickers always seemed to bring a smile to an ordinary moment during the day. Teachers make these comments to build their students' self esteem, and to show that their hard work is noticed and appreciated. In turn, children take these words to heart, soaking up the praise and reveling in a sense of accomplishment.

It turns out an individual's need to be recognized does not change all that much as he or she gets older. Some might find it surprising that Recognition surpasses many other important motivational factors, such as adequate training, relationships with coworkers, physical working environment, and career growth. What might be most surprising is that an employee's feelings about the Recognition she receives accounts for 56 percent of the variance in her level of Engagement. These results illuminate that even as adults, people still want to feel appreciated for a job well done.

To motivation expert and best-selling author Dan Pink, our findings boil down to the desire for feedback on work performance. "Much of peoples' lives are rich and lush with feedback, but the workplace is a feedback desert," he told me.

I couldn't agree more. Sometimes managers are under the impression that employees think "no news is good news," but this is certainly not the case. By and large, people try to do a good job at work. When they do, they feel it is nice to be recognized.

The Psychology of Recognition Abraham Maslow (1908–1970) was an influential psychologist who identified the different levels of basic human needs and founded humanistic psychology. Maslow believed that all people have a strong desire to reach their full potential, called "selfactualization." To reach this level, as the top part of the pyramid, a person must have a strong foundation of the hierarchy of needs that enable the achievement of full potential. One of these needs is esteem, which includes self-confidence, self-respect, and respect from others.
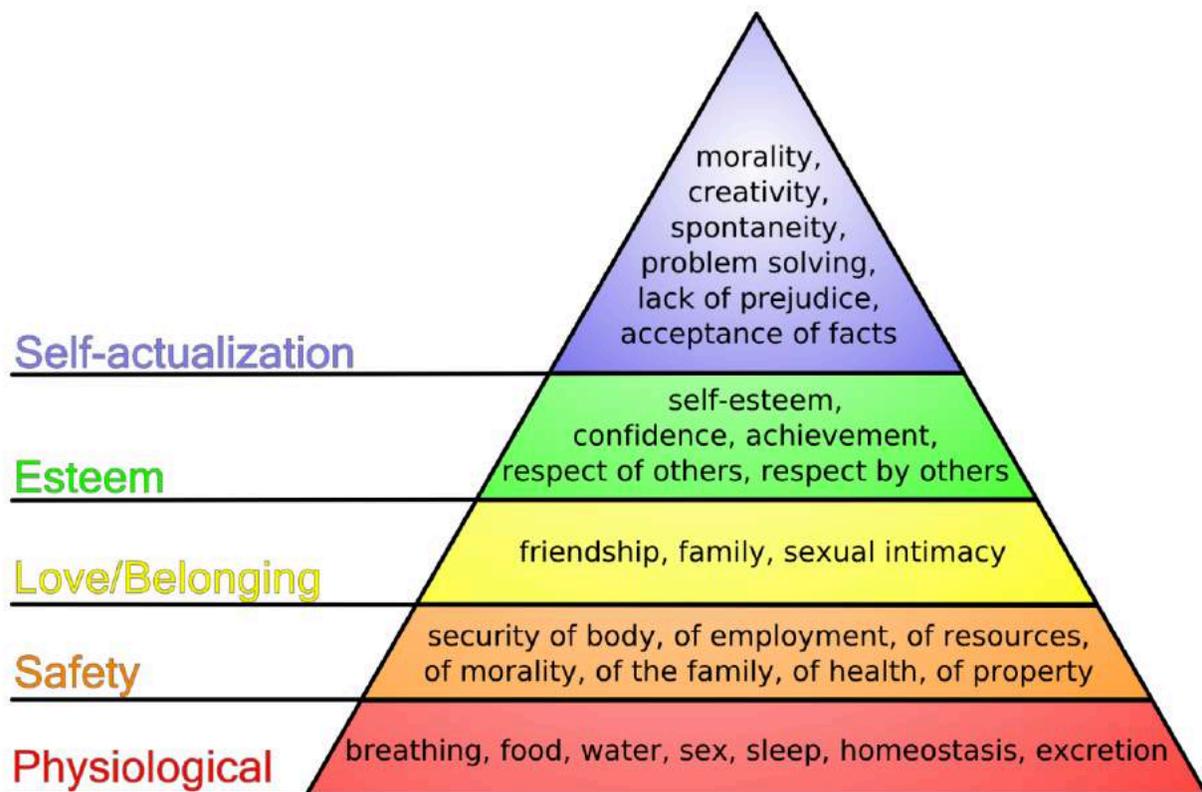
The need for esteem must be satisfied in the workplace to have Engagement. If this need is not satisfied, a person can become frustrated, and feel inferior, weak, helpless, and even worthless.

Tapping into Recognition as an Engagement Driver seems simple enough, yet research has shown that many organizations' efforts have been ineffective in this regard. Only 59 percent of employees say their supervisor lets them know when they have done a good job, revealing that many employees do not feel as though their managers acknowledge their accomplishments.

Surely more than 59 percent of managers appreciate when their employees have done a good job, so there must be a common disconnect somewhere in the process of showing Recognition.

It is important for managers to consider their employees' perceptions of receiving Recognition, and how this can differ from their own perception of giving Recognition. Although managers may think they are frequently recognizing employees, many employees may not feel the same way. Numerous studies have shown Millennials like to be recognized many times each day. To some tenured employees, such positive re-enforcement may come across as an indulgent and unrealistic expectation. While that belief might have been considered true many years ago, American culture has shifted dramatically over the years, causing workforce culture to change as well. For instance, Millennials are famous for growing up in an era where thirteenth-place ribbons actually exist. To attract and engage this new generation, company Recognition efforts must keep up with the times.

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Although recognizing employees seems fairly straightforward, there is more structure and planning that goes into a successful Recognition program than many people might realize. It is great to tell people they have done a good job; however, it makes a difference what they are recognized for, how they are recognized, and how often they are recognized. Creating a program that appropriately caters to all of these aspects can be challenging, but certainly worth the time and resources. Although employees no longer need smiley-face stickers on returned assignments, they do need Recognition for a job well done.

Developing a Recognition Program
Recognition is Key Driver #1. A strong Recognition program can be the difference maker in an Engaged workforce. In fact, it boosts Engagement by 35 percent.[1] Managers should create a program where incentives are aligned to elicit the desired behavior. To help simplify this process, we have compiled a list of 10 best practices for developing an organizational culture of Recognition.

Best Practice 1: Define What Should Be Recognized
When establishing a Recognition program, it is important for an organization to define the behaviors or outcomes that are deemed worthy of Recognition. A great way to develop a guideline is for senior leadership to brainstorm a list of employee actions that contribute to the organization's success and mission. Ideas can range from bringing in a certain amount of revenue, to receiving a positive comment from a customer, to simply volunteering to help a coworker. This list should be shared with all managers and used as a guideline for giving Recognition.

Management can also create a "chance points" program using a list of Recognition-worthy actions. Employees track their own efforts and earn points through their actions. At the end of the month, each point turns into a raffle ticket to win a prize.

When the desired actions or outcomes are clearly defined, employee Recognition can be streamlined throughout the organization, helping to create an electric culture of Recognition.

Best Practice 2: Be Sincere
All too often, companies turn Recognition programs into just another task that needs regular attention. Employees can tell when a manager just "goes through the motions" of providing Recognition, but has lost interest in showing genuine appreciation for staff members' efforts. This lack of sincerity and enthusiasm can make Recognition diminish in meaning, even if the reward remains the same. The reason that Recognition is so powerful is because people thrive on the warm fuzzy feeling of being appreciated. If sincere appreciation is lost from a Recognition program, it will no longer be effective.

Best Practice 3: Recognize in Public and in Private
Public and private Recognition can be appropriate in different situations, and the best results come from employing both methods. Public Recognition is highly effective because it gives employees structure so they know what to expect. If top performing employees are recognized at

each monthly meeting, employees have a goal they can work toward. For many employees, being congratulated in front of peers can actually be the most rewarding aspect of receiving praise. Alternately, it is important for managers to keep in mind that not all people like to be the center of attention. For individuals with a meek or introverted demeanor, having all eyes suddenly turn to them in a public meeting might be painfully embarrassing. To praise employees who do not like to be in the spotlight, public Recognition should be toned down so it does not end up actually hindering their Engagement.

Providing private Recognition can also be very effective in showing employees they are appreciated. Private Recognition is easier for managers to give more frequently, and it is as simple as a quick "on-the-spot" verbal thank you. Whether it is an e-mail, voice mail, handwritten note, or just stopping by in person, letting employees know that they have done a good job goes a long way and only takes a few moments.

Best Practice 4: Balance the Criticism
Criticism is an important factor that affects employee perception of Recognition. Unfortunately, it can be common for employees to focus on the criticism they received rather than the Recognition. With that in mind, managers should not shy away from providing constructive feedback because they are afraid it will hurt an employee's feelings. Managers should, however, be aware of how criticism can adversely affect an employee's perception of Recognition efforts overall.

A common word that managers use when giving feedback is but. When you tell an employee, "You did a great job on the vast majority of this project, but . . ." it has the effect of causing the employee to forget the first part of your sentence. Oftentimes, people get upset with themselves for making mistakes, and they tend to focus on the shortcomings you have illuminated, rather than any positive feedback you may have provided. Separating positive feedback from suggestions for improvement (even just in separate sentences) is more effective in getting the proper message across.

If a manager has been providing more constructive criticism than usual, it could be a good idea to balance the criticism by increasing Recognition efforts when the employee performs well. As a general rule, constructive criticism is best used to help employees improve performance, not Engagement.

Best Practice 5: When in Doubt, Ask!
The type of Recognition or reward is not a benefit if the person does not want it. It is unwise to assume all employees want the same things. Ask individual employees how they would like to be recognized. Although this is the most straightforward approach, oftentimes managers overlook the simplicity of open communication with employees. Telling employees you want to recognize them in a way that is meaningful to them shows genuine interest and appreciation in advance, which is a great first step in providing effective Recognition.

Best Practice 6: Equal Does Not Necessarily Mean Fair

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Employee Recognition does not have to be equal. To make Recognition meaningful, it needs to be appropriate for the effort or accomplishment. In a perfect world, all employees would be equally dedicated and successful, but in reality, it is unlikely that will happen. Organizations will generally have certain employees who consistently outperform others. If managers do not fairly recognize and reward these special employees, they will go elsewhere.

When I first started HR Solutions, I didn't create bonus metrics; instead I determined the bonuses subjectively. The people who got the best bonuses had jaw-dropping experiences when they learned the dollar amount, and had absolutely no complaints. The people who got lower bonuses had an immediate inclination to grab onto the F word: favoritism. The first time someone accused me of this, I looked at the underperforming employee (who deserved a low bonus) and said, "You're right. I do have favorites. My favorite employees are passionately engaged in their jobs and their performance results in supreme excellence and stellar customer service outcomes." This instantly muted the criticism.

When the organization grew, we had to switch to a more socialist method of determining bonuses. The change caused some of my "favorite" employees to leave, likely because they thought others who didn't come near them in performance were being rewarded with bonuses they didn't deserve. Having clear bonus metrics in place was good for ensuring that employees knew what to expect based on their performance. However, I've gotten the best results from generously rewarding top performers.

To cut back on perceptions of favoritism, top performers can be rewarded more frequently in private. Making employee Recognition equal is a risk that is not worth taking.

Best Practice 7: Do Not Overdo It
Although employees can thrive on Recognition, it is possible to have too much of a good thing. Over-recognizing can quickly dilute the meaning and heighten the risk of seeming insincere to employees. In addition, if employees are congratulated for every single task they complete, they could have little motivation to work harder or do a better job. In essence, just like many good things in life, it is best not to overindulge.

Best Practice 8: Determine Appropriate Rewards
Rewards and gifts are the cherry on top of Recognition. While not always necessary, it can be a great addition to simply telling employees they have done a great job. With that in mind, the reward must be appropriate for the action or outcome. Giving a reward that is disproportionately smaller than the amount of time or effort expended can actually decrease the value of Recognition, and possibly serve as a de-motivator.

Best Practice 9: Educate Employees on Your Recognition Efforts
It is important for employees to understand the importance that their organization places on Recognition and the effort managers undertake to ensure that employees are recognized. For example, if managers are privately rewarding employees with gift cards or extra paid time off (PTO) for a job well done, all staff members should be made aware of those initiatives, but they do not need to know who received what. Managers can simply state X number of gift cards were

given out in February, as well as X number of "Leave Early Passes." When employees see the whole picture of actions taken to help increase their Recognition and Engagement, they are much more likely to have a positive viewpoint on the Recognition they receive.

A best practice for involving employees is to ask for feedback on new initiatives they would like to see. Any changes that are made as a result of employee feedback should be clearly communicated to staff members

Best Practice 10: Encourage Employees to Recognize One Another
To create a true culture of Recognition, everyone should be involved. While senior leadership should manage organizational Recognition efforts, employees should be encouraged to recognize their colleagues' hard work as well. A best practice for involving employees is to post a whiteboard in a high-traffic area where employees can publicly recognize each other. HR Solutions has seen a great response from employees through the implementation of our "Snaps Board." Employees regularly write on this whiteboard to congratulate one another on efforts and accomplishments. This idea can also be translated to a virtual environment through an internal intranet system. Management could also dedicate a few minutes of team meetings for employees to thank their colleagues who have recently gone above and beyond.

Recognition as Second Nature
Luckily, it is easy for managers to begin increasing Recognition immediately. A great way to start a new initiative is by setting a calendar reminder to recognize one employee each day, and increasing this number over time. Another option is to pay it forward: tell employees that each time someone thanks them, they should thank two other people. This simple concept will increase Recognition exponentially, helping everyone understand the true power of a thank you. When providing frequent Recognition becomes second nature, Employee Engagement should increase as well, creating a workplace culture headed toward organizational success.

This excerpt is from Kevin Sheridan's *New York Times* Best-Seller *Building a Magnetic Culture*.