

Recognition Systems Are a Great Business Decision

Recognition increases employee satisfaction. Satisfied employees are happier and more productive, and make more contributions to the organizations in which they work

In a study by the Jackson organization of 200,000 managers and employees over a ten year period, it was found that in companies where few people agreed with the statement “My organization recognizes excellence” annual return on equity was a paltry 2.4%. By contrast, companies with a culture that emphasized thanking people for excellent performance racked up returns more than three times that high, at an average of 8.7%.

Culture in organizations is incredibly important. Employee engagement is a critical factor, and employee recognition is the number 1 employee engagement tool. So if organizations are recognizing only the top performers, if managers do not have recognition tools or choose not to use recognition, you risk harvesting the discretionary effort that is available from most employees.

Recognition systems are successful because they drive the right behaviors, reinforce core values, and have the potential to recognize everyone. They also flatten the organization because they provide for positive interaction across multiple layers of organizational structure.

Recognition systems create accountability with management and can help to identify culture and communication gaps. It may be fair to ask a manager why his team is never being recognized. Top management may be surprised that the core values listed on the web site and sporadically communicated to the organization never get selected in identifying achievements.

There is an opportunity in many organizations to create a culture of appreciation and thanks, and a thoughtfully designed recognition systems can be a critical part of that culture.