

Best Practices Guide to **Employee Recognition**



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Tools To Manage And Motivate People®

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Introduction

Employee recognition is the key to a motivated and satisfied workforce.

It's not an expense; it's an investment -- one that will pay for itself again and again with increased morale, higher retention rates, reduced turnover costs, increased productivity, and, ultimately better customer service and higher profit margins. You can't afford not to motivate your employees! There are many ways, both big and small, to recognize your workers for a job well done. Read on to learn more about the benefits of employee recognition and for some suggestions on just how to do it...

If people are happy at work, the company makes more money.

You probably already knew that though. Statistics show there is a link between positive attitudes at work and company performance. Unfortunately, most people aren't all that happy at work. In fact, employees generally report having negative feelings about their jobs.

The Problem

There are many factors that lead to negativity at work. For some, it may be an excessive workload. Others may be anxious about the future of the company or their job stability, and may have wandering thoughts about their car payments, mortgages, college funds, etc. Some team members may not feel challenged. Employees also blame insufficient recognition for contribution and effort as a significant factor hurting morale. These conditions have very real and very costly consequences for your company: higher turnover and lower productivity. If employees don't feel positive about their work or the work experience, it is unlikely they'll go the distance to deliver top performance for you. And that could spell bad news for your company.

With recent changes in the economy, it is more important than ever for you to find ways to motivate and retain your valued employees. As the economy picks up steam, your employees are sure to have more job options available to them. Losing a valuable employee can certainly interrupt business operations. *And did you know that replacing an employee can cost up to two times that person's salary?*

When someone leaves, other employees often have to put in additional hours and extra effort to make up for the loss. This may result in overtime costs for your company and lowered morale for those that remain. Next, you'll have to recruit for that position. Placing ads in the newspaper and internet, utilizing employment agencies, screening applications and scheduling interviews all take valuable time and money. Then, once you find the employee you'd like to hire, you may incur the costs associated with background checks, drug screening, post-offer physicals and more. And of course, you will have to train your new employee. So, as you can see – the cost of not retaining the employees you already have can be steep.

Why Motivate?

These days, companies must do more with less – less people, less budget, less resources. Employees want their work to be meaningful and personally satisfying. Employers must create a work environment where employees want to be, and more importantly, where they want to remain!

Some factors known to breed a positive work experience include:

- *Employee self worth (feeling confident, competent and in control of one's work experience)*
- *Results (the satisfaction of contributing to the success of the business)*
- *Rewards and recognition (being recognized for one's contributions)*

Recognizing and rewarding your employees' accomplishments will make them feel valued, encouraged and loyal to your company. It will provide them with the motivation to give their "all" to their work which, in turn, improves your bottom line.

An effective employee recognition program will help your company:

- *Lower absenteeism (statistics show that employees who are motivated to be at work are absent less)*
- *Motivate employees to achieve higher performance and quality*
- *Increase customer satisfaction (when an employee is happy, it has a "trickle-down" effect on interactions with customers -- both internal and external)*
- *Increase productivity (resulting from higher attendance and enthusiasm);*
- *Decrease employee complaints*
- *Improve employee retention rates (helping you keep the good ones!)*
- *Reduce turnover costs*

The Solution

To some extent, it's true that money speaks the loudest when it comes to employee recognition. Pay raises and bonuses will always be well-received by your employees. However, to build loyalty and long-term morale, you'll need to provide more than monetary compensation. Fortunately, there are an unlimited number of ways to inexpensively reward your team.

Here are a few:

- *Praise. People like to be told they've done a good job. A simple, "Great job—thanks!" goes a long way toward keeping employees motivated.*
- *Acknowledge employees publicly. Use a public forum, such as a staff meeting, company gathering or mass e-mail, to recognize achievements and share that recognition with coworkers.*
- *Remember milestones. It's important to call attention to birthdays, employment anniversaries and other momentous occasions. This can be done with greeting cards, award pins and/or modest gifts of merchandise.*
- *Recognize the little things. While it's important to remember milestones, it's also wise to reward employees in the short term with gift coupons, certificates, small tokens of appreciation or a celebratory breakfast or lunch. Give out small awards more frequently and as qualified situations arise. Save larger awards for continued or consistently high performance or for an outstanding achievement.*
- *Get personal. Personalizing awards can mean a lot to employees, whether it's an award certificate, greeting card or an engraved plaque or clock.*
- *Encourage peer recognition. This helps build teamwork and cooperation. Implement a program where employees recognize each other. This can be done on a daily basis with thank you notes or small rewards, or on a larger scale, with employees nominating an employee of the month or year. Make sure you communicate your peer-to-peer recognition program well to ensure participation and to get your employees excited about it!*
- *Reward your employees with time off. Even just an hour or two off can be extremely motivating. Who wouldn't want to sleep in a little bit or leave a little early to go shopping, catch a movie or spend extra time with the family?*
- *Consider other tokens of appreciation. Notes, pins, plaques, certificates, gas cards, picture frames, pens, company products, travel vouchers, vending machine money, restaurant gift certificates, electronic equipment, department store gift cards, company stock, movie tickets, a mention in the company newsletter, an extra casual day, t-shirts – the possibilities are endless, and not necessarily expensive.*

Stop and think about what employees experience to achieve great results. Is it all smooth sailing? Probably not. Surely, they face many challenges, from delays to stress, and even possibly personal sacrifices at home. Think about this – and then reward them – frequently and generously!

Employee Buy-In

It's also a good idea to solicit opinions from both managers/supervisors and employees regarding what they might expect from an employee recognition program. This way, you implement something that is meaningful to everyone involved. Let supervisors give you examples of the types of behaviors and performance they would like to see rewarded. You can also ask people what types of rewards would make them happy. When it comes time to implement your program, you should clearly communicate all aspects of it, including the behaviors and performance you are trying to encourage, so that employees and supervisors have a clear understanding of what it takes to both give and receive recognition. Periodically remind supervisors/managers and employees about the program(s) to ensure participation.

In Conclusion

It doesn't take much in the way of time or money to show appreciation for an employee's good work. And the benefits of doing so are countless. Thanking employees for a job well done and letting them know that they are valued can only lead to positive change in your organization. So, make recognition and rewards a part of your daily routine – it's a win-win situation.

For effective, innovative solutions to this and other daily workplace challenges, visit us online at gNeil.com today, and join the thousands of companies that rely on us to manage and motivate their personnel.

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