

Employee Recognition Impacts Business Results

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Productivity, Revenue Growth and Profit Result from Strategic Culture of Recognition

Common goals of employee recognition initiatives are to align values, communicate mission and purpose statements, build camaraderie, improve engagement and reduce attrition. There is no doubt that these important organizational goals that can be positively impacted by a good employee recognition program. Many companies have tremendous success running employing recognition programs.

Recognition can be so much more than an employee program though. In fact when an organization invests in developing a solid culture of recognition, it finds that recognition becomes a strategic driver of key business metrics including productivity, revenue and profit.

The need for relationships

Ongoing, meaningful recognition is a strategic business practice successful organizations embrace. Why? Because it builds relationships that today's employees are loudly crying out for.

According to Towers Watson, the results of its recent 2010 Global Workforce Study clearly show that "the recession has driven a final wedge into the social contract" between employer and employee. The study found that of the 20,000 employees it surveyed:

- 76% want a secure and stable position above all else
- 81% are not actively looking for other jobs
- 33% want to work for just one company
- 67% want to work for no more than three companies over their careers

The study went on to say that 55% of employees want leaders who "demonstrates sincere interest in their well-being but only 38% believe their current leaders really do care about their well-being."

Security impacts performance

Insecure employees generally tend to avoid taking risks, they are careful about putting forth new ideas that could lead to missteps or perceived failures and they become insular, keeping things to themselves. This 'deer-in-the-headlights' behavior stifles the innovation and creativity needed in product development, process improvement and customer service that increases productivity, revenue and profit.

Recognition offers a sense of well-being

Vibrant companies, of course need risk-takers, they need employees to come up with new ideas and they need sharing of best practices across the organization in order to grow and prosper. While no employer can guarantee employment security in today's tumultuous economy, employers can help employee feel more secure by integrating recognition into their strategic plans.

When leaders use recognition to publicly cite employees for innovation and teamwork, and when an organization celebrates exceptional effort, they are clearly communicating an interest in the employees' well-being. Recognition tells people that they matter. What else can make someone feel secure that to know that they matter? Employees who believe that they matter and who know that what they do is important will go the distance for a company. Increased productivity, revenue and profits are sure to follow.

