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REASONS WHY EMPLOYEE RECOGNITION IS TOPPING THE CEO AGENDA

AND

7 LOW COST WAYS TO START

Gallup determined that companies with higher levels of employee engagement enjoyed



↑ 50% higher levels of productivity,



↓ 13% less employee turnover,



↑ 44% higher profits,



↑ and 50% higher customer satisfaction

than companies that measured in the bottom **25%** in employee engagement.

1

DRIVE BETTER BUSINESS RESULTS

41%

OF COMPANIES THAT USE PEER-TO-PEER RECOGNITION HAVE SEEN MARKED POSITIVE INCREASES IN CUSTOMER SATISFACTION.

46%

OF SENIOR MANAGERS VIEW RECOGNITION PROGRAMS AS AN **INVESTMENT** RATHER THAN AN EXPENSE.



Delta launched a massive employee recognition program in 2007 and measured the results via a web-based platform with information from focus groups, surveys, and feedback. Delta reported a **564% return on investment** from their recognition program.



In those organizations in which individual employees or teams are recognized, the entity's average core for employee results was approximately **14% higher** than in organizations in which recognition does not occur.



2

LOWER TURNOVER RATE

Companies with strategic recognition reported a mean employee turnover rate that is **23.4%** lower than retention at companies without any recognition program.



Organizations with strategic recognition programs in place exhibit **28.6% lower frustration levels** than companies without recognition programs.

In a recent study by Forbes, companies that scored in the top 20% for building a "recognition-rich culture" enjoyed a **31% lower** voluntary turnover rate.



Research suggests that a direct replacement of an employee can cost as much as **50-60%** of his annual salary, but the total costs associated with turnover can range from **90-200 percent**.

3

IMPROVE EMPLOYEE ENGAGEMENT



When companies spend **1% or more** of payroll on recognition, **85%** see a positive impact on engagement.



Praise and commendation from managers was rated the top motivator for performance, beating out other noncash and financial incentives, by a majority of workers (**67%**).



When asked what leaders could do more of to improve engagement, **58%** of respondents replied:

GIVE RECOGNITION



DEFINITION: EMPLOYEE ENGAGEMENT IS THE EMOTIONAL COMMITMENT THE EMPLOYEE HAS TO THE ORGANIZATION AND ITS GOALS.

LOW EMPLOYEE ENGAGEMENT STATISTICS

ACTIVELY DISENGAGED



24%

27%

NOT ENGAGED



62%

63%

ENGAGED



11%

13%

Only **13%** of employees worldwide are engaged at work, according to Gallup's new 142-country study on the State of the Global Workplace.

2011-12 2009-10



At the regional level, Northern America (that is, the U.S. and Canada) have the highest proportion of engaged workers, at

29%

followed by Australia and New Zealand, at

24%



Further results:

21%

LATIN AMERICA

18%

COMMONWEALTH OF INDEPENDENT STATES AND NEARBY COUNTRIES

14%

WESTERN EUROPE

12%

SOUTHEAST ASIA

11%

CENTRAL AND EASTERN EUROPE

10%

MIDDLE EAST AND NORTH AFRICA

10%

SOUTH ASIA

10%

SUB-SAHARAN AFRICA

6%

EAST ASIA

7 NO COST WAYS TO START RECOGNIZING EMPLOYEES TODAY



1 Profile recognized employees in a newsletter.



2 Send a handwritten note.



3 Call an employee to your office to thank them (don't discuss any other issue).



4 Create a specific award that shows appreciation for people who go above and beyond.



5 Include praise as an agenda item at staff meetings.



6 Acknowledge individual achievements by using employee's names when preparing a status report.



7 Have a pad of "You Rock" sticky notes on your desk. Write one short note of praise to an employee each day.

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recognized



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