

The Importance of Employee Appreciation and Recognition

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Introduction

Few of the COVID-19 after effects, even for those who have never been diagnosed, include burnout, disconnection and low morale (Nobes, 2021). Employees are no stranger to such effects and the solution lies in simple recognition and appreciation. Most people agree that recognition and appreciation have value in the workplace. Employee recognition refers to the multitude of ways a business shows its appreciation for their employees' contributions. This can take many forms and does not necessarily have to be in the form of monetary compensation (Hastwell, 2021). Similarly, employee appreciation is about acknowledging their inherent value and worth as a colleague and human being (Robbins, 2019). Appreciation and recognition go hand in hand and are also often used interchangeably.

Rejecting Common Misconceptions about Recognition and Appreciation in the Workplace

While most employers believe in the power of employee recognition, many hold strong misconceptions, preventing them from reaping the true benefits of employee appreciation and recognition. They often forget that gratitude is not a transaction, rather a basic right of their employees and a path for their own business to grow. In his research, Psychologist Paul White found that 51% of managers felt that they offered their employees genuine recognition and appreciation but only 17% of those employees felt genuinely appreciated (Cadieux, n.d.).

Money Is not the Primary Motivator

Timothy Judge and his colleagues combined 120 years of research to analyze the findings from 92 different quantitative studies in the Journal of Vocational Behavior to conclude that a higher salary or monetary compensation does not correlate to higher job satisfaction. Their

research states “the correlation between pay and pay satisfaction was only marginally higher ($r = .22$ or 4.8% overlap), indicating that people’s satisfaction with their salary is mostly independent of their actual salary.” They leave room for suggestions indicating that other factors are at play to improve employee wellbeing and performance at the workplace. A cross cultural comparison also revealed similar findings in countries such as the US, India, Australia, Britain and Taiwan (Pasch, 2019).

The Primary Goal Is Not to make Employees Happy nor Is It to Increase Productivity

In his book, *The Vibrant Workplace*, Psychologist Paul White argues that attempting to make employees and others happy is an “endeavor doomed to fail.” He explains the notion of happiness stemming from the positive habits and routine individuals build in their own lives, with true power lying within the individual and not any external organization. White argues that instead of focusing on an elusive, constantly changing end goal of happiness, employers should focus on appreciation and recognition to improve the workplace environment and build it into a pleasant and engaging safe space.

Furthermore, White also explains the dynamic of distrust and cynicism that gets embedded in the workplace when the primary objective of employee appreciation is an increase in productivity (Applauz, n.d.). He elaborates that when employees believe employers are recognising and appreciating to increase productivity and profits, it produces distrust. This cynicism leads to a decay of faith in leadership.

Perks Don't Affect Employee Engagement

With the development of extraordinary and luxurious offices glorified by multibillion dollar companies such as Google and Apple, many companies followed suit only to realize that games, happy hours and nap rooms aren't captivating and retaining workers like they did before (Pashc, 2019). The Adaptation-Level Phenomenon explains this situation quite well - it is the tendency for people to quickly adapt to a new situation until it becomes the new norm and the marginal utility derived from it slowly decreases (AlleyDog, n.d.). Similarly, while these perks may feel good in the beginning, they aren't always tailored to each employee and nor do they have lasting benefits to either the employee or employer.

Why Is Employee Appreciation Important?

As Paul White would put it, "appreciation for colleagues communicates respect and value for them." Beyond any other strategic or monetary benefit to the company, employee appreciation is important to make the employees feel heard, valued and comfortable - it should be about recognising their individual self with their unique set of offerings, abilities and personality. With that being said, there are many other reasons why businesses have been recognising and prioritizing employee appreciation over the last few years.

Improved Employee Engagement and Morale

Great Place to Work-Certified™ company O.C. Tanner studied employee engagement and how managers can tailor their workplaces to promote it. Their findings reflect that recognition of employees resulted in a more positive company culture (Hastwell, 2021). In doing

so, employees are 2.6 times more likely to think promotions are fair, 2.2 times more likely to think creatively and 2 times more likely to put in extra effort.

Employee appreciation is a fundamental human need and feeling valued is at the core of all performance. Employees then tend to feel more engaged and motivated. In a study conducted by Deloitte, it was found that organizations with recognition programs in place had a 31% lower voluntary turnover than those without (Wickham, 2022). Similarly, they tend to be more connected to their work, team and the business as a whole.

Increased Employee Retention

A survey conducted by the Society for Human Resource Management (SHRM) found that the majority of human resource professionals viewed the employee recognition programs as having a positive impact on employee retention and recruitment. 68% of professionals agreed to the impact on retention and 56% agreed on recruitment (Society for Human Resource Management, 2018). Some estimates state that recruiting a new hire can cost about \$3,500 and an additional \$1,200 per year in training along with 32 hours spent (Craig, 2017). Employee recruitment is one of the large costs in business that can be avoided simply by appreciating and recognising. The U.S Bureau of Labor and Statistics conducted a report asking why employees decide to leave and they found the reasons to be lack of respect, recognition and/or autonomy.

Different Types of Appreciation and Recognition

Peer vs Superior

Recognition can either come from higher management or peers themselves. Research has found that recognition, regardless of how high or low in the organization it comes from, feels good. Albeit impressing a senior leaves more room for job security and a promotion, but leaving a good impression with fellow peers and/or juniors makes employees feel equally accomplished. (Quantum Workplace, 2022).

Attributed vs Anonymous and Social vs Private.

Most forms of appreciation come through a known party, with the management or superior being mostly responsible. However, sometimes appreciation can cause doubt and cynicism, which can easily be combated if the recognition is anonymous. Giving out an anonymous shout out or placing a gift card on their desk can have just as much influence. Similarly, some appreciation can be displayed socially, in a weekly touchpoint or at an office party and some can be given out privately. Ultimately, it is important to tailor the recognition to the employee's preference as that is true appreciation.

Behavior vs Achievement

Some appreciation is linked to employee achievement; hitting a sales goal, having remained at the company for a large number of years, getting an important client, and so on. Similarly, some appreciation techniques are linked to the behavior of employees - their generosity, spirit and teamwork. As established before, the appreciation needs to be tailored to the employee's priorities and what they would like to be appreciated more (Wickham, 2022).

How Can Organisations Appreciate Their Employees?

Showing appreciation for employees is one of the fundamental keys to growth. In an Employee Appreciation Survey conducted by Glassdoor, it was found that 53% of employees felt more appreciation would help them continue their tenure at the workplace (Robbins, 2019). While most employers understand the value of appreciation, they struggle in the execution of it.

One of the most important factors in appreciation remains the timing of it. Recognising an employee for their efforts two months later would not have the same effect as being appreciated a day or week later (Apollo Technical, 2022). Similarly, the recognition needs to be consistent over time without losing its value by being repetitive. This can be done through a simple check in to ask how they are doing, what challenges they are facing at the moment and offer any assistance if applicable (Robbins, 2019). This in turn initiates an emotional connection between the organization and its staff, eventually resulting in the company's long term success (Job Monkey, n.d.).

Recognition reaps the best benefits when it is personalized. This requires employers to be specific about the person they want to appreciate. By acknowledging the value that the employee brings within and outside of their work enables the recognition to be perceived as genuine as it encompasses their personality as well (Cadieux, n.d.). Some of the ways to appreciate employees include the following: rewarding hard work, giving gifts, a simple pat on the back, words of gratitude, involvement in decision making, providing specific and constructive feedback, appreciating them publicly and discussing business with them on an individual basis (Sahl, 2017).

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