



## 5 HR Challenges. 5 Ways Recognition Can Help.



It's no secret that recognition creates a great workplace culture and makes people feel valued. Research from the [O.C. Tanner Global Culture Report](#) shows that praising effort and recognizing people for their great

work impacts the six essential elements of an attractive workplace culture. These “talent magnets” include purpose, opportunity, success, appreciation, wellbeing, and leadership.

But recognition can help with additional HR challenges, too, from retention to data management to workload issues.

## THE TOP 5 HR CHALLENGES

- \* Retaining talent
- \* Creating a great workplace culture
- \* Data management and new HR technology
- \* Budget constraints
- \* Workload overload

\*ACCORDING TO INTERVIEWS WITH HR VICE PRESIDENTS

Turnover can be one of the most expensive challenges a company faces. The costs of replacing an employee range from [20%-150%](#) of their salary, depending on how you calculate it. That means even a mere 3% change in this number could translate to tens of millions of dollars, depending on the size of the company.

Simply put, it pays to keep your employees. And one of the best ways to do that is to make them feel appreciated.

### IT'S NOT ALL ABOUT THE MONEY.

While 80% of employers think employees leave for higher pay, only 12% of them [actually](#) do. Global [studies](#) reveal that 79% of people who quit their jobs cite “lack of appreciation” as their reason for leaving.

When leaders frequently appreciate great work and care about their people, employees are 38% less likely to look for another job, according to the Global Culture Report. In fact, employees whose managers regularly acknowledge them for good work are [5X](#) more likely to stay.

## Challenge #1: Retaining talent

### EMPLOYEES STAY WHEN THEY STAY ENGAGED.

*“We’re losing people who’ve been here a long time. They’ve got institutional and technical knowledge, and that hurts us.” – HR Leader*

Here’s a sobering fact: [Almost 25%](#) of Millennials have worked for 5 different employers. That’s a lot of employers in a short amount of time. And a lot of expense for the employers.

**“[Recognition] is the greatest retention tool in the world.”**

**RUSSELL F. COX, PRESIDENT AND CEO,  
NORTON HEALTHCARE**

## THE POWER OF APPRECIATION

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**79%** of employees leave because they don't feel appreciated

O.C. TANNER

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**38%** of employees are less likely to look for work elsewhere with frequent appreciation

O.C. TANNER

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Employees are **5x** more likely to stay when regularly acknowledged for good work

QUALTRICS

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## Challenge #2: Creating a great workplace culture

### TRANSFORM YOUR CULTURE THROUGH RECOGNITION.

*"I want to make the company a place where not only are employees happy to work, but we attract new talent and become known in our industry as a great company to work for."* – HR Leader

As an HR leader, you want to create a culture that connects your people to purpose, to each other, and to your organization. In other words, the kind of culture that makes your employees want to come to work each day.

Recognition, more than anything else, can do this. It's the number one thing employees say their manager could give them to inspire them

to produce great work. Global [studies](#) prove that when it comes to inspiring people to be their best at work, nothing else comes close—not even higher pay, promotions, autonomy, or training.

That's because meaningful and purposeful recognition makes people feel appreciated, which is a powerful emotion. And when people feel appreciated, they are more engaged, loyal, and innovative.

Recognition also has a significant impact on the six talent magnets, areas that are essential parts of workplace culture. When asked to rate each talent magnet on a scale of 0-100, employees who felt recognized also felt more positive about their sense of purpose, opportunity, success, appreciation, wellbeing, and leadership.

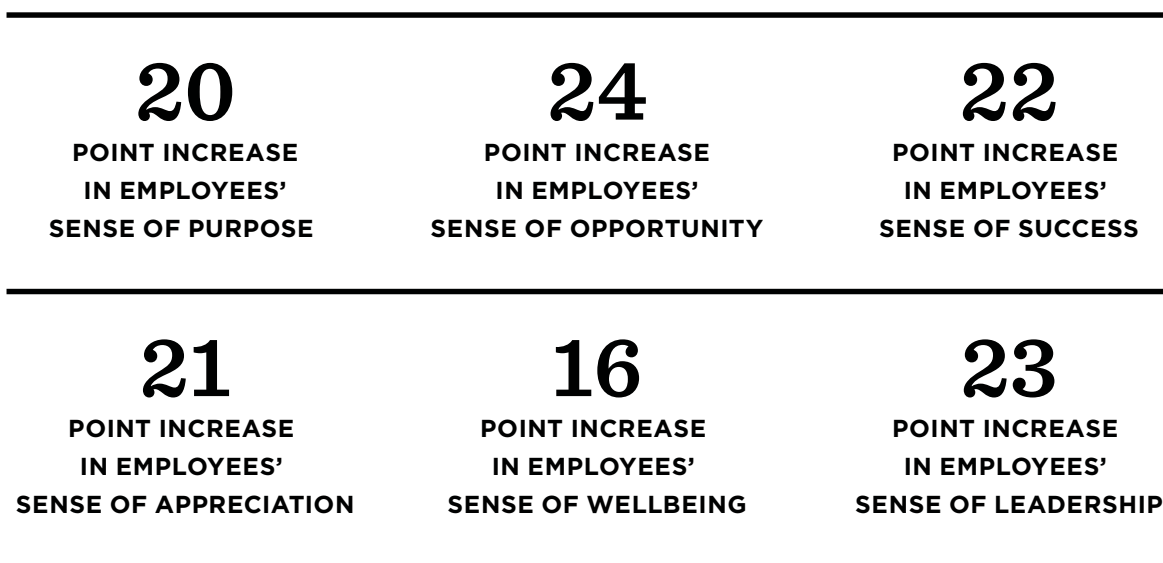
By recognizing great work, you create positive employee experiences, peak moments in their careers, and a workplace culture where people feel inspired, motivated, and engaged.





## Influence Of Recognition On The Talent Magnet Indices

Raw Increase On A 0-100 Point Scale



2019 GLOBAL CULTURE REPORT, O.C. TANNER INSTITUTE

Plus, public recognition and rewards create buzz. And when people are involved in recognition presentations, or hear about recognition given, it inspires them to do great work, too.

### **REAP THE REWARDS OF RECOGNITION.**

Senior leaders at Centra Health didn't initially buy into the power of recognition. But two years after implementing a new program, they saw how recognition had increased retention, engagement, and alignment with their true-north goals.

After just one year of the new program, 89% of employees received recognition. In surveys taken after the launch, people proactively mentioned being appreciated as a peak moment in their experience. Statements like "recognition is contagious," "recognition empowers people," and "recognition makes it easy to come to work" littered the survey. These are the kinds of feelings that keep people engaged, and keep them from leaving. Employees who were recognized more stayed at the company longer.

## **Challenge #3: Data management and new HR technology**

### **TAP THE POWER OF INTEGRATION, INNOVATION, AND INSIGHT.**

*"We have so many different systems, and some don't communicate with each other. So we have duplicate work and processes." – HR Leader*

In our interviews with HR leaders, we often heard the need for "one full-on program vs. all these one-offs." That's because silos not only kill productivity, but innovation and connections, too.

The right technology can help break down those silos. For example, a central appreciation platform that brings all recognition in your company into one central place makes the program easier to use and manage—from peer-to-peer thank you cards to formal recognition and service awards.

Furthermore, when your recognition platform integrates with other HR systems, you get one central hub for everything HR. A platform that has recognition plug-ins for the programs your employees use every day—like Workday, Salesforce, ADP, or Outlook—makes giving, receiving, and tracking recognition that much easier. Add a mobile app and recognition can happen anywhere, anytime.

A unified system makes analytics more powerful as well, allowing you to easily track great work happening in your organization and tie it to performance and business metrics. By continuously tracking your recognition program with clear, compelling and real-time data, you'll gain insights into ways you can continuously improve and see higher ROI.

Keeping up with changing technology was also mentioned as a challenge for HR leaders. However, with a cloud-based recognition platform, you automatically get new updates and innovations. And if it's one you can customize, you get recognition experiences unique to your company, but without the high expense or long wait time of a totally custom installation.

## **Challenge #4: Budget constraints**

### **BUDGETS DON'T HAVE TO HOLD YOU BACK.**

Budget constraints impact all areas of HR. But recognition can produce big results without

big money. When you don't have the budget for pay raises, promotions, or incentives, recognition is a low-cost way to help employees feel valued. And as we saw at the beginning of this report, feeling valued goes further than money for keeping employees happy, engaged, and staying at your company.

"Nursing is such a thankless job, and so just those small rewards and recognition makes you want to come to work here," says Christina Schipper, a registered nurse at Norton Audubon Hospital, which implemented a recognition program in which everyone can participate.

"You must recognize and invest in your people," says Dana Ullom-Vucelich, Chief Human Resources & Ethics Officer at Ohio Living. "Unfortunately, this is usually the first area companies choose to cut costs. But based on the research I've done, the companies that invest in their employees are the ones that end up growing financially and succeeding."

That's because recognition is about so much more than making people feel good. It has a tremendous influence on all aspects of workplace culture. When you factor in higher retention and increased productivity, it's a smart investment.

A good place to start is by positioning recognition as a company-wide, culture-building initiative—not just another HR program. Inspire leaders by sharing how recognition fuels business success and financial results. And educate and create consensus on the importance of recognition. Because when recognition is positioned as a culture-changing solution, it is easier for executives to see the potential impact and return on investment.

**"It's a really small investment for a large return from a culture-shift perspective."**

**HR LEADER**

## **Challenge #5: Workload overload**

**RECOGNITION INCREASES PRODUCTIVITY. INCLUDING YOUR OWN.**

*"I'd like to do much more but we don't have the bandwidth." – HR Leader*

Again and again in our interviews, we heard HR leaders say that they were constantly being tasked to do more, yet were already working at capacity. So recognition often gets pushed back or delayed due to more urgent issues. As one HR leader said, "One people issue can easily derail my whole day." And from another, "The volume of work is such that you can only concentrate on what is thrown in front of you each day."

When you're only able to focus on short-term fires, long-term employee engagement and culture initiatives can suffer. However, with the right recognition program—one that's automated, allows everyone to participate, and is easy to administer—it doesn't take a lot of work to make people in all parts of your organization feel more valued and motivated. And that makes them less likely to have problems later, or worse, leave the company, which just creates more fires to put out. Bottom line: The more you can retain your employees, the less time and energy you'll spend on recruitment and onboarding.

Recognition might feel like one more thing being added to your plate, but it's actually the lowest-hanging fruit for addressing low employee engagement. Recognition programs can automate many time-consuming HR tasks such as tracking employee milestones or service anniversaries. And when you give everyone in your organization the role of making people feel valued—you're lightening your load and freeing up HR capacity for more strategic and proactive projects.

You're also reducing the number of "people issues" that can hijack your time.

**"Leaders that use recognition are the same leaders that have the high engagement and low turnover. There's a secret recipe there that's not so secret anymore."**

**JASON A. COFFEY, DIRECTOR, EMPLOYEE & PATIENT EXPERIENCE, NORTON HEALTHCARE**

#### **MORE RECOGNITION MEANS FEWER CHALLENGES FOR YOU.**

There's simply no better way for an HR leader to impact an organization than by helping employees thrive at work. Because when employees are thriving, they're more productive, more engaged, and happier in their jobs. All of which make it easier for you to tackle the other organizational challenges on your list.

Recognition is a way to:

- Keep top talent and motivate them to do more
- Inspire other employees around them
- Reinforce your culture and values

Recognition doesn't have to cost a lot, and with the right technology, it can actually save resources—in both time and money. It can increase your revenue, too. Companies that have engaged employees make [2.5X](#) the revenue as those that don't. When your employees thrive, your business does, too.

**As an HR leader, implementing a recognition program is one of the best moves you can make. To see how recognition can help your organization, [talk to one of our experts.](#)**

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