

# Social Recognition Programs

**Why They Matter**

by Steven Green



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## Why They Matter

"Fifty-four percent of organizations involuntarily lost high-performing employees during the first half of 2010", reports T&D Magazine.<sup>1</sup> According to the U.S. Department of Labor, the number one reason people leave their jobs is lack of appreciation.<sup>2</sup> These figures speak to the challenge of talent retention and employee engagement, illustrating that a troubling percentage of employees who feel undervalued move on to what they hope will be greener pastures.

But what of the productivity of those that remain? Discretionary effort is directly linked to feeling valued. If you believe that your efforts matter, then you will be less likely to leave and more likely to invest greater effort into your job each day. The authors of *12: The Elements of Great Managing* drew on ten million workplace interviews to prepare their New York Times bestselling book. Their findings show that variations in recognition and praise account for ten to twenty percent differences in productivity and revenue, as well as customer engagement.

88% of employees surveyed cite lack of acknowledgment as their top work issue.

SOURCE: *Lynn Learning Labs*



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### Notes:

- 1 Pace, A: (2010, September). As future brightens for job seekers, disturbing trends emerge for trainers [Electronic version]. *T&D Magazine*, Retrieved March 25, 2011, from [http://www.astd.org/TD/Archives/2010/Sep/Free/1009\\_Intelligence.htm](http://www.astd.org/TD/Archives/2010/Sep/Free/1009_Intelligence.htm)
- 2 Nelson, N: (2007, April). Unleashing the 'secret' at work [Electronic version]. *Canadian HR Reporter, The National Journal of Human Resource Management*, Retrieved March 25, 2011, from [www.thepowerofappreciation.net/docs/HR%20Reporter%204-23-07.pdf](http://www.thepowerofappreciation.net/docs/HR%20Reporter%204-23-07.pdf).

“In one investment firm, the difference between one third of its investors feeling recognized and half feeling that way represented an eleven percent difference in revenue – millions of dollars in play.”<sup>3</sup> Their findings reinforce the numerous studies that cite the same fact: employee recognition matters. Recognition and praise in the workplace are not just ‘nice-to-have,’ they are a necessary good business practice. William James – influential psychologist and philosopher – recognized this long ago when he stated that “The deepest human need is the need to be appreciated.” How this translates within your company cannot afford to be overlooked.


## Smart Companies Embrace Non-Monetary Peer-To-Peer Recognition Programs

To make recognition part of your company culture it makes sense to look at the ubiquity of social media and its success, but it’s important to choose a platform that offers more than just the typical social media features. Instead chose one that delivers proven software that fosters collaboration, conversation and recognition among employees. Within informal social networks like Facebook social recognition has long been an ingrained and intrinsic part of how the platform is used, and the jump to the enterprise follows in its footsteps. When companies embrace social media within their organization, they quickly realize that the currency that has the greatest value to knowledge workers is the desire for recognition.

Companies with above-average employee commitment exhibit above-average revenue growth 71% of the time.  
SOURCE: *Corporate Executive Board*



Go beyond short-term incentives and rewards by using a system of peer- to-peer acknowledgment for the best results.



### Notes:

3 Wagner, R., and Harter, J.K. (2006). 12: *The Elements of Great Managing*. New York: Gallup Press.

The kind of recognition that allows an employee to build a personal legacy within the organization. Social recognition brings to light the contributions and milestones of the employee and transmits the story across the corporate intranet. Recognition becomes a cultural asset, infusing the social intranet with stories of success and achievement. This has led to a decline in the investment in incentives and rewards among the large enterprise, with budget being re-allocated to social media/social recognition. Certainly the dominant theme within the large enterprise is on social media, and not on updating the rewards catalogue.

Companies that recognize this reap many benefits, such as Zappos. Not only has Zappos grown exponentially since its start in 1999, it is also recognized as #6 on the 2011 Fortune: 100 Best Companies to Work For list. Key to their success is their culture. They understand that workplace recognition goes hand-in-hand with company success. They recognize that the achievement system – through non-monetary recognition instead of gifts – is the most powerful tool when it comes to rewards.



“ The vast majority of rewards [at Zappos] are non-monetary. People in general like to receive some form of recognition for their accomplishments, particularly when it is genuine and from the heart. At Zappos, we attempt to formulate myriad ways of providing such recognition that conforms with our Core Value of “Do More with Less”. Thus, conventional bonuses are not the rule of thumb here. Instead, we are constantly creating new and unique awards that get the recipient’s name in front of the company and acknowledge their efforts, accomplishments, and positive behaviors.”

— Shannon Roy, Zappos

## How Non-Monetary Peer-to-Peer Recognition Pays

The ripple effect of personal legacy means that the stories collected and shared through the right social recognition program will:

- **Provide Public Validation**  
Recognition by your peers makes you feel valued, and does so in a significant way. This is because only your peers truly understand the skill, time and effort of the finished project. Although others may appreciate the result your peers recognize the process, and this recognition is especially validating.
- **Increase Talent Retention and Productivity**  
If you believe that your efforts matter, then you'll be less likely to leave and more likely to make greater contributions. Non-monetary social recognition builds employee engagement, which is proven to increase retention and discretionary effort.<sup>4</sup>
- **Reinforce Corporate Culture**  
Peer-to-peer recognition programs build institutional memory, serving as a repository of stories that would otherwise go untold. The act of publicly celebrating these stories helps to shape the culture of the company.
- **Improve Talent Spotting**  
When your peers recognize your contributions your successes are seen by the entire company. The sender also benefits by visibly demonstrating managerial skills.
- **Foster Collaboration**  
Allowing praise and recognition to be shared out in the open creates a rich gallery of stories that can be searched and browsed by anyone.

The need for regular validation is especially true of Generation Y who grew up with the Internet, and whose personal life is intertwined with active social networks.



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### Notes:

- 4 Wagner, R., and Harter, J.K. (2006). 12: *The Elements of Great Managing*. New York: Gallup Press.

- **Inspire and Energize Employees**

It doesn't take much to say "thank you" for a job well done. Yet the impact of those two words can be astounding, changing the way employees feel about themselves and their work.

- **Streamline Processes**

Ongoing peer-to-peer recognition removes the bottleneck often experienced when already busy managers are the required starting point for recognition.

- **Build Community**

The achievement system brings everyone together to work towards a mutual goal that drives employee engagement to meet strategic goals.

Non-monetary social recognition programs provide short and long-term benefits. They deliver a win-win situation. Not only are they far less expensive than traditional monetary rewards programs, they are also proven to be more effective in engaging and motivating knowledge workers than traditional monetary incentives.



## Key Criteria For A Successful Social Recognition Program

**A collaborative environment with two-way dialogue around the recognition process.** This allows any employee to extend a story that has previously been published. As employees contribute comments they:

- Retain and extend corporate knowledge around specific contributions and milestones.
- Promote social capital, meaning praise and acknowledgment are not confined to top-down communications within corporate and departmental boundaries.
- Build deeper connections to the mission and purpose of the organization.

**A browseable and searchable space that aggregates all recognition.** While systems to capture documents and other resources that benefit organizations have been in place for years, what has been missing is significant. Milestones, events and the people tied to these events that make the company a great place for employees and customers have consistently been lost to the corporate knowledge base. Aggregating all recognition transforms recognition into a business resource for finding the people within the company who have the required peer validated skills when they are needed most.

Like with everything in life, when it comes to social recognition programs buyer beware. Are you getting a free set of features that feel like social media, or are you buying a proven program that will significantly assist your company in its goal to become the first choice for employees and customers?



**Public recognition and visibility.** By celebrating in a public forum the types of activities that your company wants to promote, you reinforce your corporate culture. You create a repository of stories that would otherwise go untold or remain hidden. By sharing stories about one's co-workers within the Social Intranet, the recognition moment becomes a personal, social, and highly interactive event to be valued by the recipient and appreciated by the community.

**Customized reporting to answer questions unique to your organization.** Built in reports help you understand how your social recognition program is being used. They can also reveal who the go-to people are in your organization as well as those with managerial qualities.





## Case Study – TD Canada Trust

TD Canada Trust has been named “Highest in Customer Satisfaction Among Big Five Retail Banks” by J.D. Power and Associates.

Although TD Canada Trust had a reward and recognition program it was not serving its needs, which necessitated a tool that would better allow them to:

### Objective

- Increase engagement by involving employees in a social networking program, and give them the opportunity to praise, congratulate and support peers.
- Reach more employees and share more of their stories, creating a gallery of stories that could be used to support company-wide efforts to improve the customer experience.
- Build community among the 35,000 employees spread between 1,100 branches and support offices across Canada.
- Create a culture of recognition that aligns with TD Canada Trust’s other recognition efforts.

### Solution

A web-based social networking platform developed by PollStream a provider of interactive engagement and community building solutions. Known as The Hive, this brandable social software solution for non-monetary peer-to-peer recognition is that rare “free lunch”. It is a superior way to retain and motivate employees while costing less than established, monetary-based, recognition programs.

### Results

Exceeded all objectives. Increased employee engagement metrics include:

- 35% percent increase in stories submitted per month.
- 65% of employees have contributed stories since its implementation, with 67,000 stories told to date.

This year alone, 65% of employees covered by the program have contributed stories. And [Karey] Stanley says sharing stories with each other helps make that large and diverse community seem much smaller. ‘Our employees are finding that things are not so very different in various corners of the country,’ she notes. ‘We have the same challenges and the same opportunities.’<sup>5</sup>

### Notes:

- 5 Keenan, Jr. K, A. ‘Wow moments’ helps TD Canada Trust nurture employee engagement, growth [Electronic version]. Engagement Strategies Magazine, Retrieved March 25, 2010, from [www.engagementstrategiesonline.com/Wow-Moments-Helps-TD-Canada-Trust-Nurture-Employee-Engagement.932.0.html](http://www.engagementstrategiesonline.com/Wow-Moments-Helps-TD-Canada-Trust-Nurture-Employee-Engagement.932.0.html).

## About Steven Green



**Steven Green** is the founder of TemboSocial (formerly PollStream), a leading provider of interactive engagement and community building solutions. Steven built TemboSocial with the intention of helping global companies to engage their customers and employees in

measurable and meaningful two-way dialogue. As a result he has become a valuable resource to key decision makers as they explore the growing field of online dialogue and social media. With an impressive roster of clients, such as The US Navy, TD Bank, eBay, and Best Buy, Steven continues to grow TemboSocial's reputation as an innovator of online solutions designed to segment, engage and inform. He has a BA from McGill University in Montreal and a Social Work degree from York University in Toronto.

## About TemboSocial

**TemboSocial** enables the social enterprise for some of the world's most progressive organizations, such as TD Bank, Macy's, Best Buy and the US Navy. Leading companies turn to TemboSocial's hosted suite of tools to foster collaboration, conversation and recognition among employees, customers and prospects.

[www.tembosocial.com](http://www.tembosocial.com)