

KUDOS. CULTURE GUIDE

Recognition Done Right

Drive exceptional performance through
the power of recognition.

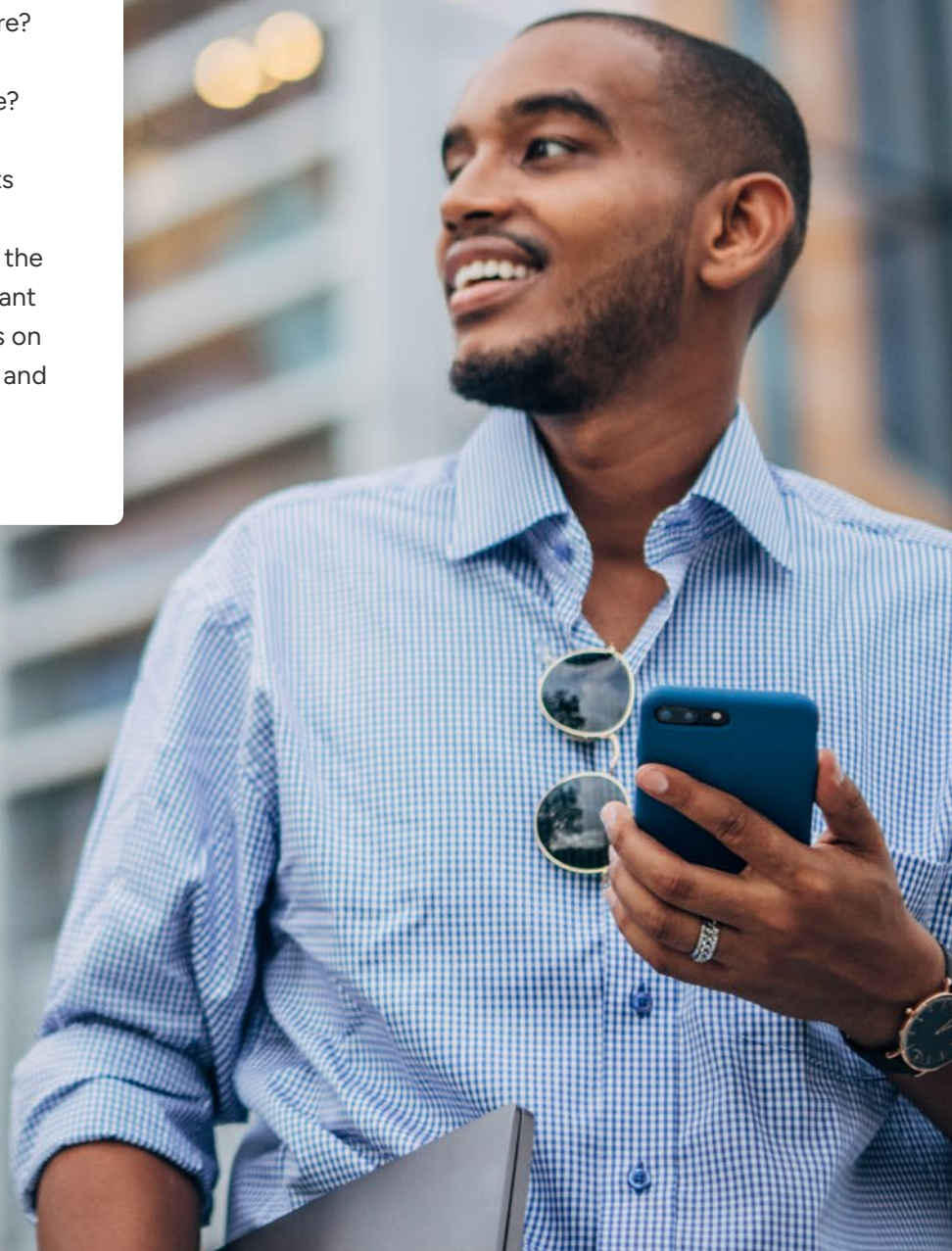


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What's inside

The game has changed, and the winners already have the new playbook.

Driving performance is one of the top priorities for every HR function, and the changing job climate offers no shortcuts in this endeavor. HR must not only find talent in a market where it is scarce, but it must also create a culture where talent is nurtured and given the resources to thrive. But how do we get there? How do we put in place the processes and foster the habits that encourage excellence? Recognition is an essential part of this puzzle. Real recognition pinpoints moments of success and praises specific behaviors, which, when implemented at scale, lead to the innovation, engagement, and growth we want to see from our people. This Ebook focuses on how recognition (when done right) creates and reinforces high performance.





Tackling the talent crisis

HR functions in every type of organization have their plates full with an evolving problem: they either can't find the right talent, or they can't get their current team motivated and engaged enough to hit critical company goals. There are two ways to approach this talent crisis.

The first approach is from the old HR playbook and incentivizes employees with monetary rewards. This kind of extrinsic motivation leads to short-term results. The problem with this approach is that it draws upon a type of transactional and fleeting motivation.

The second approach starts with the realization that there are deeper issues at play, and that those issues need to be addressed before top talent can be attracted and retained. Monetary incentives are important, but they are also easy for competitors to match, or beat. There is always someone who can pay more.

The second approach involves seeing the game-changing nature of robust company culture. **It's no secret** that positive work cultures make employees

more productive, engaged, loyal, and just overall happier at work, compared to apathetic, high-pressure, or toxic work cultures.

The cornerstone of a great work environment is recognition. In fact, **recognition is so important**, it's emerged as one of the biggest drivers of employee retention and in creating an irreplaceable workplace culture, one where every employee feels truly recognized for the moments of success – both big and small – they help create.

Like anything worth doing, though, building a great culture takes effort and consideration.

Employees have **voiced the importance** of being heard and seen. It's up to companies now to either lose their talent in the Great Resignation, or grow and learn from what this movement has taught us about what really matters to employees. Companies that choose the latter route will have a competitive advantage against the businesses that are slower to mobilize workplace recognition.

Here are three ways you can use recognition to create sustained high performance in your teams.



Democratize recognition

Validation in the workplace is fundamental in creating conditions for [high performance](#). When [recognition](#) can come from any level of the organization, and on a frequent basis, employees feel more engaged at work, loyal to the company, and motivated to advance shared goals.

That includes recognition from managers. Top-down praise and rewards are what organizations have traditionally focused on. However, day-in and day-out, it's their teammates that employees interact with the most. It stands to reason that peer-to-peer recognition would be just as important when it comes to making teams feel cohesive, happy, and productive. And it is.

Compared to struggling or under performing teams, high-performing teams [reported](#) receiving a higher degree of recognition from both their colleagues and managers.

A clear connection: high-performance and recognition

- **72% of high-performers** said they receive praise and appreciation from their colleagues.
- **79% of high-performers** said they receive praise and appreciation from their managers
- Beyond feeling like they can be authentic at work, **44% also reported** giving more appreciation to their colleagues.



Make recognition an extension of your company's core values

To unite a workforce and inspire everyone to row in the same direction, a company must have clear core values that employees know and care about.

A company with innovation as one of its core values will seek behaviors like creative thinking, adaptability, and proactivity. A company that values customer service will be supported by behaviors that show an obsession with how the employees' actions affect the customer experience.

Many companies have the north star of company values in place, but they fail to show their employees the behaviors directly linked to these core values.

This is down to having overly aspirational values that, when not boiled down to clear qualities, become too vague for employees to enact. Only 23% of employees [surveyed by Gallup](#) strongly agreed that they could apply their organization's values to their work each day.

Companies must make sure to iterate their core values to a point where employees can clearly identify behaviors associated with them. This way, whenever employees see those moments happen around them, they can use the language of company values to recognize them.

If you are curious about how your organization can choose and implement [strategic core values](#), you are already on the right track.

A culture of recognition reminds employees that they help make part of the very fabric of the company's core values. They understand their accomplishments within the context of something greater. So, even when the company is going through changes, employees feel secure in their place and content with the value they bring.

Use recognition to create a culture of innovation and intrinsic motivation

Motivation comes in various forms, with extrinsic motivation being the traditional norm.

Extrinsic motivation

[Extrinsic motivation](#), which is externally regulated, is where employees are motivated by obligations, monetary rewards, and deadlines. It is a surface-level, one-dimensional motivation that does not connect with the deeper needs and expectations of the employee.

Extrinsic motivation is important at times, but it's all too common in organizations struggling to hold on to employees, where workers feel purely motivated by the pressure and rewards.

The result of having an organization driven primarily or solely by extrinsic motivation is that the company starts to believe that rewards can replace recognition, or that the two accomplish the same thing. Yet, the absence of recognition can lead to a toxic work environment.

Companies over-relying on extrinsic motivation will find their employees with short-lived motivation, constantly eyeing the clock (or even the exit).

More lasting, and creativity-inducing, is intrinsic motivation, which drives employees to be wholly engaged and invested problem-solvers at work.

Intrinsic motivation

[Intrinsic motivation](#) is where an employee is motivated by an inner drive to complete an activity, while feeling a connection to the mission of their team and their organization.

Organizations trained in actively supporting and encouraging their teams find that employees become more trusting of their teams, aligned with company values, and more satisfied with their job. Making recognition a regular habit among teams is an excellent way to fuel intrinsic motivation, bring teams closer, and engage extrinsically motivated employees. Teams that share a friendship and a sense of purpose perform significantly better than acquaintance groups on decision-making, everyday tasks, cooperation, and group commitment.

The cascading effect of free-flowing recognition among teammates, managers, and C-level executives is invaluable in fostering a culture of closeness, trust, self-confidence, and innovation.

Generating a rhythm and habit of encouragement, recognition, and gratitude is an enormous part of the puzzle. However, equally critical is measuring the impact of this approach on your business culture and performance.

Many HR teams are using analytics to better understand the undercurrents and connections within their organizational culture. This enables them to make strategic decisions to improve parts of their workplace dynamics and performance, while measuring the impact of those decisions in real-time.



Looking ahead

In this period of the Great Resignation, employees have made it clear that they want to be part of a workplace that unlocks their full potential by being invested in them as a whole person, recognizing them for their achievements, and valuing them as part of a positive workplace culture. They've also made it clear that they are willing to look elsewhere if their current employer doesn't understand or meet those expectations. This change in attitude is daunting for companies who still look to the checkbook to solve the problem of recruiting and

retaining top talent. For those who realize that a culture of recognition elevates employees to a place of higher engagement and performance, this is an opportunity for growth.

When you make meaningful recognition a part of your company's DNA, you are investing in becoming competitive in a new world – one where employee expectations have shifted, and where the old playbook no longer gets you the winning culture.

About Kudos

Kudos is an employee engagement, culture, and analytics platform, that harnesses the power of peer-to-peer recognition, values reinforcement, and open communication to help organizations boost employee engagement, reduce turnover, improve culture, and drive productivity and performance.

Kudos uses unique proprietary methodologies to deliver essential people analytics on culture, performance, equity, and inclusion, providing organizations with deep insights and a clear understanding of their workforce.

Visit kudos.com today to learn more.

Learn more about how Kudos can help build your culture.

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