



# Why Reward and Recognition?

Employee reward and recognition (or, as we like to say, *recognition* and reward) has received a lot of attention in the last decade. Companies around the world are spending a collective \$46 billion on reward and recognition programmes and just last year, [AON](#) reported that of all the factors that drive employee engagement, recognition and reward is the leading one globally.

Here's another statistic worth knowing: Nearly half of your employees might walk out the door tomorrow for one seemingly simple reason. Do you know what that is?

**It comes down to whether or not a company thanks or praises them enough.**

Organisations are losing their people because they're failing at recognition. And it's worth it to fix. Here are a few other important statistics around reward and recognition:

# Our research shows...

## Diving into recognition and reward technology

### R&R programme

The top frustrations HR leaders have with their recognition and reward programmes are that 1) moments of recognition aren't seen or celebrated by other people, 2) it doesn't allow for continuous or immediate recognition and 3) employees aren't motivated by the rewards they are given.

90%

of HR workers agreed that an effective recognition and reward programme helps drive business results, and 91% agreed it has a positive effect on employee retention.

Only  
22%

of managers strongly agree that their company provides them with the tools and understanding on how to recognise colleagues effectively.

38%

of HR workers don't agree that their current recognition and reward programmes are as effective as they could be.

80%

of HR employees surveyed said they would be likely to invest in recognition and reward programmes within the next year.

## The importance of recognition and motivation



Almost **half of employees** agreed that they would leave a company that didn't praise or thank them enough for the work they did.



Only **26% of managers strongly agreed** that their company praises or thanks employees for the good work they do based on their company's values, and almost a third agreed that they struggle to find the time to give out thanks and praise.



Over **seven in 10** employees want their employers to do more to motivate them.



The **top reasons for employees feeling demotivated** are: feeling invisible or undervalued (43%), having a bad manager (43%) and lack of recognition (40%).

Being unmotivated has an alarming effect on employees, with the top five being:

<p><b>A decline in mood (worsens) (62%)</b></p>	<p><b>A reduction in productivity levels (49%)</b></p>	<p><b>A decline in mental health (48%)</b></p>	<p><b>A reduction in quality of work (39%)</b></p>	<p><b>A decline in the quality of diet (30%)</b></p>
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Source: Reward Gateway research 2018-2019

## Other research agrees...

 <p>It's estimated that global businesses lose approximately <b>\$7 trillion each year</b> due to lack of motivation. (Gallup)</p>	 <p>Organisations where recognition occurs have <b>14% better employee engagement</b>, productivity and customer service than those without. (Bersin by Deloitte)</p>	 <p>Companies with a recognition culture have <b>31% lower employee turnover</b>. (Psychometrics)</p>
 <p>The magic number for recognition: It's recommended to <b>recognise an employee every seven days</b>. (Gallup)</p>	 <p><b>75% of employees</b> receiving at least monthly recognition (even if informal) are satisfied with their job. (BambooHR)</p>	 <p>Peer-to-peer recognition is <b>35.7% more likely</b> to have a positive impact on financial results than manager-only recognition. (SHRM)</p>



### Reward and recognise your people to increase productivity, satisfaction and business results:

Get in touch with the Reward Gateway team to learn more about our innovative recognition and reward solutions

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