By Allan Schweyer, Chief Academic Advisor, IRF

Have you ever re-read a note of praise sent to you by a respected colleague or manager? What about the ones you've written praising other people? Appreciation doesn't have to be in writing – face-to-face will do the trick too – but when you commit to it in writing, or even record it in a video, it can be turned to again and again with surprising benefits for both giver and receiver. Meaningful recognition can matter, as they say, even more than tangible rewards.

I have been thinking about this after analyzing the results of two large surveys the IRF and Carnegie Mellon University conducted in April and May of this year, and after reflecting on some of what we heard from expert interviewees on the effectiveness of points-based recognition platforms. First, the surveys reveal that overall levels of recognition are relatively low. The single largest group of our respondents claim to have received no recognition at all in the previous twelve months. The average hovered in the range of only five instances, including from managers, peers, and other stakeholders combined.

Even more surprising though was our respondents' lackluster appetite for manager and peer Shape Incentive Research Foundation recognition, a sentiment confirmed by some of our interviewees (incentive and reward program designers who had not yet seen the survey results). Indeed, when asked about effectiveness as a motivator, recognition by managers was ranked second lowest of 12 non-tangible drivers, and peer recognition was dead last. As above, respondents ranked all forms of tangible recognition involving points as among the least effective motivators.

These are remarkable results, especially when you consider that almost all of our respondents work remotely and most work at least three days from home. Surely recognition platforms that use points to reinforce appreciation are among a firm's first line of defense against the adverse effects of remote work, including reduced communication and collaboration, and greater feelings of isolation and loneliness.

Does recognition no longer matter?

Though recognition was not a strong *self-reported* source of motivation for respondents in our surveys, a robust body of literature (e.g. Brun and Dugas, 2008; Tessema et al, 2013; Bradler et al, 2016; Chanana and Sangeeta, 2020) demonstrates that employee recognition is essential to engagement and performance for most people. Our survey respondents were very clear about the importance of – and their desire for – substantial manager and peer *interaction*, but less so about manager and/or peer *recognition*.

So what's going on here?

Honoring the principle of Occam's razor (the simplest of competing theories should be preferred to the more complex), our survey respondents' low estimation of recognition might reflect a need for better guidance and coaching around providing <u>meaningful</u> recognition and appreciation. One of our interviewees who represents a financial firm with thousands of remote workers told us:

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> **With the shift to remote work, we have suffered a loss of collaboration; what I would call a sort of a loss of visibility. We have a points program to help overcome this. You can send e-cards and you can add points if appropriate. You can reward as few as 50 points ($5) and as high as 5,000 points ($500). Some people have banked up to 50,000 points ($5,000) but they shrug and say they are not as valuable anymore. What we are seeing throughout the remote workforce especially, is that despite the value of points people have collected, there is no real personal connection. The points recognition program has lost its shine, so to speak, maybe because it was overused during the pandemic. We are changing it now so that you can upload a video saying why you are rewarding points and appreciating a team member or colleague. Recognition – maybe especially for remote workers – is more valuable than the reward, but it has to be meaningful.**

At the IRF we like to say 'research' is our middle name (because, literally, it is). So don't expect us to simply accept at face value what may be obvious to you (or most anyone else who has interacted with fellow humans). Instead, we looked for evidence from well-constructed experiments published in credible, peer-reviewed journals to determine whether meaningful recognition matters. No spoiler alert needed: it does. But read on because you might find that it matters in more and different ways than you think.

Active constructive recognition drives well-being, trust and better relationships

First, consider that positive feedback and recognition often barely registers for the receiver. For example, it is very likely that if you ask an employee how much recognition they receive from their manager, you will get a very different (much lower) estimate than you would if you asked their manager how often they recognize that employee. Much of the fault lies with the giver. Recognition and positive feedback often occurs casually, off-the-cuff, within a broader conversation. On recognition platforms, points might be awarded without stating why. Or the reasons may be perfunctory and therefore less meaningful.

Researchers have long studied and identified the effects of positive feedback and recognition, including on improved engagement, productivity, health and well-being, and relationships (e.g., Harlow & Cantor, 1995; Sarason, Sarason, & Gurung, 1997; Uchino, Cacioppo, & Kiecolt-Glaser, 1996; Cunningham & Barbee, 2000 Gable & Reis, 2001). Langston (1994) and Bryant (1989) showed that when a person provides recognition, both they and the receiver experience positive benefit. In other words, when you share in another person's success (either a peer or a report), you both experience emotional well-being and relationship satisfaction (e.g., Beach & Tesser, 1995; Tesser, 2000).

When articulating the reasons for recognition and appreciation, the giver must rehearse and retell the story, which in a sense, causes them and the receiver to relive or re-experience positive events. This prolongs the memory, regenerates positive feelings, and strengthens relationships (Gable, Impett, Reis & Asher, 2004). According to the research, the more genuine and enthusiastic the giver of positive feedback or recognition, the greater the effect.

Indeed, in experiments conducted for a 2004 study by researchers at UCLA and the University of Rochester, giving and receiving positive feedback and recognition "correlated with commitment, satisfaction, intimacy, and trust." Moreover, on days in which subjects shared appreciation, they reported significantly greater positive emotions and overall life satisfaction (Gable, Impett, Reis & Asher, 2004).

Rewards offered without explanation may do more harm than good

Not surprisingly, when recognition is couched in or sandwiched between other, negative feedback, the effect is worse than not providing the recognition at all. Importantly though, and perhaps counterintuitively, when positive feedback and recognition come without explanation – the type of exchange that researchers term "passive constructive" – outcomes are also negatively correlated with measures of commitment, satisfaction, intimacy, and trust (Gable, Impett, Reis & Asher, 2004). In other words, when managers and peers award points with explanation and meaning, they engage in "active constructive" appreciation as opposed to passive-constructive recognition. This can make a world of difference (Gable, Impett, Reis & Asher, 2004).

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Old school managers won't be successful. You have to trust people. Training and incentives can help to change managers' mindsets.

- Incentive, reward & recognition program design expert

The take-aways for points-based recognition programs – and for recognition in general – include:

- Managers and employees should receive at least some instruction in the importance of providing active and meaningful appreciation, whether face-to-face, through a platform, or otherwise.

- Recognition platforms should require written or video-based reasons for rewards.

- In the case of peer recognition, platforms should alert managers so that they can add their own meaningful recognition.

- Platforms should archive these messages so that givers and receivers can retrieve them anytime they're looking for a little boost.

All of this, according to the research, contributes to well-being and builds better, trusting relationships. What organization couldn't use a little bit of both right now?

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