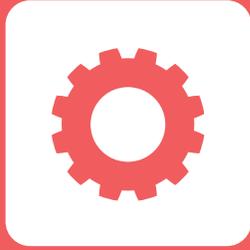




MOTIVATE



ENGAGE



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THE WHITE PAPER
WITH A RED COVER
INTENDED TO KEEP
YOU IN THE BLACK

BAUDVILLE
THE PLACE FOR DAILY RECOGNITION



DAY-TO-DAY RECOGNITION

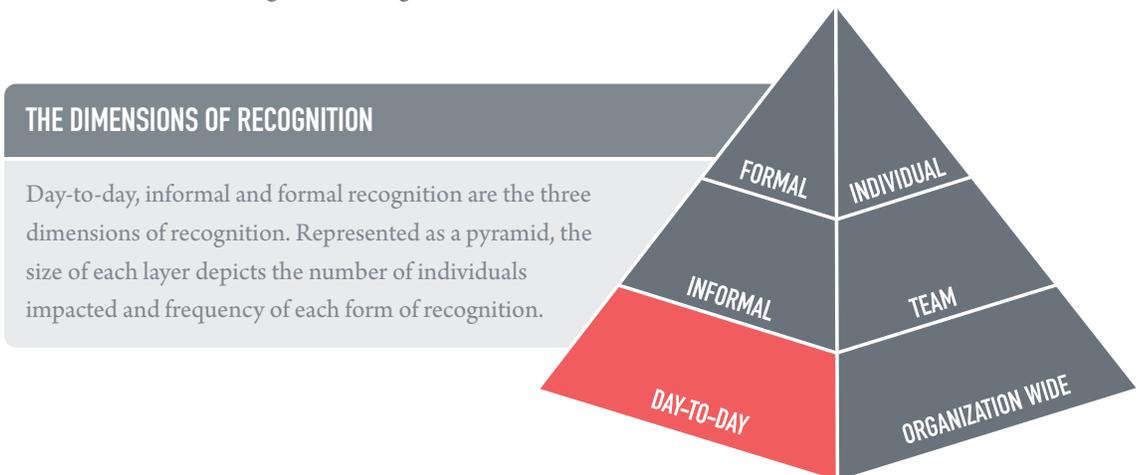
In our uncertain economic times, one of the greatest challenges leaders face is maintaining a workplace culture where employees are motivated, engaged and perform to their fullest potential.

Achieving such a workplace culture today may seem like a tall order, but it’s possible through the practice of day-to-day recognition. *Day-to-day recognition, the genuine everyday expressions of appreciation given to reinforce and reward positive behaviors*, has been shown in studies to increase employee engagement, decrease turnover and contribute to an enhanced bottom line.

The Gallup Organization found recognition to be a critical component of the engagement and performance of an organization. In fact, the fourth element of great managing, “in the last seven days, I have received recognition or praise for doing good work,” stresses the importance of regular recognition. However, many organizations fail to implement this simple practice, and Gallup declared the fourth element to be one of the greatest lost opportunities in today’s business world.

Put day-to-day recognition to work for your company as the foundation of a recognition strategy. Day-to-day recognition works with informal recognition and formal recognition to reinforce desired behaviors. Although each dimension of recognition is important, day-to-day recognition occurs most often and has the greatest ability to impact employee performance.

This report will outline the strategy of day-to-day recognition so that it can be easily incorporated into your own organization. When you implement a day-to-day recognition strategy, you can create a great place to work by establishing higher levels of employee motivation, engagement and retention throughout the organization.





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DAY-TO-DAY RECOGNITION IS AN EFFECTIVE MOTIVATIONAL TOOL.

Recognition is a powerful motivational tool. When employees were asked by Watson Wyatt to identify “very significant” motivators of performance, 66% of respondents answered “appreciation” as opposed to only 15% who reported financial reward. Because an expression of appreciation is four times more impactful than financial rewards, organizations can achieve business goals on tighter budgets by using appreciation to motivate staff.

Behavioral psychologists have found positive reinforcement to be the most effective way to reinforce a specific behavior. Positive, immediate recognition given promptly after the behavior takes place encourages the behavior to be repeated. When recognition is used to reinforce behaviors that contribute to company goals or organizational values, it can propel employees to greater performances and higher achievements.

For Jack Welch, former President and CEO of GE, recognition is a primary motivational tool. “When an individual does something notable, make a big deal about it,” he advised. Celebrating and recognizing noteworthy behaviors motivates the receiver, and it also impacts those who witness the recognition.

The use of genuine everyday expressions of appreciation communicates to employees what behaviors the company values. The positive reinforcement motivates individuals to continue practicing those behaviors, leading to improved individual and company performance.

STRATEGIC REWARDS: MOTIVATORS	PERCENTAGE RESPONDING “VERY SIGNIFICANT”
Importance of the work	76%
Appreciation of others	66%
Interesting work	51%
Expectation of financial reward	15%

The New Employment Deals, Watson Wyatt



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DAY-TO-DAY RECOGNITION IMPROVES EMPLOYEE ENGAGEMENT.

Employee engagement is the degree to which employees are satisfied with their job, believe their work is meaningful and are dedicated to their employer. This business metric has become vital to the success of a company, and day-to-day recognition is an effective way to improve engagement.

The Gallup Organization has found employee engagement to give an organization a competitive advantage. In the United States, disengaged employees cost the economy \$300 billion a year whereas companies with higher employee engagement yield higher sales, higher productivity and higher retention than companies with low employee engagement.

Engaging employees through recognition is becoming more essential than ever before with the presence of the Millennial generation in the workplace. To the Millennials, employees born after 1980, recognition is a form of communication. These young workers desire constant feedback at work to affirm their actions and behaviors.

However, younger workers aren't the only members of your workforce who desire positive feedback. A 2007 study by Watson Wyatt found that rewards and communication are important engagement drivers for all generations in the workplace. Regardless of age, the Society for Human Resource Management (SHRM) has found that individuals with higher engagement are "more likely to go the extra mile and deliver excellent on-the-job performance."

To experience the benefits of increased employee engagement, organizations must first understand and then act upon the integral connection between frequent recognition of specific behaviors and engagement.

HIGH EMPLOYEE ENGAGEMENT

Companies with higher employee engagement yield higher sales, higher productivity and higher retention than companies with low employee engagement.



DAY-TO-DAY RECOGNITION INCREASES EMPLOYEE RETENTION.

In today's mobile, multi-generational workforce, the retention of skilled workers is more important than ever before. With every employee who walks out your door, your organization spends thousands of dollars finding a replacement. Practicing recognition frequently, however, can help keep your top talent and your dollars.

Recognition is used by many organizations as part of a talent retention strategy. A survey conducted by WorldatWork and Recognition Professionals International found 51% of companies with recognition programs had improving retention as a key goal; and 76% reported that their programs were meeting their needs.

Lack of appreciation in the workplace was found by the Department of Labor to be the number one reason for voluntary turnover, ahead of compensation or benefits. The research identified 64% of working Americans leave their jobs because they didn't feel appreciated. In 2007, the Department of Labor reported a 22.7% voluntary turnover among organizations.

Employee turnover in the United States is expensive, and organizations cannot afford to lose one in every five employees. Turnover has been estimated to cost approximately 150% of the position's annual salary, and that cost only grows for highly skilled, specific positions.

The Department of Labor has shown that individuals desire a work environment where they feel appreciated for their contribution. Day-to-day recognition is a means to achieving a culture where employees feel valued and can save an organization thousands of dollars every year.

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RECOGNITION IS AN IMPORTANT PART OF EARNING GREAT WORKPLACE DESIGNATIONS.

In “Contented Cows Give Better Milk,” authors Bill Catlette and Richard Hadden demonstrate the relationship between an organization’s leadership, employment practices and bottom line through a comparison of companies with the Employer of Choice designation and those without. They found the great workplaces excelled far beyond the competition. Between 2001 and 2007, the employers of choice outgrew the other organizations by a margin of 6:1 and out earned them by \$192 billion.

Today, employers of choice continue to outperform and out-recruit the competition because talent is attracted to quality work environments. The Great Place to Work Institute, which has created best practices based on twenty years of workplace research, finds the benefits of a great workplace go beyond the bottom line. These companies experience lower turnover, receive more qualified job applicants and foster greater innovation, creativity and productivity.

Google, headquartered in Mountain View, California, is the ultimate example of a company known for its quality work environment. The company sits atop Fortune’s Best Companies to Work For list because of its employee-friendly policies and flexibility. Employees are rewarded daily not only with exceptional perks but with the knowledge that their work contributes to the greater good of the company and the customer. Googlers feel they have the ability to “make a difference” in their jobs.

What ultimately creates a great workplace are positive relationships between employees, management and peers. Employees who receive frequent recognition from co-workers are more likely to enjoy their work, be actively engaged in the goals and direction of the company and remain with the company longer.

AVERAGE RETURN TO SHAREHOLDERS	OVER 3 YEARS	OVER 5 YEARS	OVER 10 YEARS
Best companies to work for	18.1%	15.7%	18.9%
Standard & Poor’s Rating Group	10.5%	6.2%	8.4%

Fortune Magazine, 2007



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SUMMARY

Day-to-day recognition uses the power of appreciation to drive employee motivation, engagement, retention and ultimately helps your workplace excel. The best part about day-to-day recognition is that it's easy and inexpensive to implement at your own organization. Follow our simple steps, and watch your culture be transformed.

Get management on board. Gain management support by showing them the bottom-line impact of day-to-day recognition. Hint: this group thinks in dollar signs rather than employee satisfaction scores.

Design your strategy. Discover what motivates your employees and design a day-to-day recognition program around how they desire to be rewarded.

Provide the tools. Equip managers and employees with the tools to give recognition on-the-spot. Keep a small supply of note cards and gifts on hand for recognition opportunities

Share success stories. Spread the good news! Get all employees excited about the day-to-day recognition program by communicating examples of recognition in action throughout the organization.

Be a Recognition Champion. Set a strong example by looking for opportunities to recognize and deliver recognition in meaningful ways, and others will be inspired to follow your lead.

In today's economic environment, recognition has never been a more meaningful or effective management tool. When cash incentives and elaborate company parties are no longer part of the budget, the regular practice of recognition continues to motivate staff and keep morale high.

“IF A COMPANY IS ONE OF THE BEST PLACES TO WORK AND THEY ARE MAKING LEGITIMATE, SMART INVESTMENTS IN THEIR PEOPLE, THEN IT MAKES SENSE THAT THEY ARE MAKING OTHER SMART INVESTMENTS.”

Bob Dalton,
Deloitte Consulting

ABOUT BAUDVILLE

Baudville, the place for daily recognition, continues to be the leading innovator in day-to-day recognition solutions. Baudville's day-to-day recognition solutions appeal to today's increasingly diverse workforce with contemporary designs and relevant messaging, motivating and engaging workplaces worldwide. Baudville has been declared one of the best companies to work for in its area and strives to create the ultimate work experience for its employees.