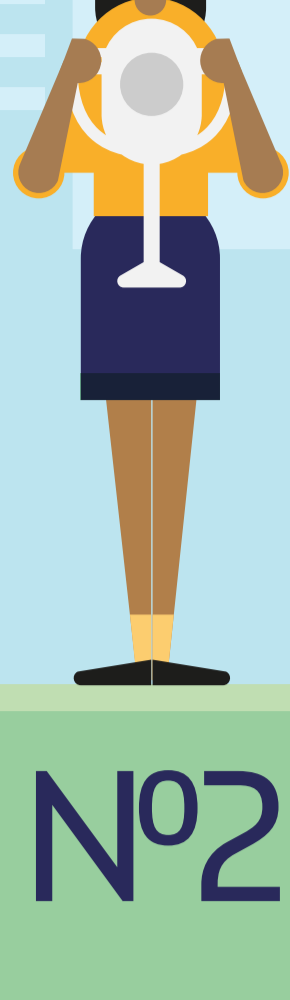


## Employee recognition programs:

# A SPEND THAT WILL SAVE YOU MONEY

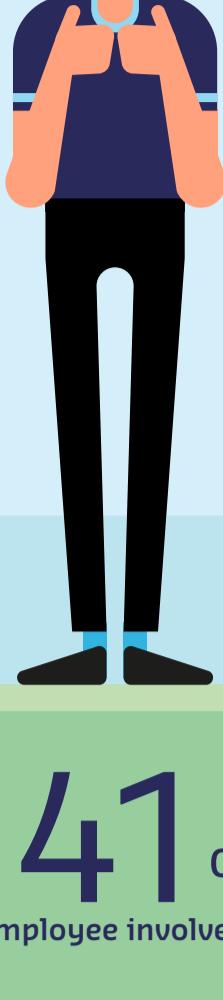
Employers often analyze the ROI of recognition programs in the workplace. But what happens when we calculate the cost of not having one?

## Engagement takes a hit when employees aren't recognized



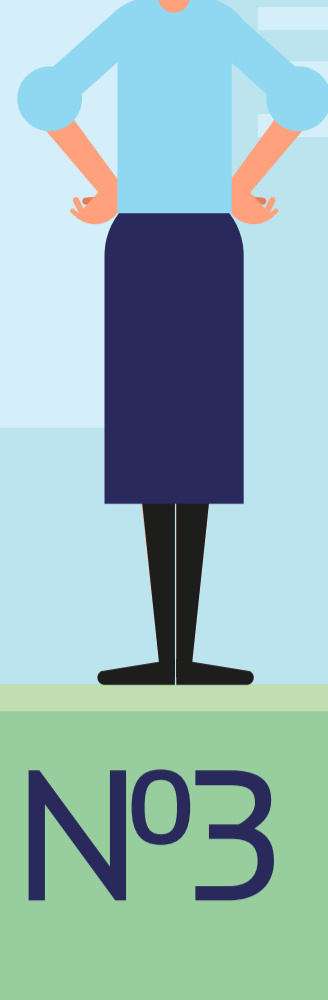
### Nº2

most important factor in terms of employee engagement in Latin America is recognition, after career opportunities.<sup>2</sup>



### 41%

of employee involvement is directly linked to being recognized by their employer.<sup>1</sup>



### Nº3

most important factor in Asia-Pacific is recognition, well ahead of salary at Nº5<sup>3</sup>

## and generates 4 hidden costs

### 1. Productivity plunges

## 12.5%

lower earnings

on average were reported by US companies without an effective recognition system in place.<sup>4</sup>

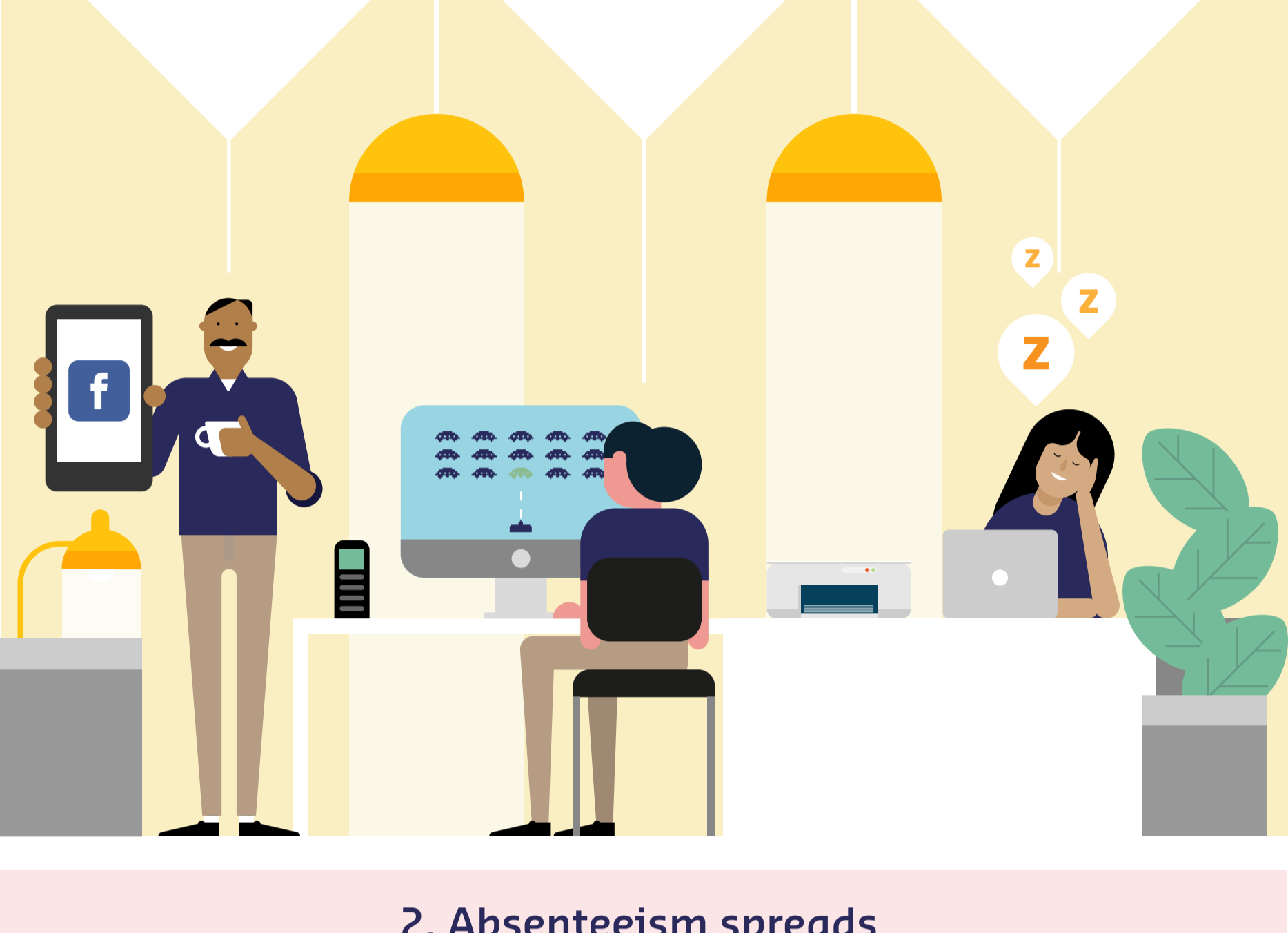
## \$450 - \$550 Billion

is the cost of plunging productivity due to employee disengagement.<sup>5</sup>

## 69%

of employees

say they would work harder if their efforts were recognized.<sup>6</sup>



### 2. Absenteeism spreads

Absenteeism is a chronic problem in the US: annually, it costs employers

## \$3,600

for hourly employees and

## \$2,650

for monthly employees.<sup>7</sup>

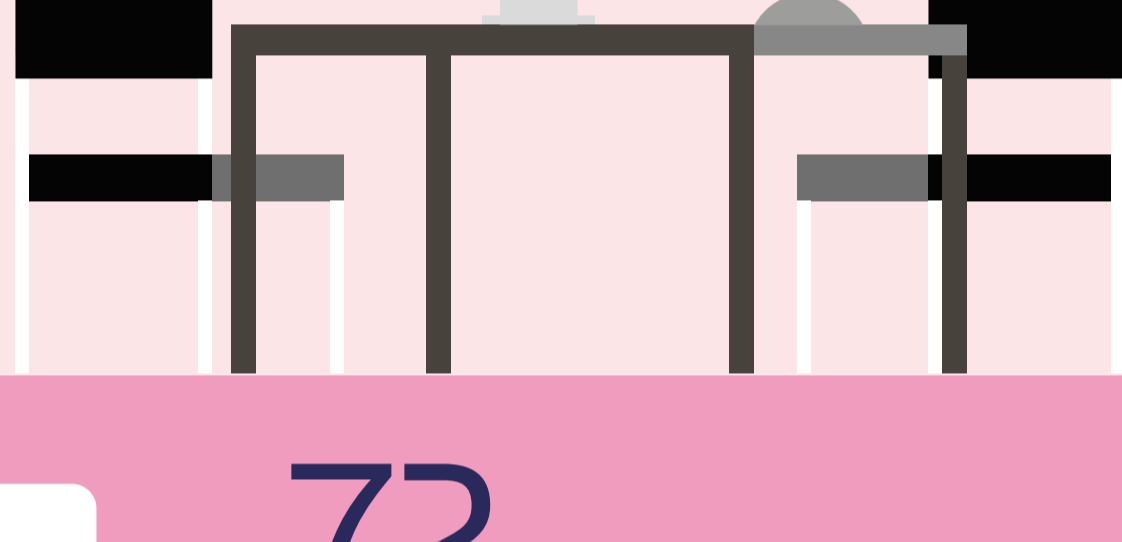
In France, lack of recognition accounts for

## 7%

of absences – or

## 45 billion

euros each year.<sup>8</sup>



## 72%

of SMEs/VSEs

around the world with a recognition program (bonuses, gift cards, etc.) reported decreased absenteeism.<sup>9</sup>

### 3. Employee turnover surges

## Nº7

most common reason why employees in Mexico wish to leave their job is the lack of recognition (out of 13)<sup>10</sup>

## 40%

of job seekers in the United Kingdom are on the market due to the lack in recognition in their current position.<sup>11</sup>

## \$4,129

is the average cost of recruiting a new employee in the US – a process which takes roughly 42 days.<sup>12</sup>

## 31%

lower voluntary departure rate among US organizations with recognition programs.



## 6 to 9 months' salary

is the average cost of replacing, recruiting and training an employee – a sum equivalent to \$20,000 to \$30,000 dollars to replace a manager earning \$40,000 dollars per year.<sup>13</sup>

### 4. Presenteeism rises

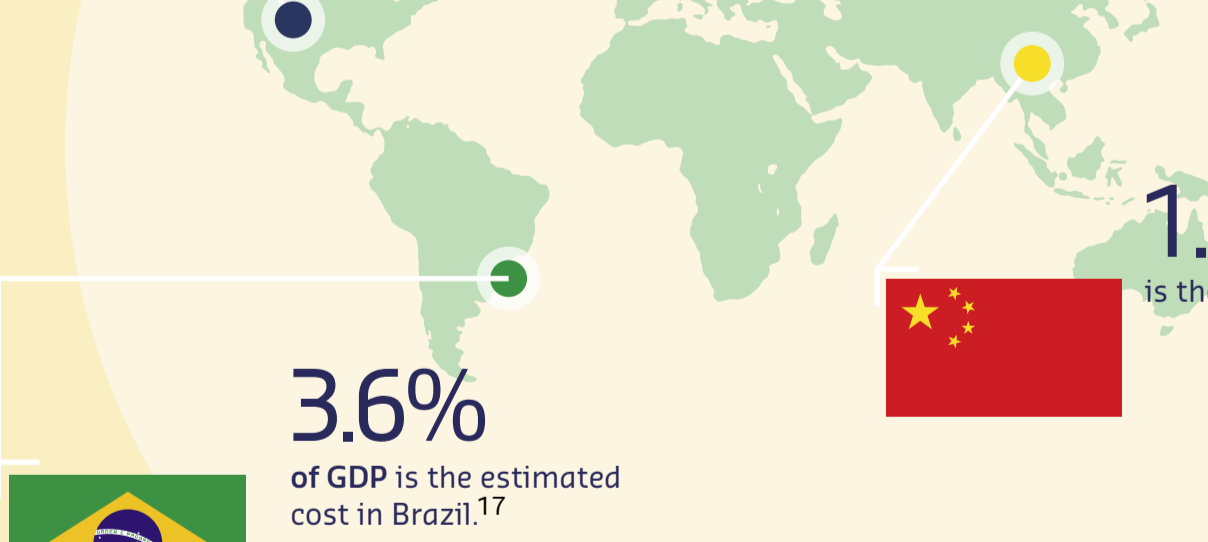
Globally, presenteeism, or being physically present at work without being productive, costs at least two to three times more than absenteeism. Some studies even report ten times as much.<sup>14</sup>

## \$576

billion is the estimated cost of presenteeism in the US.<sup>15</sup>

## £15

billion is the estimated cost in the United Kingdom; a sum that is twice that of absenteeism.<sup>16</sup>



## 3.6%

of GDP is the estimated cost in Brazil.<sup>17</sup>

## 1.4%

is the estimated cost in China.<sup>18</sup>

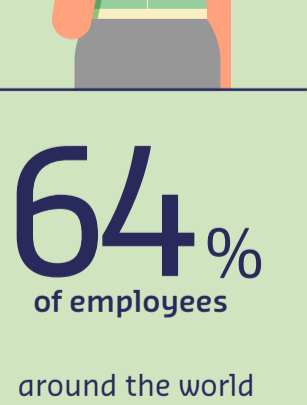
## But don't be discouraged, effective and proven solutions can remedy these problems!



## 91%

of companies

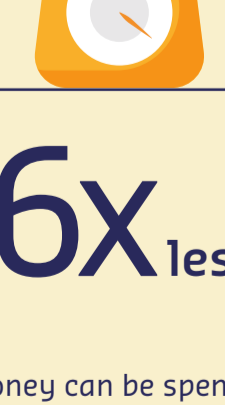
reported an increase in productivity after setting up a recognition and reward program (vouchers, gift certificates, bonuses, etc.)<sup>19</sup>



## 64%

of employees

around the world believe that recognition programs have a positive impact on their overall satisfaction.<sup>21</sup>



## 6x less

money can be spent on purchase orders and company pricing while still producing the same results as financial bonuses. Both however are essential to a good recognition strategy.<sup>20</sup>



## 44%

of employees

feel valued by the benefits provided by their employer and 42% feel acknowledged.<sup>22</sup>



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