

How businesses recognize employee achievement impacts engagement, motivation and performance

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Credit: University of Waterloo

Businesses are becoming increasingly competitive as they fight to recruit and retain top talent. Recognition programs are widespread across businesses and workplaces, and are used to improve employee engagement, while motivating employee effort and performance.

Despite recognition programs being commonplace, only a few studies have examined their impact in organizational settings, and most of this research focuses on the efficacy of individual-based recognition programs.

New research from the University of Waterloo shows that team-based recognition can be effective in settings where performance is highly interdependent, and teamwork is essential to the company's success. The study, *The Effects of Team-Based Recognition on Employee Engagement and Effort*, is published in the journal [*Management Accounting Research*](#).

"Our findings, based on actual employees performing their real jobs, provides compelling evidence of the efficacy of team-based recognition programs. This study also demonstrates the positive effects of team-based recognition in a fast-food restaurant setting, which is a notably large industry in North America, well known for its difficulties motivating employees," said Sasan Saiy, assistant professor at the School of Accounting and Finance at Waterloo.

A field-study was conducted on six fast-food franchise restaurant locations to examine how effective team-based recognition is on employee effort and [engagement](#). The same franchisee operated each of the six locations, referred to as "Management" in the same geographic region within Canada. Each restaurant had a team of approximately 30 employees. Faced with ongoing low staff engagement, Management opted to adopt a formal, team-based recognition program. Researchers implemented this program, and assessed its efficacy.

Every two weeks, each location was eligible to receive non-monetary recognition in the form of a thank-you card, token gift, etc. During this 12-week recognition program period, both employee engagement and effort increased as compared to the previous 12-week period.

Researchers also found evidence that team recognition had indirect effects on effort through employee engagement. This suggests that there are both indirect and direct effects on team-based recognition through engagement impacting employee effort.

This is the first study to show the beneficial consequences of team-based recognition on [employee](#) engagement and effort, whereas prior research has focused almost exclusively on individual-level recognition programs. "Team-based recognition is a potentially more cost-effective solution for businesses as compared to costly individual performance assessments," Saiy said. "Our results should be relevant to reward program designers, especially in settings where individual performance is costly or difficult to measure and where the nature of the work is team-oriented."

The [research](#) findings directly address recent concerns about the generalizability of theory from labs and other controlled experiments to actual work settings. The highly repetitive nature of tasks performed at fast-food restaurants, the time constraints employees are under, the low pay and the limited opportunities for advancement all likely limit [employee engagement](#) and effort. This field-study shows the potential for recognition programs to be effective in settings where motivating employees can be particularly challenging.

More information: Adam Presslee et al, Small sample field study: The effects of team-based recognition on employee engagement and effort, *Management Accounting Research* (2023). [DOI: 10.1016/j.mar.2022.100829](#)

Provided by University of Waterloo

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