

Scientific Studies on the Impact of Recognition

Goal

To find unbiased, high quality and statistically valid evidence from scientific studies on the value and impact of recognition in professional services firms, that allow us to speak confidently and definitively to that impact.

Approach

A rapid literature review was conducted 28 June-3 July 2025 to understand the impact of recognition in professional services firms (see appendix for search terms and findings).

The **search was limited to high quality scientific articles that could point to causation**, i.e. excluding cross-sectional research. Unfortunately, only 1 paper was found that looked at recognition in professional services firms specifically, so this was ultimately not set as a limitation.

After screening and searches, 14 papers were found investigating the topic. Most papers used experimental approaches with pre-post analyses.

Year	Number of studies
2000-2010	1
2010-2019	5
2020-2025	8
Total	14

Insights were extracted from the papers and are summarised below.

Findings

Recognition Improves Performance at both Individual and Team Levels

- **Performance Gains Across the Board**
 - When all employees receive recognition, **performance increases by 5%**; when only top performers are recognised, **performance increases by 7%**, likely due to conformity - you raise the bar for all (Bradler et al., 2016).
 - Recognising team members **significantly boosts not just individual, but team performance**, and these gains are stronger if the team member has stronger bonds with their team (Li et al., 2016).
 - Public **non-monetary recognitions have a significant relationship with patient satisfaction** in healthcare. (Arthur, 2023)
 - Manager **recognition results in medium-large increases to performance** (6.3% of variance explained) and CSAT (5.4% of variance explained) (Scherbaum et al., 2022).
- **Increases In Effort And Engagement**
 - **Recognition** also significantly increases effort that employees put into their work, both before and after it is received. In public recognition settings where team social bonds are strong, **employees increase effort by 5% before recognition and by nearly 50% afterward** (Burke, 2022). Where team social bonds are less strong, private recognition may be more suitable.
 - **Non-monetary rewards (like recognition) have a moderate positive effect on work effort.** Monetary rewards are a little more nuanced, can have a positive effect but with potential to undermine intrinsic motivation. (Kunz & Linder, 2012).
 - Recognition **moderately boosts engagement by over half a standard deviation**, which in turn leads to greater effort, even in fast-paced service environments (Presslee et al., 2023).
 - **Both monetary and non-monetary rewards result in more effort** (Huo, 2020).

- **Boosts To Innovation & Collaboration**
 - **Public recognition encourages divergent thinking**, as long as there's training provided on cultivating this thinking. Monetary incentives may encourage more convergent thinking. (Huo, 2020).
 - **Peer-to-peer recognition has a significant impact on collaboration within teams**, but this effect is less clear for the impact on collaboration with people in other teams. It's possible that **monetary reward may be more effective when it comes to supporting collaboration with people in other teams** (Black, 2023).

- **Reduction In Absenteeism & Turnover**
 - **Recognising good attendance resulted in a large effect (30-50% decreases) on absenteeism** 1 year later. Recognition had a sustained long-term impact on absenteeism, with effects persisting into the second year. (Markham et al., 2002).
 - **Recognition from managers has a moderate-large effect on reducing voluntary turnover.** (Chenevert et al., 2021)

Brain Scans Show The Impact Of Recognition

- **Listening to a coworker express gratitude in person activates the prefrontal cortex** (Hori et al., 2020). Prefrontal cortex activation is linked to **positive social emotions**, empathy, and connection.

Customer Recognition Could Be An Important Unlock For Professional Services Firms

- Customer satisfaction has a moderate influence on employee satisfaction in professional services firms, which is channeled **through the employee's perception of how much the client appreciates them**. This is also affected by how similar the attitudes are of the client/employee (Frey et al., 2013).
- Public announcements of employee **recognition from customers** (e.g., posters, newsletters) are **associated with higher long-term customer satisfaction** in healthcare settings. (Arthur, 2023)

Recognition Program Design Lessons From Scientific Research

- **There is a sweet spot when it comes to the amount of recognition**
 - The relationship between recognition and performance may be non-linear, meaning there is a flat effect at low levels of recognition, followed by an increasing positive effect as recognitions grow, and then plateauing at higher levels. (Arthur, 2023)
- **Ongoing recognition is complemented well by awards**
 - Ongoing peer-to-peer recognition co-exists well with monthly programs - monthly employee recognition events provide an additional boost to outcomes in addition to the continuous recognitions given. (Arthur, 2023)
- **Employee personality traits may impact the effectiveness of recognition**
 - Recognition programs tend to increase efforts to improve personal performance, however, this may depend on personality traits of the employee being recognised. (Wang, 2017)
- **Social bonds between employees may impact the effectiveness of public recognition specifically**
 - Managers should be mindful of social bonds before giving recognition to get the maximum return. It may be better to use private recognition when social bonds are low. (Burke, 2022)
- **Recognition from coworkers or a manager should feel aligned with broader organisational recognition**
 - It's important to align recognition that feels closer to home (e.g. people who work with you appreciating your work) with recognition that is more 'organisational' (e.g. a company shout-out). If there is more org recognition than manager recognition, turnover intentions may be higher, and vice-versa.
- **Recognition is most effective when paired with autonomy.** (Kunz & Linder, 2012).
- **Manager training is an important unlock**
 - In financial services, managers who received recognition training provide more formal and much more informal recognition, resulting in significant changes to performance and CSAT (Scherbaum et al., 2022)
 - Manager recognition is most important and can compensate for low organisational recognition. (Chenevert et al., 2021)

Appendix

Inclusion Criteria

- 1) English Language, 2) High-Quality Study Designs; Experiments, Longitudinal Studies, Meta-Analyses or Systematic Reviews, 3) Published after year 2000 4) Peer-reviewed Journal Articles 5) Databases searched: Business Source Premier, Web Of Science, APA PsychINFO

Search terms

Topic	Search terms
Recognition	TI(recognition) OR AB(recognition) TI(gratitude) OR AB(gratitude) OR AB(praise) OR TI(praise) OR TI(non-monetary) or AB(non-monetary)
Outcomes	TI(perf*) OR AB(perf*) OR TI(engage*) OR AB(engage*) OR TI(satisfaction) OR AB(satisfaction) TI(turnover) OR AB(turnover) OR TI(productiv*) OR AB(productiv*) OR TI(motiv*) OR AB(motiv*)
Context	"professional services" OR "legal" or "consulting"
Context	TI(employee) OR AB(employee)
Study type	TI(meta-analy*) OR AB(meta-analy*) OR TI("systematic review") OR AB("systematic review") OR TI(experiment* OR controlled OR longitudinal OR randomized OR quasi) OR AB(experiment* OR "controlled stud*" OR "controlled trial*" OR "control group*" OR "control variable*" OR "comparison group*" OR "comparative stud*" OR quasi OR longitudinal OR randomized OR randomly OR laboratory OR "before and after stud*" OR "pretest post*" OR "pre-post" OR "panel stud*" OR "case control" OR "cohort stud*" OR "prospective stud*")
Duplicates, non-relevant papers screened and removed (weak study type, wrong subject area)	

Paper summary (next pages)

YR	TITLE	AUTHORS	JOURNAL	STUDY TYPE	INDUSTRY & COUNTRY	OUTCOMES STUDIED	EFFECT SIZE	STUDY QUALITY	FINDINGS
2002	Recognizing good attendance: A longitudinal, quasi-experimental field study	Markham, SE Scott, KD McKee, GH	Personnel Psychology	Longitudinal, 1,100 factory employees over 1 year	Manufacturing US	Absenteeism	Large	Med-High	Between 30-50% decreases in absenteeism 1 year later for departments where recognition was personally given. Recognition is best at having a long-term sustained impact.
2012	Organizational Control and Work Effort – Another Look at the Interplay of Rewards and Motivation	Kunz, J. Linder, S.	European Accounting Review	Experimental design (vignettes)	n/a Scandinavia	Effort	Moderate	Med-High	Non-monetary rewards (like recognition) increase effort. Monetary rewards little more nuanced, can have positive effect but potential to undermine intrinsic motivation. Recognition most effective when paired with autonomy
2013	How Customer Satisfaction Affects Employee Satisfaction and Retention in a Professional Services Context	Frey, Regina-Viola Bayon, Tomas Totzek, Dirk	Journal of Service Research	Dyadic field study. 9,377 employees across 1,718 offices. 33,644 matching customer surveys.	Professional Services US	Employee Satisfaction Retention	Moderate	Med-High	Customer satisfaction has major influence on satisfaction of employees in professional services firms, both directly and mediated by employee's perception of client appreciation. This is moderated by how similar the attitudes are of the client/employee
2016	Employee Recognition and Performance: A Field Experiment.	Bradler, Christiane Dur, Robert Neckermann, Susanne Non, Arjan	Management Science	Experiment 300+ participants	n/a Germany	Performance	Moderate-Large	High	5.2% increase in performance when all employees receive recognition. 7.3% increase when top employees receive recognition (most increase comes from non-top performers!). Could be due to conformity - increasing the perception of high performance in the group raises work norm - people feel the need to increase performance to align. Reciprocity also a potential cause.
2016	Recognizing Me Benefits We: Investigating the Positive Spillover Effects of Formal Individual Recognition in Teams	Li, Ning Zheng, Xiaoming Harris, T. Brad Liu, Xin Kirkman, Brad L.	Journal of Applied Psychology	Study 1: N=270 in 55 teams (field survey). Study 2: N=346 (lab experiment). Study 3: N=220 in 55 teams (lab experiment)	Logistics US	Performance	Significant	High	Recognising a single team member improves performance of the whole team, and this effect is stronger if the member has stronger bonds with the team.
2017	Recognizing the Best: The Productive and Counterproductive Effects of Relative Performance Recognition.	Wang, Laura W.	Contemporary Accounting Research	Experiment 76 participants	n/a US	Effort	Not reported	Medium	Recognition programs can increase personal performance efforts as well as efforts to diminish colleagues' performance. Those low in Dark Triad traits more likely to exhibit counterproductive behaviors in response to recognition. Conversely, those high in Dark Triad traits more inclined to increase productive efforts.
2020	Prefrontal activation while listening to a letter of gratitude read aloud by a coworker face-to-face: A NIRS study.	Hori, Daisuke Sasahara, Shinichiro Doki, Shotaro Oi, Yuichi Matsuzaki, Ichiyo	PLoS One	Randomised Controlled Trial	n/a Japan	Positive Social Emotions	Not reported	High	Listening to a coworker express gratitude in person activates the prefrontal cortex. Prefrontal cortex activation is linked to positive social emotions, prosocial behavior, and cognitive-emotional integration.

YR	TITLE	AUTHORS	JOURNAL	STUDY TYPE	INDUSTRY & COUNTRY	OUTCOMES STUDIED	EFFECT SIZE	STUDY QUALITY	FINDINGS
2020	Performance Incentives, Divergent Thinking Training, and Creative Problem Solving	Huo, Kun	Journal of Management Accounting Research	Experiment 120 participants	n/a China	Creativity	Not reported	Med-High	Both monetary and non-monetary rewards encourage more effort. Monetary incentives encourage more convergent thinking. Public recognition encourages divergent thinking, as long as there's training provided on divergent thinking.
2021	Employees' Perceptions of Non-Monetary Recognition Practice and Turnover: Does Recognition Source Alignment and Contrast Matter?	Chenevert, D. Gagnon, S. Tremblay, M.	Human Resource Management Journal	Longitudinal 221 responses Time 1, linked to actual turnover 2 years later	Healthcare Canada	Retention	Moderate-Large	High	Important to align recognition from closer to home (e.g. people who work with you) with 'organisational' recognition (e.g. company shout-out). If there is more org recognition than manager recognition, turnover intentions likely to be higher & vice-versa. In other words, manager recognition is most important and can compensate for org recognition.
2022	The Role of Social Bonds in Understanding the Pre- and Post-Recognition Effects of Recognition Visibility.	Burke, Joseph	Accounting Review	Experiment 160 participants	n/a US	Effort pre- and post-recognition.	Not reported	Medium	5% increase in pre-recognition effort when there is public recognition & high social bonds. ~50% increase in post-recognition effort when public recognition and high social bonds. Findings mean managers should be mindful of social bonds before giving recognition to get the maximum return. It may be better to use private recognition when social bonds are low.
2022	The impact of manager recognition training on performance: A quasi-experimental field study.	Scherbaum, Charles A. Naidoo, Loren J. Saunderson, Roy	Leadership & Organization Development Journal	Randomised Controlled Trial 37 bank branches	Financial Services Canada	Performance	Moderate-Large	High	Managers who received recognition training give more formal and much more informal recognition. This resulted in an increase to performance (6.3% variance explained) and CSAT (5.4% variance explained).
2023	The effect of peer-to-peer recognition systems on helping behavior: The influence of rewards and group affiliation.	Black, Paul W.	Accounting, Organizations & Society	2 online experiments 192 participants in 1486 in 2	n/a US	Helping Behaviour	Significant	High	Peer recognition has a positive impact on supporting people in your own team but not necessarily people in other teams. Monetary reward may be more effective at supporting people in other teams. Evidence that having a peer recognition system makes people more sensitive to cultural expectations. - i.e. it increases perceived social obligation to help.
2023	Small sample field study: The effects of team-based recognition on employee engagement and effort.	Presslee, Adam Richins, Greg Saiy, Sasan Webb, Alan	Management Accounting Research	Field Experiment 144 employees over 12 weeks	Fast food US	Engagement and Effort	Moderate	Med-High	Team-based recognition boosts both Engagement (Absenteeism & Turnover) and Effort (productivity & task completion).
2023	Public announcements of employee recognitions from customers and customer satisfaction: Longitudinal effects in the healthcare context	Arthur, Jeffrey B.	Journal of Business Research	Longitudinal 6,849 recognitions over 4 years	Healthcare US	Patient Satisfaction	Not reported	High	Public non-monetary recognitions have a significant relationship with patient satisfaction. Relationship is non-linear, meaning flat effect at low levels of recognition, then increasing positive effect as recognitions grow, then plateauing at higher levels. I.e., there is a sweet spot when it comes to recognition amounts. Monthly recognition events provide additional outcome boost to continuous recognitions given.