



THE STRATEGIC RECOGNITION TOOLKIT

**TURN CULTURE
INTO MEASURABLE
BUSINESS
RESULTS**



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Section 01

THE MEASURABLE ROI OF EMPLOYEE RECOGNITION

THE TOOLKIT



You know **recognition matters.**

Now it's time to prove it. This kit gives you the ROI framework and actionable tools to make recognition a strategic, measurable principle, not just a nice-to-have.

Let's be honest. "Recognition matters" isn't exactly a controversial take. But when budget season rolls around, "it feels good" doesn't cut it. Finance wants numbers. Leadership wants evidence. And you're sitting there knowing it works, but needing to prove it.

That's what this section is for. We've done the math.

OUR METHODOLOGY

We modelled a Canadian company with 1,000 employees and a total payroll of \$63,000,000. The recognition investment? **Just 1% of payroll annually, that's \$630,000.** Why 1%? Because according to SHRM, it's the minimum threshold required to see positive results in talent attraction, staff retention, and employee engagement.

Breakdown of employees and salaries in our model company

Employee category	% of employees	Average salary	No. of employees	Payroll
Support / Production	50 %	45 000 \$	500	22 500 000 \$
Professionals / Specialists	30 %	65 000 \$	300	19 500 000 \$
Middle managers	15 %	90 000 \$	150	13 500 000 \$
Senior executives	5 %	150 000 \$	50	7 500 000 \$

From there, we applied a simple but powerful formula:

$$\text{ROI (\%)} = [(\text{Benefits} - \text{Investment}) / \text{Investment}] \times 100$$

Benefits = estimated cost savings generated by the recognition program

To stay grounded, we ran three scenarios for each impact area:

CONSERVATIVE

More cautious than
reference data

REFERENCE

Based directly on expert
studies

OPTIMISTIC

Slightly above reference
data

IMPACT 1

Employee Turnover

Here’s a number that tends to stop people mid-sentence: **79%** of employees who quit say the main reason was feeling unrecognized. Not pay. Not their manager. Not the commute. They left because no one made them feel like they mattered.

And replacing those people is expensive, much more expensive than most leaders realize. The cost of replacing a single employee varies significantly by role:

Role Level	Replacement Cost (% of Annual Salary)
Support / Production Employees	40% - 70%
Professionals / Specialists	75% - 125%
Middle Managers	125% - 150%
Senior Executives	200% - 400%



These costs include recruitment, onboarding, training, productivity loss, team disruption, and the institutional knowledge that walks out the door. For a company of 1,000 employees with an average 15% annual turnover rate, this adds up fast.

THE RESEARCH

According to the Aberdeen Group, companies with a structured recognition program experience **31% lower turnover** than those without one.

ROI on Turnover – Three Scenarios

Scenario	Turnover Rate Reduction	Cost Avoided	ROI
Conservative	20%	~\$1.4M	122%
Reference	31%	~\$2.2M	249%
Optimistic	40%	~\$2.8M	344%

Investment: \$630,000 (1% of payroll) – Scenarios based on Aberdeen Group research



IMPACT 2

Employee Engagement

Quiet quitting. Quiet vacationing. The ever-expanding vocabulary of disengagement. These are not just buzzwords, they have a dollar figure attached to them.

According to McLean & Company, a **disengaged employee costs approximately \$3,400 for every \$10,000 of annual salary**. And according to Indeed, **two-thirds of Canadians are disengaged at work**. That means in a company of 1,000 people, roughly 650 employees are showing up, but not really showing up. They're not necessarily slacking off. They're just doing the minimum. No initiative, no extra effort, no real connection to the work.

A disengaged employee doesn't announce themselves. They quietly cost you money every single day.

The Hidden Cost of Disengagement

650

disengaged employees
without a recognition program

200

disengaged employees
with a recognition program

When employees feel valued, engagement rises significantly. Studies show that up to 80% of employees report being fully engaged when they feel recognized.

THE RESEARCH

When employees feel valued, the number of disengaged people in our 1,000-person model drops from **650 to 200**. That's 450 people re-engaged, and the cost savings are substantial.

ROI on Engagement - Three Scenarios

Scenario	Employees Re-Engaged	Cost Avoided	ROI
Conservative	350 employees	~\$1.2M	90%
Reference	450 employees	~\$1.6M	154%
Optimistic	500 employees	~\$1.8M	186%

Investment: \$630,000 (1% of payroll) — Scenarios based on McLean & Company and Indeed research

IMPACT 3

Absenteeism

In Canada, permanent employees miss an average of 12.4 days of work per year. For a 1,000-person organization, that's **12,400 days. Not 12,400 minutes. Days.**

Some of that absence is unavoidable: illness, family emergencies, the occasional appointment that runs long. But a meaningful portion is tied to something fixable: **people who don't feel connected to their work. When someone dreads Monday morning, any excuse to stay home starts to feel justified.**

THE RESEARCH

According to Gallup, recognition programs can reduce absenteeism by **up to 27%**. That's not a rounding error. For a 1,000-person company, it translates to roughly **3,350 recovered working days per year.**

Scenario	Absenteeism Reduction	Cost Avoided	ROI
Conservative	15%	~\$350K	55%
Reference	27%	~\$630K	100%
Optimistic	35%	~\$820K	130%

Investment: \$630,000 (1% of payroll) — Scenarios based on Gallup research

PROVEN ROI OF EMPLOYEE RECOGNITION

Across all three impact areas, structured recognition programs generate ROIs ranging from **93% to 693%**, based on data from Gallup, Aberdeen Group, and McLean & Company.

93%+
Conservative ROI

350%+
Reference ROI

693%+
Optimistic ROI

*Methodological note: These scenarios are illustrative, based on recognized expert sources. Actual results vary by organization, culture, and program design.

Section 02

CALCULATE YOUR ROI WITH ALTRUM

the numbers we've walked through are based on a modeled company of 1,000 employees. But your organization isn't a model, it has its own headcount, its own salary mix, its own turnover reality. So let's personalize this.

Altrum built a [free ROI calculator](#) specifically to help you see what recognition could mean for your company, in real dollars.



How the Calculator Works

You enter three pieces of information: your number of employees, your average employee salary, and your annual turnover rate. From there, the calculator applies industry-standard replacement cost benchmarks to show you what turnover is actually costing your organization right now.

THE FORMULA WE USE



WHAT YOU ENTER

- Number of employees
- Average annual salary
- Annual turnover rate



WHAT YOU GET BACK

- Your annual turnover cost (3 scenarios)
- Potential savings with Altrum's solutions
- A personalized follow-up from our team



What Your Results Look Like

Here's an example of the summary you'd receive after filling in your numbers:

Thanks for using our Employee Turnover ROI Calculator!

1

RECAP OF YOUR COMPANY DATA

2

YOUR ANNUAL TURNOVER COST

3

HOW ALTRUM CAN HELP YOU SAVE

4

YOUR POTENTIAL ANNUAL SAVINGS

- Conservative scenario
- Industry standard
- More senior/complex roles

5

HOW TO INCREASE ENGAGEMENT AND RETENTION

WANT TO SEE HOW IT WORKS IN REAL LIFE?

Find out in just a few clicks how much employee turnover is really costing your organization. No obligation.

[GET YOUR ROI](#) →

Section 03

YOUR BUDGET MEETING CHEAT SHEET



You've sat in that meeting. Someone asks, "But do we really need a formal recognition program?" Here's what you say back:

79%

It's the percentage of people who have already left a job because they didn't feel sufficiently valued by their organization.

\$3,400

is what a disengaged employee costs per **\$10,000 of salary**. In a 1,000-person company with 65% disengagement, that's millions walking out the door every year.

31%

lower turnover in companies with structured recognition programs (Aberdeen Group). Not a marginal improvement, **nearly a third**.

12.4

number of days missed per employee per year in Canada. Recognition programs reduce this by up to **27%**, according to Gallup.

1%

of payroll is all it takes to start seeing results. SHRM says that's the minimum threshold. It's **not a big ask**. It's the cost of doing nothing, divided by a thousand.

Section 04

DOES YOUR RECOGNITION PROGRAM ACTUALLY WORK?

Knowing the ROI potential is half the battle. The other half is making sure your program is set up to actually deliver it. Not all recognition programs are created equal, and the difference between a program that moves the needle and one that collects dust often comes down to a few key factors.

Use the following checklist to evaluate your current setup or base yours on it.





PROGRAM MANAGEMENT

Reduces admin work and makes daily recognition simple.

- ✓ Recognition can be given and received in under 60 seconds
- ✓ Managers receive regular prompts or reminders to recognize their teams
- ✓ There is a centralized platform (not just informal shoutouts or email)
- ✓ The program integrates with tools your team already uses (Teams, Slack, etc.)
- ✓ Milestone recognition (anniversaries, achievements) is automated



PERSONALIZATION

Tailored to your teams, values, and culture.

- ✓ Recognition is tied to specific company values, not just generic praise
- ✓ Employees can choose how they prefer to be recognized
- ✓ Gifts and rewards are meaningful, not one-size-fits-all
- ✓ Peer-to-peer recognition is enabled (not just top-down)
- ✓ Cultural and regional differences are accounted for



DATA & SECURITY

Captures data securely with engagement and retention reporting.

- ✓ You can measure recognition frequency and coverage across teams
- ✓ Engagement and retention trends are visible in a dashboard
- ✓ Data is stored securely and in compliance with privacy regulations
- ✓ You can identify which departments or managers have low recognition rates
- ✓ Reports can be shared with leadership to demonstrate impact



MANAGER SUPPORT

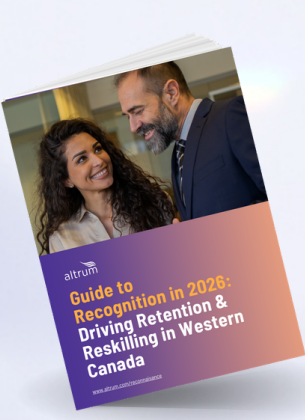
Guides managers with training and reminders for consistent recognition.

- ✓ Managers receive training on recognition best practices
- ✓ There is guidance on how to give specific, meaningful recognition
- ✓ New managers are onboarded into the recognition culture
- ✓ Recognition habits are tracked and coached, not just left to chance
- ✓ Leadership visibly models recognition behavior

HOW TO READ YOUR SCORE

16–20 checked: Your program is well-positioned to deliver real ROI. Keep measuring and iterating. | 10–15 checked: Good foundation, but gaps are costing you. | **Under 10 checked:** Time to rethink the approach.

Resources & Tools to Take it Further



The ultimate guide to understanding the importance of recognition, with actionable strategies and a clear action plan.

Download



The guide to evaluating your organization's recognition practices, the starting point of any strong program.

Download



The guide to gaining leadership buy-in for a recognition program.

Download



The checklist for choosing the right recognition partner for your organization.

Download

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