

7 Questions to Help You Build a Stronger Employee Reward and Recognition Program



In difficult times, **employee recognition becomes even more important.** A well designed program can **lift morale, improve productivity** and **give companies an edge over the competition.** What can you do to ensure your program is delivering these benefits? **Here are seven questions to ask.**

BY ADRIENNE HEDGER

MIKE BYAM, PARTNER AT THE TERRYBERRY COMPANY and author of “The WOW! Workplace,” recalls an eye-opening moment that occurred recently.

“I was reading a new study from Adecco Group North America,” he says. “And it said that once the economy rebounds, 54 percent of employed Americans plan to look for a new job. That was a surprisingly high number.”

The figure climbs even higher for employees aged 18 – 29. Among that group, 71 percent say they are likely to look for new jobs once the economy recovers.

“Business leaders need to give this some serious thought,” says Byam. “Right now employees are staying because they feel fortunate to have a job. But what happens once things begin to turn around?”

The good news is that companies still have an opportunity to strengthen employee engagement and retention. And one of the most powerful and cost-effective ways to do this is through a robust employee recognition program.

Studies show that companies are embracing this idea. According to the WorldatWork 2008 Trends in Employee Recognition Report, nearly 9 in 10 responding organizations

already had recognition programs in place, and more than half said they were planning to add additional appreciation programs as well.

This investment in recognition comes at a critical time. Many businesses have been forced to reduce staff sizes, and the remaining employees are not only nervous, they are being asked to shoulder more work. At the same time, companies are cautious about spending money on expensive incentive trips or other high-profile reward events.

“Smart businesses are looking for reasons to celebrate employee successes and contributions more personally than in recent years,” says Byam. “Now more than ever it is the time to make sure your people understand how much you value them.”

To fine-tune your own program, ask yourself these seven questions.

1: How Early Are You Starting?

When is the best time to involve employees in a recognition program? Right away. New hires are often excited about their job and eager to make a difference. You can encourage this en-

thusiasm by making sure you recognize them early on.

For example, informal recognition could occur on the first day. “Managers can drop by the newcomer’s desk and say hello,” says Byam. “They can explain that they are very interested in seeing them do well, and that they’re there to help.”

This helps reinforce a culture of support and feedback, and demonstrates that recognition is an integral part of company operations.

In addition, companies are starting to honor earlier service dates. Employees are recognized for one year of service, two years and so on for the first five years. The result: they feel valued, and are encouraged to remain excited and engaged.

2: Do Managers Get It?

Ask any manager if employee recognition is important, and the answer will be yes. But do they really understand the how powerful recognition can be—or how to do it well? Usually, no.

The right training can help turn this around. “We’ve seen increased partici-

pation in our educational webcast series over the past year,” says Byam. “Companies are looking to maximize their recognition investments, and they know that manager participation is key.”

Indeed, research shows that the employee/supervisor relationship is a leading indicator of engagement. In today’s business climate, managers may not be able to give an expensive award, so instead they are sincerely thanking employees and explaining how that person has contributed to the company. Often, this has more impact than any gift.

To encourage manager participation, some companies opt for “recognition kits” that include stationery, tips and more—either created by the Human Resources group or supplied by a vendor. The key is to make it as easy as possible, so managers can thank employees in a timely, personal manner—and not put it off for later.

3: Is the “Thank You” Personal?

“Think about how many e-mails you received last week,” says Byam. “Now think about how many hand-written notes you received.”



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Because it is so rare, a hand-written note can make a lasting impression. But it's not only meaningful, it's also one of the easiest and most cost-effective ways to recognize people.

"With budgets being squeezed, business leaders are trending toward more frequent and more personal displays of appreciation," Byam notes. "This is a good thing because the more personal the recognition, the more impactful it will be."

His advice: Help lead people down the road by giving them a few tips. For example, encourage managers to write in their own style, and specifically mention what the individual did and how it made a difference. Ideally, notes should be delivered within a day or two of the employee's outstanding effort.

Some companies encourage managers to write a certain number of thank you notes per week or per month, which not only helps build a culture of appreciation, but also encourages managers make a habit out of recognition.

4: Do You Have Clarity?

Many companies are deciding to cancel or postpone incentive trips, but for other companies, these programs are still a valuable way to recognize and thank high-performing employees.

If you have a rewards and incentive program that involves high-profile, expensive rewards (such as incentive trips), make sure you've documented and communicated how the recognition program helps the company reach its goals. What behaviors are you rewarding? What specific goals need to be accomplished in order to earn recognition? What metrics need to be improved and by how much? If you establish clear measurement and make a good case, it's easier for employees and others to understand why a high-profile program is important.

5: Are You Delivering What Employees Want?

For companies that have placed incentive trips on hold, cash bonuses and gift cards are becoming an effective way to say "thank you." And indeed, this type of recognition is appreciated by employees at all levels. Particularly in today's difficult economic climate, cash or a gift card is a welcome gesture, and gives people the opportunity to purchase something special.

Cash bonuses can lose their effectiveness, however, if it takes a long time for the bonus to appear on the paycheck. In addition, if an employee uses direct deposit, the bonus funds are deposited without much fanfare. And sometimes the money is spent on household expenses or routine bills.

Gift cards are an effective way to address this issue and still give employees the opportunity to make a special purchase. For example, if a supervisor gives an employee a gift card to Macy's department store, the employee receives the gift of shopping, as well as one or more special items they will value. Then every time the employee sees their purchases, they are reminded of their special recognition at work.

Companies like Macy's are a popular choice because there are so many locations nationwide, they offer a wide variety of products, and corporations can take advantage of volume discounts on the gift cards.

In fact, because they are easy, flexible and valued by employees, gift certificates are among the top three most popular items used to honor achievement, according to the *WorldatWork* survey.

6: Are You Surprising Them?

But what if you want to do something new and different? Something outside the norm?

"There are lots of innovative and memorable ways to show appreciation without spending a great deal of money," says Byam.

For example, consider career-enhancing opportunities. The high-performer could have lunch with a company leader. Or they could have the chance to participate in a meeting or presentation that gives them exposure to senior executives. You could also ask star performers to tell you what skills or information they'd like to learn, then use that input to develop a new training program.

Improving work/life balance is another powerful reward. "If a team worked overtime to complete a big project, the supervisor could arrange for dinner to be sent to employees' houses," says Byam. "The note could say, 'Since you put in so much extra time at work, I wanted to save you some time in the kitchen.' Imagine the response from the employee and their family."

7: Can Employees Recognize Their Peers?

Another way to build a widespread culture of appreciation is to put the power in the hands of employees. More than four in every 10 companies use peer-to-peer programs, and encourage workers to frequently and informally acknowledge the contributions of others.

Taking the program online can be a powerful move as well. It not only makes the recognition process easy, it allows the nominee, nominator and supervisor to be instantly notified of the recognition. Clients of Terryberry have experienced with firsthand with the WOW! Wall, an online recognition system that features a virtual bulletin board, similar to social networking sites.

"Employees can recognize peers and post supportive messages on the WOW! wall," explains Byam. "In some companies, the WOW! Wall is displayed in real time on monitors in the lobby and throughout the building. It creates a great spirit of recognition and helps remind everyone of all the great work that is going on."

The WOW! Wall is also a place for service anniversaries to be mentioned and for other recognition activities—including formal award programs—to be featured.

The Rewards of Recognition

Even in this difficult economic time, reward and recognition programs are alive and well. But just having a program in place is not enough. Companies need to make sure their program is delivering expected benefits and results—and that recognition is actually occurring, formally and informally, frequently and with a personal touch.

From manager training courses to creative rewards to new technology, there are many ways to easily and inexpensively improve recognition programs. And as Byam notes, there is no better time than now.

"When the economy turns around, you don't want a large percent of your employees leaving for new opportunities," says Byam. "If you can do a good job now to make them feel appreciated—and let them know they are essential to the company's success—you can help ensure they will stay with you, and remain engaged and productive for the long term." ■