6 Steps to Boosting Employee Recognition ROI

Innovative ideas to take your program from zero to hero

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Introduction

Hi there,

In a post-pandemic workplace, it's becoming abundantly clear that employee recognition is no longer a "nice-to-have," but a "must have" for organisations who are looking to engage their workforce and embed their company values in new and exciting ways.

But where to start? Choosing the right ways to recognise your employees is so important to show that you've been listening to what they want, need and enjoy receiving.

This eBook will walk you through the steps needed to launch a top-notch employee recognition program and deliver tangible ROI, including:

- **How to define your employee recognition strategy**

- **How to make key recognition design decisions**

- **How to shine a light on your program to increase engagement**

- **Effective ways to measure the success of your programs**

- **Key examples of successful employee recognition programs**

We'll also look at some of the things Reward Gateway do as employee engagement thought leaders.

Now, let's get started…

Kylie Green
Managing Director, APAC at Reward Gateway

Why is Recognition More Important Now Than Ever Before?

There's a very strong argument to make that every company, no matter what size or what industry it's in, needs some kind of recognition program. But the last few years in particular have been so transformative that companies without a program are struggling to attract, retain and engage employees.

The rise of remote working

In a remote-first landscape, where teams can be spread around the globe, recognition can play a key role in forging connections between your employees and creating a sense of belonging.

Financial stress and uncertainty

With Australia still in the midst of a cost of living crisis, many employees are struggling financially, with their wellbeing and job performance suffering as a result. In fact, 53% of Aussie workers state that stress from cost of living increases is negatively impacting their work.[1]

Importance of wellbeing

Recognition programs are now a necessity following the growing focus on wellbeing

in the Australian workplace. 47% of workers now consider having a manager who cares as a "must-have" in the workplace.[1] As society in general rightfully places more value on mental health support, the onus is on employers to support their employees emotionally as well as financially.

The Great Resignation

This much-discussed trend of employees leaving in search of greener pastures has put many businesses on the back foot. And it's not just a better financial package that can cause eyes to wander. With 54% of employees revealing improved recognition at work would help them feel more connected to the organisation, finding ways to vocalise the value of an individual's work is more important than ever.[2]

1 Reward Gateway, The Australian Talent & Engagement Report
2 Reward Gateway, The Workplace Connection Report

1

Set Your Strategy

Start with "Why"

Whether you're creating a benefits scheme, a new learning platform or a recognition program, you should always start by defining your "why".

As Simon Sinek, author of Start With Why, says, "When you start with "why" in everything that you do, you inspire action in a way that "what" doesn't".

So, ask yourself "Why am I launching a recognition program, and what do I really want to achieve with it"?

Building should always have a purpose. For instance, if you wanted to grow a garden, you wouldn't just plant a bunch of random flowers into the ground. You'd research the soil, evaluate the sunlight, and create a plan by determining what you're trying to achieve. Likewise, for your recognition program, your starting point should always be to create a strategy based on exactly what you want to 'grow'.

Here are some of the top reasons companies put recognition programs in place:

1 **Create a positive work environment**

2 **Create a culture of recognition**

3 **Improve connection between your employees and organisation**

4 **Motivate high performance**

5 **Reinforce certain behaviours**

So ask yourself, "what am I trying to achieve and why"? Discover this answer before you move on, so you wind up with a beautiful garden, and not just a field of weeds!

Organisations often look to build recognition programs for one, or some, of the following reasons:

- Low morale and a disconnected workforce

- A drop in productivity

- Lack of collaboration between teams and team members

- Low overall engagement score

- Negative view of company culture

- Lack of connection with, or knowledge of, the organisation's mission or values

By building a program with purpose, you'll have a better chance of addressing these challenges and introducing positive changes to both your people and your business.

Did you know...
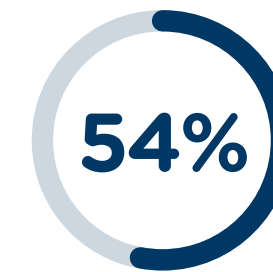
54% of employees surveyed believed better recognition would improve their connection and sense of belonging to the company.

(Source: Reward Gateway, 2023 The Workplace Connection Report)
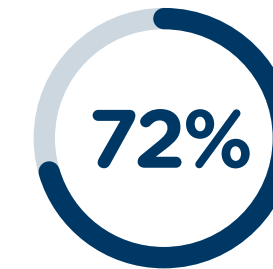
72% of employees surveyed said their wellbeing at work would improve if they were merely thanked more often.

(Source: Reward Gateway, 2023 Employee Engagement Trends Report)

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Pick Your Recognition Principles

While you've answered the critical "why" question, a recognition program can't even get off the ground without solid principles being established first.

These principles help you define your program, what it stands for, what makes it unique and what it says to your employees and the external marketplace. The right principles will align with your company's mission, culture and values, ultimately supporting your "why."

Using Reward Gateway as an example, here's how we've designed our mission, values and recognition principles to all fit and work together:

Mission:

Let's make the world a better place to work.

Values:

Love your job	Be human	Delight your customers	Work hard
Own it	Push the boundaries	Speak up	Think global

Recognition Principles:

Fairness	Balance	Wow	Easy
Give all employees the opportunity to recognise and be recognised.	Provide a range of recognition plans that recognise values in different ways.	Provide a recognition program that delights our employees.	Make recognition plans that are easy to understand and use.

Strategic recognition

Bringing recognition into your employee engagement efforts is a must – it's as simple as that. Thoughtful recognition is a powerful way to show appreciation, help employees learn from each other and help your team focus on "the wins." When you get good at recognising those who do their job well or go above and beyond their role, employees benefit in many ways. Strategic recognition helps create the environment for more engagement because people are getting what they crave.

Here's how recognition ties into giving employees more Respect, Purpose and Relationships at work:

Feel more respected

"I was really working hard on that project and put in some extra time outside of work. I'm really proud that my efforts were evident to others and that they see the impact of what I do."

See purpose and importance of work more clearly

"I was surprised to get recognised for how I handled that customer interaction. I didn't realise the customer was so connected in the community. It means a lot to see how my actions might have a real impact on how someone talks about our company!"

Build better relationships with others

"It was so nice of Steve to notice the extra effort I gave in that meeting. I don't work with him a lot, but I will keep an eye out for more opportunities to help his team."

1. Tell the action

It sounds simple because it is – what specific actions did the person do? You can tell the story in just a couple of sentences, with just enough information so that people who may not work with that individual every day can understand the action.

Telling the action ensures that great work won't go unnoticed and will showcase the types of actions others can do to achieve recognition.

2. Connect to a value

By tying recognition of employee actions to your company's values or goals, you can draw a stronger connection between everyday work and your organisation's overall mission.

3. Explain the impact

This is about the result of the action – why was it important and how did it affect your team, your customers or the company as a whole? Here, you should be specific and highlight the benefits of the action, so that people in other areas of the business can appreciate the significance.
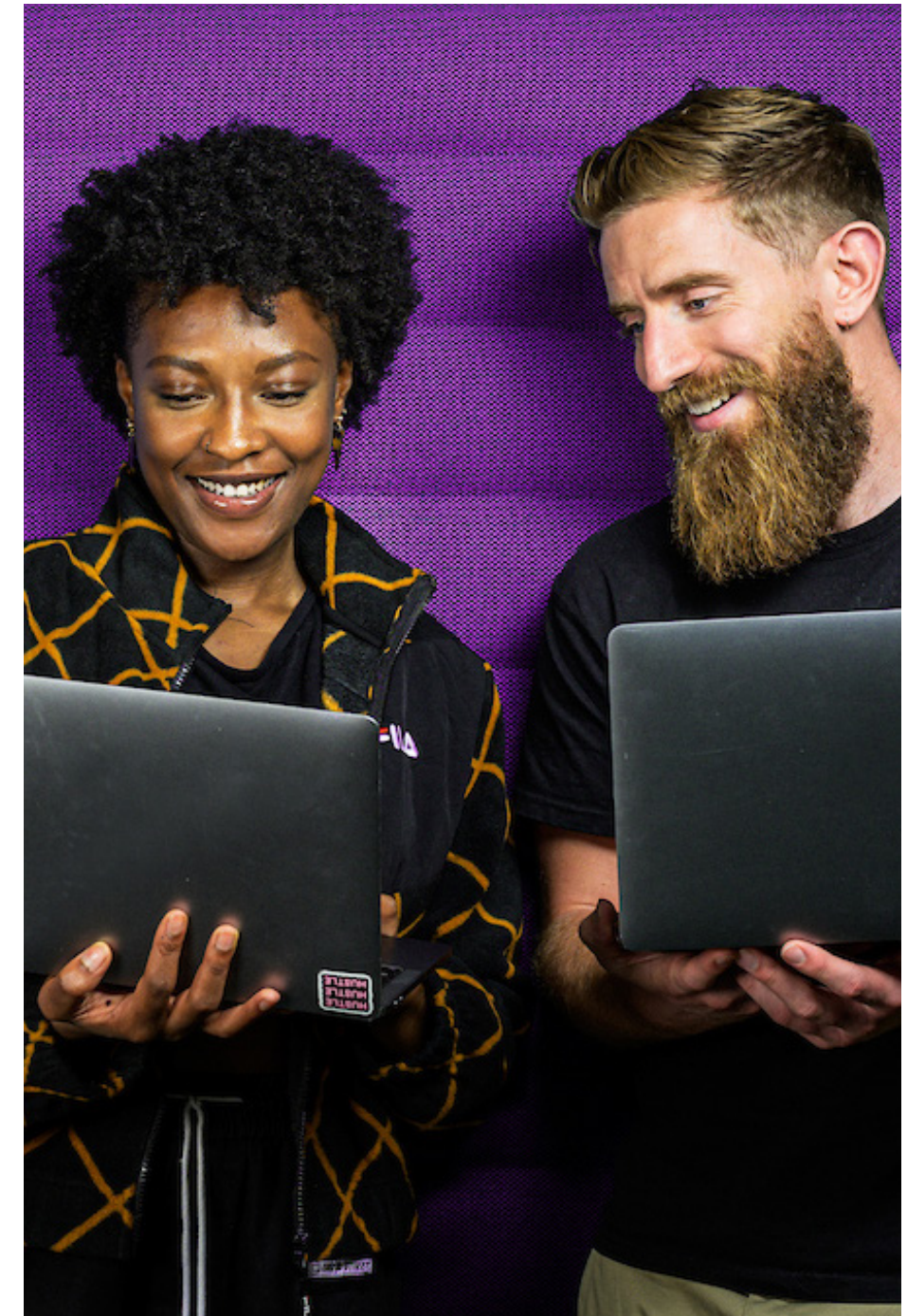
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Decide on the Details

Now it's time to roll up your sleeves and make the key decisions about your program. These are the nitty gritty details that answer the crucial questions of "what," "who" and "how". Here are some examples:

What?

- How many **different recognition plans** will you have within your overall program (e.g. different plans for different objectives)?

- What **recognition awards** will be used (e.g. gifts, experiences, cash or something else entirely)?

- What will you **name your program** and individual plans, and how will this **align with other HR programs?**

Who?

- Who will be able to **send recognition?**

- Who will be able to **receive recognition?**

- Who will **manage** the program?

How?

- What **systems and processes** will you use to manage the program effectively?

- How and when will you **measure the success** of the program?

- What **training will be developed** and rolled out to ensure the program is understood?

All recognition programs are built differently, and your company needs will vary by size, industry, workforce and other factors. It's important to discuss these with your key decision makers and agree on them before you begin designing your program. You want to ensure everyone has had a chance to contribute as well as set proper expectations.

Decide your "Say" and "Do"

A key part of answering the question "what" is deciding what your recognition program will "Say" and what it will "Do".

These are the actual moments of recognition that occur at times or events when you believe you should recognise your employees. They could be based on activities (e.g. new joiner, work anniversary, birthday) or based on actions (e.g. helping a customer, helping a team member or suggesting a new way of doing things), or both.

You may be surprised to hear a **"Say"** is sufficient for many actions or activities. Often we think we need to **"Do"** something in every situation, but in reality, employees appreciate the **"Say"** just as much, if not more, than the **"Do"**.

Action or Activity	The 'Say'	The 'Do'
An employee is navigating a challenging conversation and demonstrating company values to overcome objections.	Let them know what a great job they did in handling conflict at work.	Send them a values-based eCard.
An employee helps a customer solve a really tricky problem.	Congratulate them openly in the team huddle.	The manager gives the employee a monetary award.
A team spends the entire night working together to organise a launch party for the company.	Let them know how much you appreciate their hard work and how much it will help make the launch a success.	Treat the team to a night out on the town.

The "Say"

The **message** to both the recognised employee and the organisation.

The "Do"

The **tangible reward** to help recognise the employee's actions.

Continuous recognition helps boost your "Say" and "Do"

By making your **"Say"** and **"Do"** moments more frequent, you can make continuous recognition a core part of your company culture. This makes your employees feel recognised and appreciated, creating happy memories at the same time. The added benefit for your organisation is that the employee's happy memory and experience is now forever connected to your company, increasing your employee's overall positive perspective.
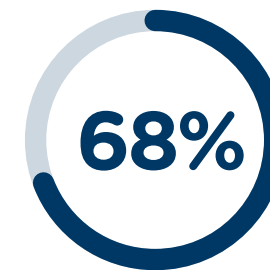
68% of employees agree their work wellbeing would improve if they were simply thanked more for their hard work.

Creating a culture of continuous recognition leads to:

Increased engagement and productivity

The more employees feel the benefits above, the more likely they are to give their best efforts to support the company, creating an environment for improving employee engagement. This leads to improvements in countless areas, for example, faster problem solving, fewer mistakes, more innovation, less stress and improved wellbeing to name a few.
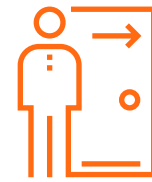
Reductions in unwanted turnover

When top performers feel that their work is appreciated, they are less likely to look elsewhere for a job. As recognition becomes an integral part of your employee engagement efforts, you'll see more and more people who are willing to stay even if offered a similar job elsewhere.

Increased focus on the most important goals

When the whole team (and leaders) are talking about and acknowledging actions that made an impact by writing a strategic recognition message, employees are reminded about the goals that the company is focused on. These reminders do a lot to drive the results that are most important to the company.

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Build Your Employee Recognition Program

The structure of your employee recognition program can depend on your size, demographic, budget and a variety of other factors. Some programs will be very straightforward, with one recognition plan, while others may have multiple recognition plans.

The Recognition Pyramid approach

A helpful strategy to decide how many plans to include in your overall program is the Recognition Pyramid. Here's how it works:
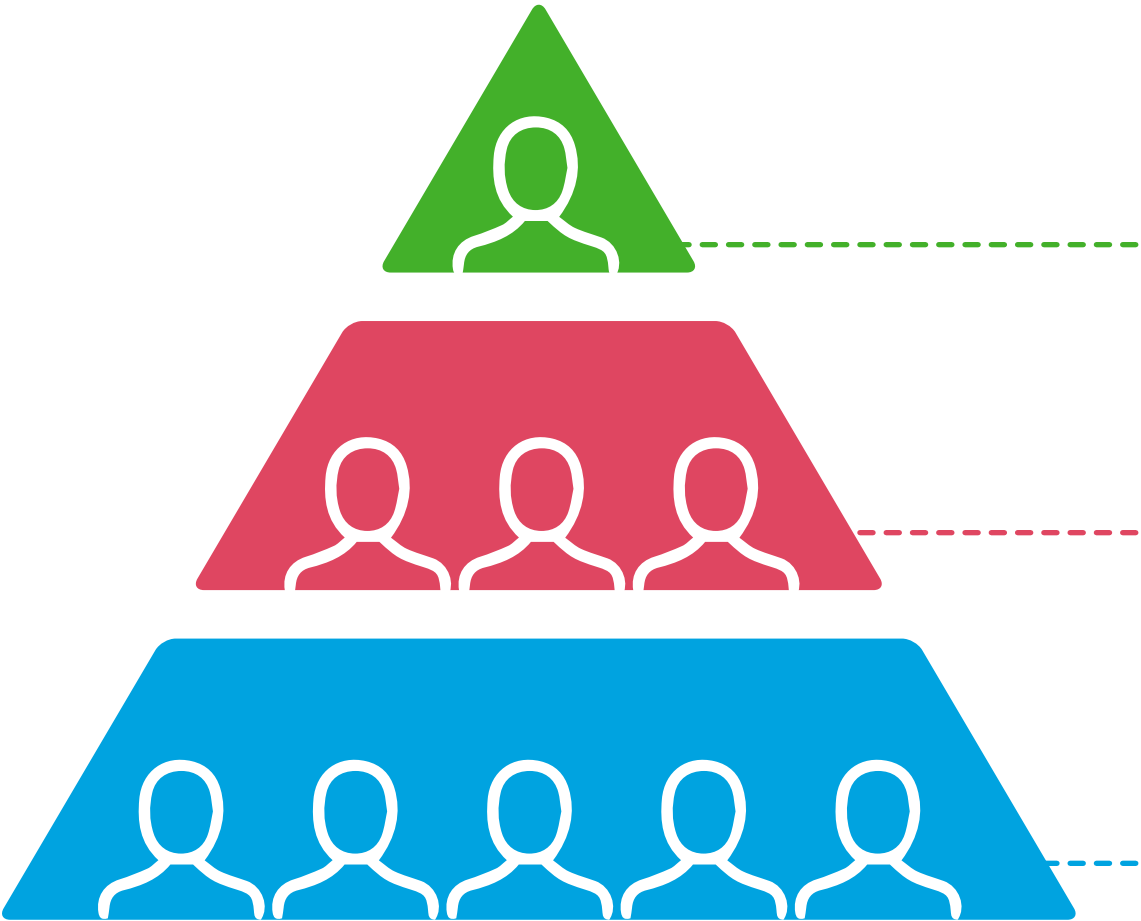
The **top section**, the narrowest section of the pyramid, is where your recognition program awards the best of the best, recognising exceptional performance. The most common plans for this are employee of the year programs or a CEO/leadership award. While this tier of recognition is very effective, it's important to concentrate on all three tiers to avoid missing out on the opportunity to recognise more of your staff and engage more people. If this is your strategy, it's worth ensuring each section of the pyramid is clearly defined as well as how it differs from the others, or you risk confusion, misuse and even disengagement.
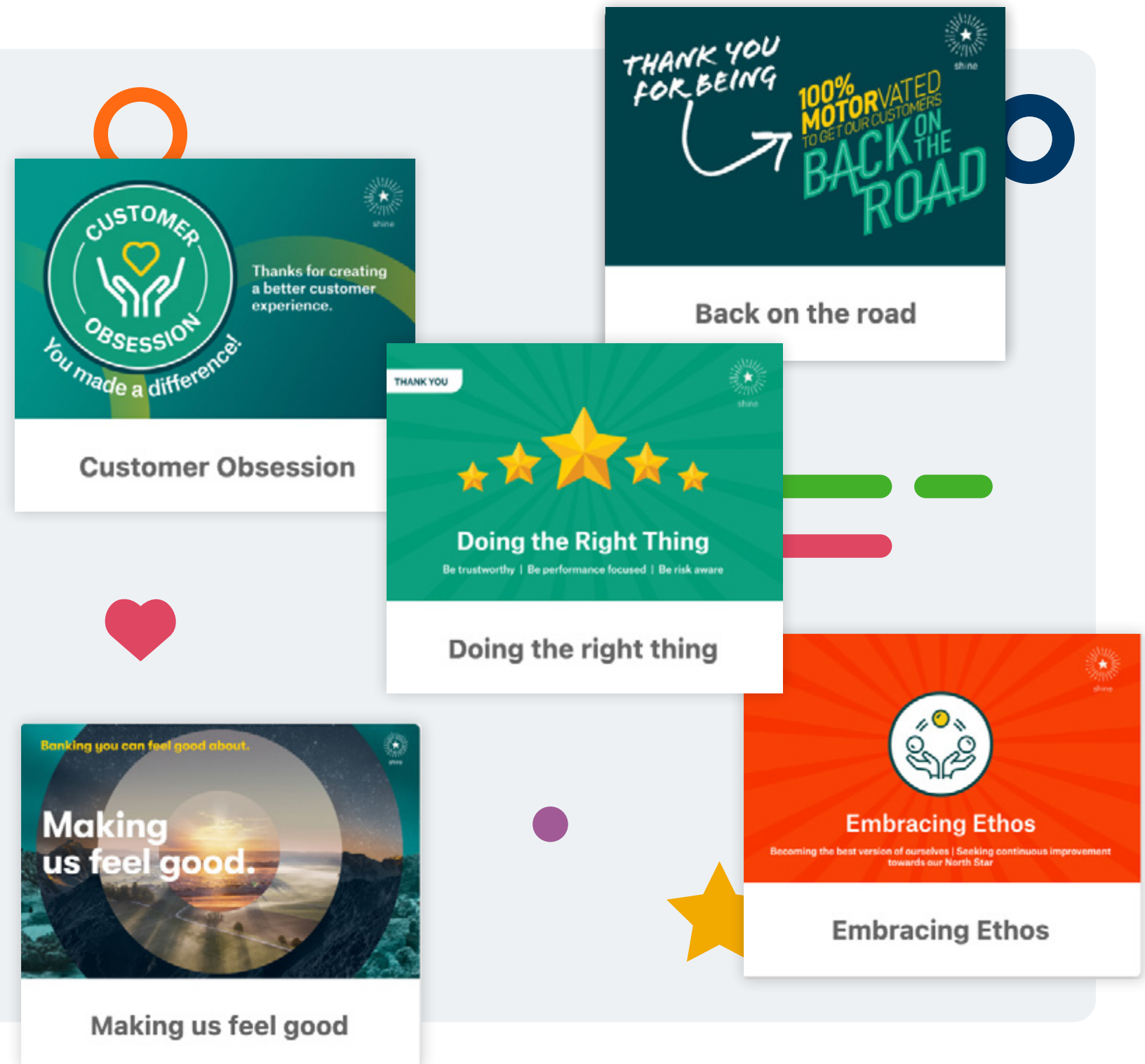
The **middle section** is where your recognition gets a bit more specific, and is done as a way to highlight and recognise major achievements and those employees who have gone above and beyond with their performance. Manager awards and monthly or quarterly awards are a hugely effective Reward Gateway solution here. Manager awards can be given out to direct reports, and even assigned a monetary value, to reward exceptional performance. Monthly or quarterly "Thank You" awards can be used to allow employees to nominate their peers, with a selection panel choosing the winners who would be announced at monthly or quarterly meetings.

The **widest part** is for "anyone" and "anytime" recognition. This recognition is for most of your employees and happens the most frequently. A great solution for this is peer-to-peer eCards (digital greeting cards you can send to anyone, at any time). Reward Gateway eCards can be customised to embed your brand, values and messaging to make recognition easy, and more frequent.

How Suncorp uses reward and recognition to unite its workforce

Suncorp and its Shine program are a fantastic example of how to nurture a culture of continuous recognition.

Suncorp launched its company-wide recognition program, Shine, in 2016 with a uniquely simple recognition and reward framework. Employees have a single eCard that they can send to recognise anyone at any time, and can also nominate each other for quarterly or annual awards which go through an approval process and are awarded in Suncorp's different business functions. Now, employees use the Shine program to send a staggering 76,000 eCards every year, and receive an average of 200 nominations for company awards each month.

Back on the road

Customer Obsession

Doing the right thing

Making us feel good

Embracing Ethos

5

Shine a Spotlight on Your Plan

And so we arrive at the last step. You've developed a world class recognition program, but now it's time to put the spotlight on recognition.

Publicise your program with special spotlights that tell employees how great it is and how to use it, and add extra spotlights on those who helped in the creation. After all, they've done something worth recognising, so get out there and shout about it! Here are a few particularly creative ways to get started...

Launch with impact

As the expression goes, "You only get one chance to make a first impression!" That's definitely true when it comes to launching your recognition program – this will be your biggest opportunity to show employees how engaging and exciting your program will be.

Why not launch it with a fun video? Create a teaser or countdown campaign? Or go on a recognition roadshow? The bigger the impact your recognition program has from the start, the more it will be remembered and used throughout your company on an ongoing basis.

Story House Early Learning saw a **90% adoption rate across its 1,200 employees, with more than 1,300 eCards sent in the first few months post-launch.**

Collaborate on the name

Asking your employees for their suggestions for naming the program can not only create some extra buzz leading up to launch, but also give employees a sense of ownership from the start.

Keep it alive

Like with all your people initiatives, you need to keep your recognition program fresh and alive. A great way to do this is to shine a constant spotlight on it in new and different ways, such as:

- Creating a video montage of recognition moments

- Posting an interview with a recognition recipient

- Creating a competition to see who can send or receive the most recognition during a period of time

- Using a recognition leaderboard to encourage a little friendly competition among employees.

Get social

Everything we do these days is social, so why not consider adding a social aspect to your recognition program? At Reward Gateway, we use what we call the "Wow Wall". Every time a colleague receives an eCard, it can be showcased to the rest of the company and employees can like or comment on the recognition activity, similar to the interactions on other social media platforms. Employees love it, and it helps us achieve the objectives of our program.

Incorporating this aspect of social media helps shine the spotlight on the person being recognised. This gives your entire workforce the opportunity to celebrate together and subtly encourages your employees to recognise each other, by frequently reminding them of the program.
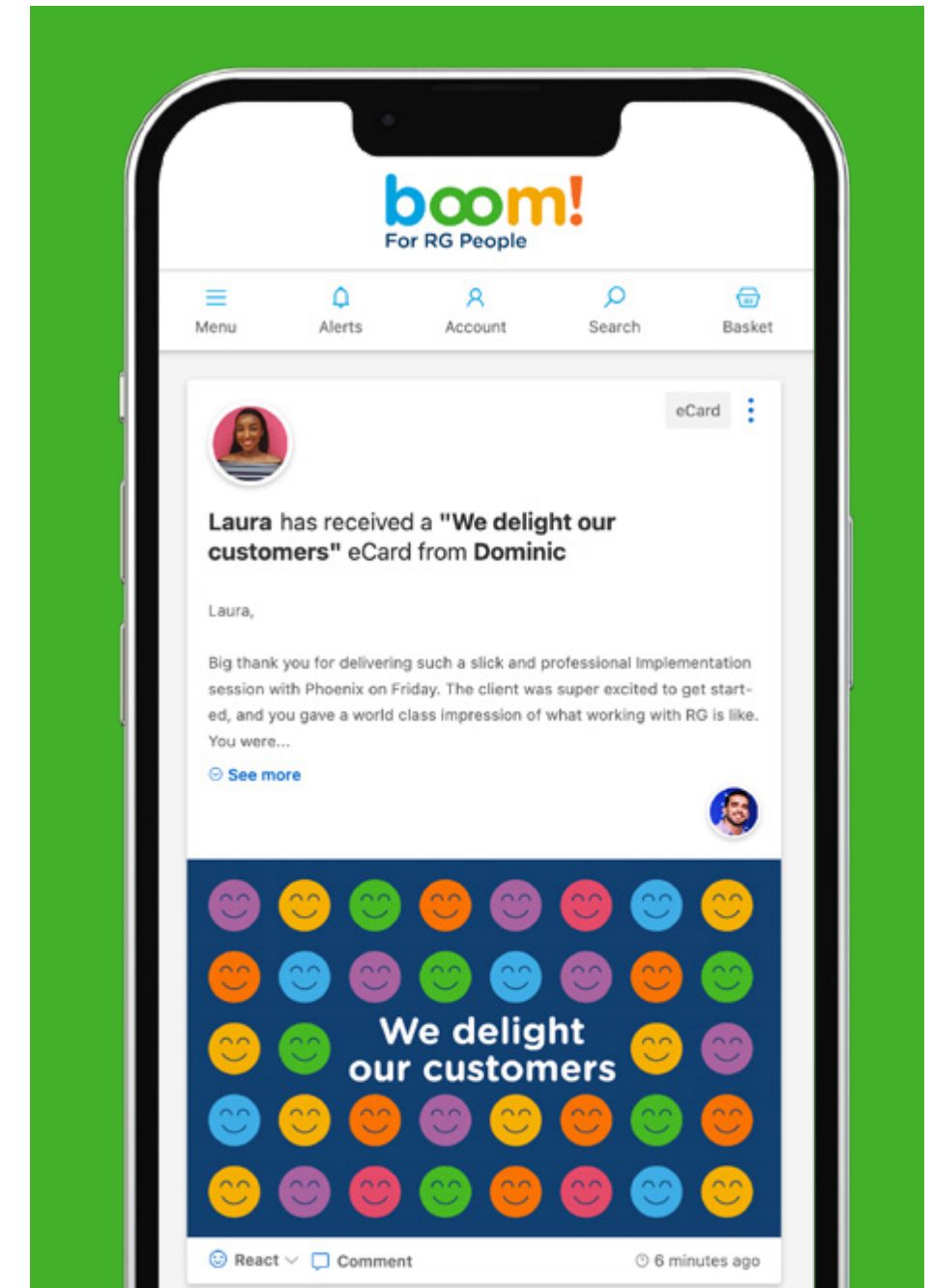
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Measure Your ROI

Half the battle of launching a winning employee recognition program is getting the buy-in from your leadership team. While you need this to get started, you also need to maintain support in your program as it continues. The most impactful way to do this is to provide ROI (return on investment). To successfully do this, you need to pull from your original strategy and show that your program has accomplished the goals you've set out to achieve, and how.

If you're working with a prospective provider, that provider may be able to give you examples of how their product worked for others or data points that will help prove your ROI.

Many companies paint this picture by reporting on changes in retention, profit, customer satisfaction and/or employee engagement, showing how they've increased as a result of their recognition program. Here are some of the common business ROIs of a recognition program.

Program Usage

This measures interaction with the program and individual plans. It could include the number of eCards sent, the number of award nominations made, the amount of clicks on recognition stories, among others.

Selecting a provider that offers you reporting and analytical tools allows you to make data-driven decisions that support both your employees' and organisation's interests.
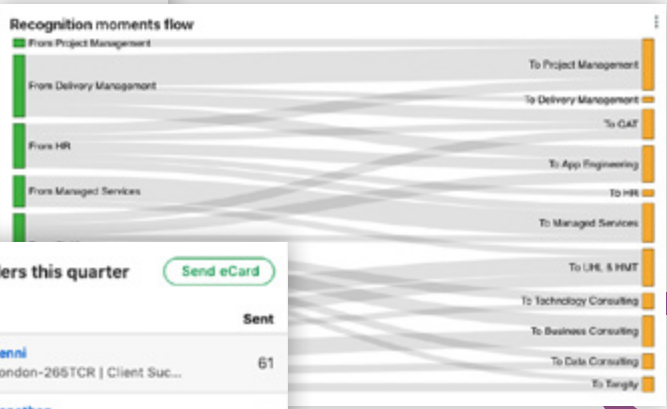
Employee Engagement Survey

Recognition helps employees to see the meaning and value in the work that they do. And with 26% of employees admitting more meaningful work would help them feel more connected to their organisation,[3] it's easy to see how a recognition program can help better engage your workforce. An employee engagement survey can help you measure this accurately, and can offer a great YoY insight into how your program is transforming your culture.

Employee Turnover

A great way to measure how much you employees feel recognised and appreciated is to look at how long they stay with your organisation. A high employee turnover can be hugely detrimental to your business, both from a financial and a cultural perspective.

The costs involved in replacing staff can be huge, and aren't always factored in when evaluating an investment in an employee recognition program. Every time a team member leaves, the company has to pay for the recruitment process as well as the downtime of skills during recruitment and onboarding. The increased workload on other employees who have to pick up the slack during this time can also be damaging to productivity and exacerbate any feelings of stress or burnout within your team.

Retaining your staff should be an absolute necessity for your business, and so should measuring the impact of your recognition programs by the level of your turnover.

> **To find out more about this, check out our Cost of Attrition Calculator.**

3 Workplace Connection Report

Absences

Research shows that improved recognition leads to increased connection and reduced feelings of loneliness in your workforce. With the data showing that lonely employees are twice as likely to have taken 10 days or more of sick leave per year, introducing a successful recognition program can work wonders on improving attendance and reducing feelings of burnout and stress.[4]

Anecdotes

Never underestimate the power of a great story. Make sure to amplify any recognition stories and examples that highlight the value of your program with your workforce. These demonstrate the value of investment (VOI), and can often be the spark that causes acts of recognition to spread across your organisation.

Measure periodically

Deciding on the right metrics to measure is key in not only making sure your program is working but in winning over your stakeholders. Once you've got a clear picture of the impact of your program and some results to proudly stand behind, be sure to monitor these on a monthly, quarterly or yearly basis. This will help you and your team present a better case to leadership for continued buy-in and forecast with your budget better for the following year.

Why you need ROI and VOI to drive buy-in

As an HR professional, you should always be compiling useful, relevant data to help drive forward your programs, including when it comes to recognition. This data should help you to create and present an ROI and VOI to your board or other decision makers.

ROI focuses on tangible measures (e.g. costs saved) and VOI focuses on intangible measures (e.g. engagement, turnover). While different in nature, they are both essential to driving buy-in, as they both ultimately answer the key "why?", as in, why spend the money, time and effort on this new HR program?

Here's why you should develop a methodology process for the ROI and VOI of your recognition:

You'll take out what some call the 'fluff' from HR, showing that we in HR can use a widely accepted business approach and tool

These terms are easily understood and accepted, as they are used throughout the business – in fact, in some companies they're a non-negotiable!

They reduce subjectivity, presenting credible and tangible data which is easier for business partners to understand and react to.

They force you to think things through in a logical non-emotional way. No matter how kind your intentions are for an area of our recognition program, if it's not getting the engagement it needs, it might be time to reconsider investment.

# How to prep your ROI and VOI data properly...

Present the 'right' data

Make sure your data is accurate and credible. If your case is built on solid numbers, it can't be picked apart. Data has to be easily explained and understood, and entirely relevant to your recognition program.

Show total and ongoing costs

It's absolutely critical to present the entire story or picture by providing the total costs and/or ongoing costs. Think through every possible cost as well as every possible benefit, and include these when determining your ROI.
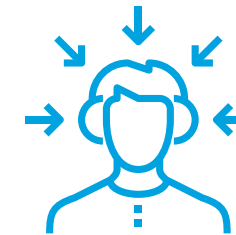
Avoid a data overload

Data is great, but too much can be detrimental. Try to get the balance between having the right data and too much, striking a mix of numbers with real-life anecdotes relating to your recognition and workforce.

By paying attention to the ROI (and VOI) of your programs, you'll ultimately be able to answer that all-important question of "why." Your key decision makers will take your programs more seriously as a result and provide you the flexibility upon which to expand your great ideas and your recognition program.

A Look at the Reward Gateway Reward and Recognition Program

With a full suite of recognition and reward features, Reward Gateway can help you showcase achievements across your team with meaningful moments of recognition. Connect your people to your purpose, mission and values by highlighting the behaviours that drive your business forward. Here's a look into what Reward Gateway offer:
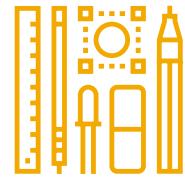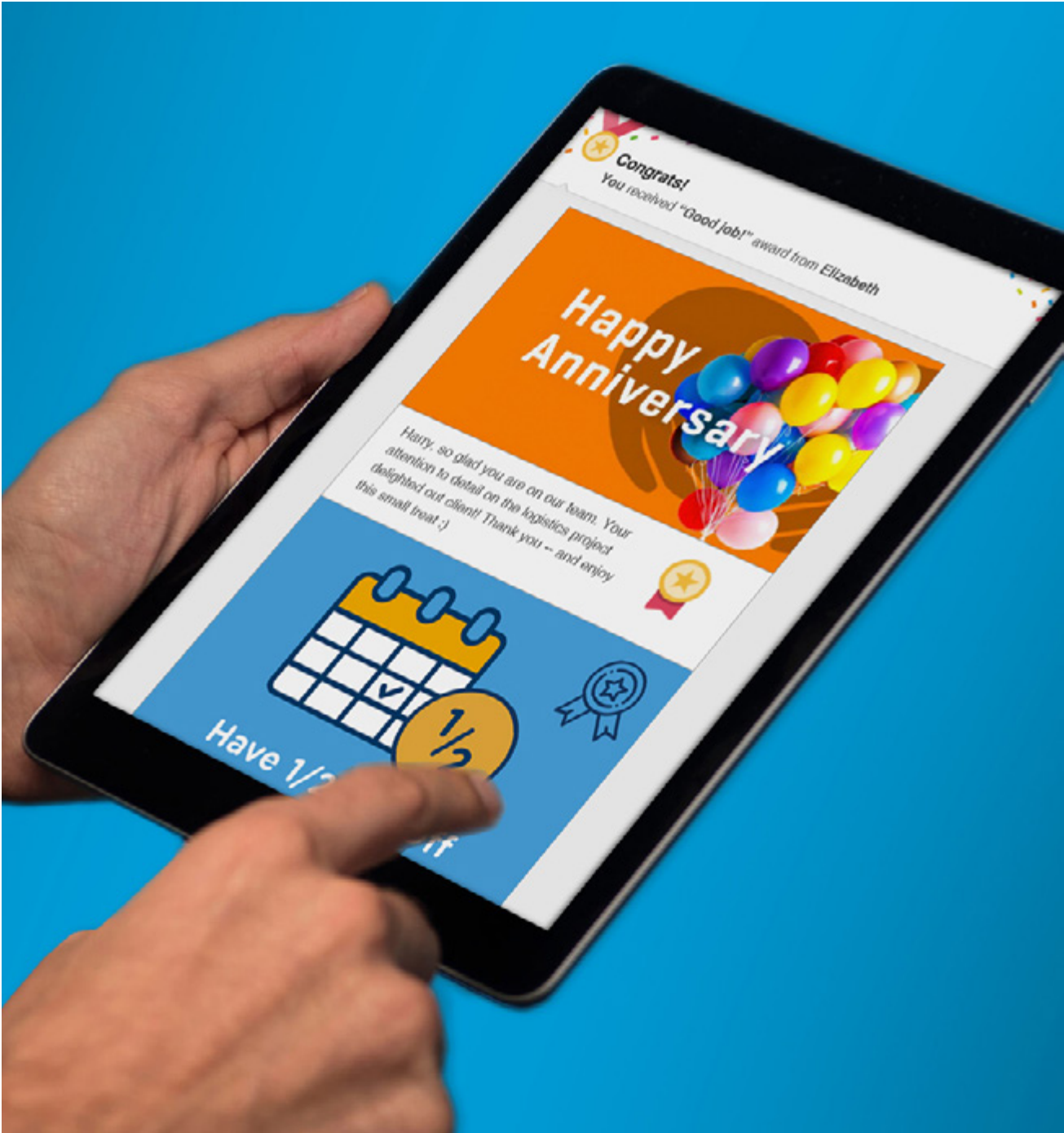
Tailored eCards

On-the-Spot Manager Rewards

Instant & Scheduled Award Delivery

Peer-to-Peer Recognition & Nominations

Custom Awards

What makes our recognition program unique?

Flexibility – Combine recognition and reward options, using both monetary and non-monetary recognition to engage with your teams. However you want to recognise your employees, the choice is yours.

Custom-fit – Customise eCards aligned to your company values and foster a greater connection between your employees and your organisation.

Automation – Celebrate years of service, birthdays, and more without tedious, manual spreadsheets. Save time for your HR teams and make sure no moment of recognition goes unnoticed with scheduled awards.
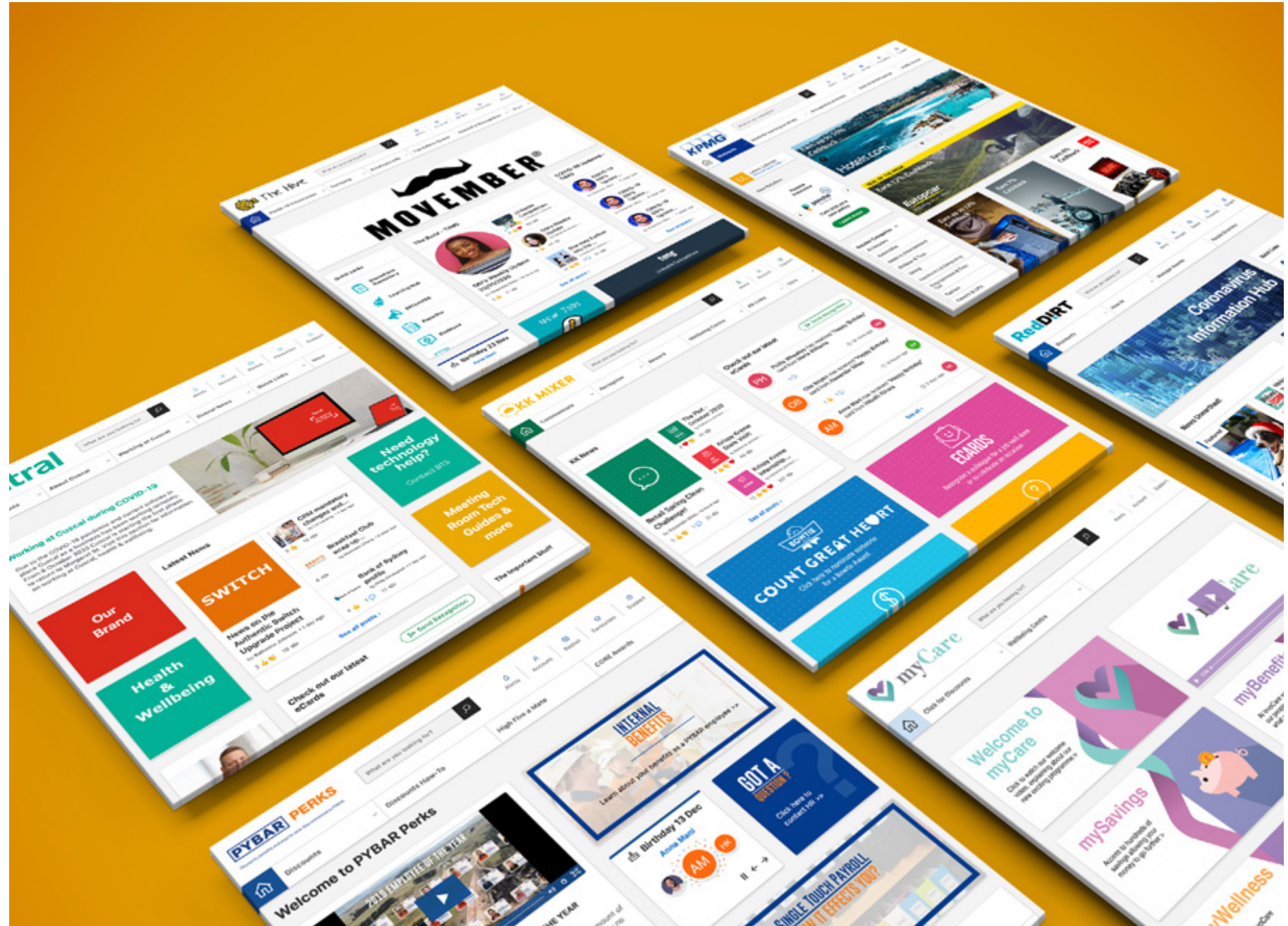
Real-time tools – Empower managers to give On-the-Spot Awards, redeemable at hundreds of national retailers and via computer, smartphone or tablet.

Visibility – Magnify the impact of recognition moments by sharing through social channels. A real-time feed where employees can interact with eCards and other awards can help amplify your recognition.

Analytics – Powerful front-end dashboards put clear and easy-to-understand data into the hands of HR leaders and managers in real-time. With key insight into metrics such as overall employee engagement, recognition activity and social responses that can impact important business metrics, such as employee turnover or customer satisfaction.

Full Transparency – With no hidden fees, charges or markups, 100% of your recognition budget reaches your employees to deliver full value to your organisation.

Boost – Turn recognition into reward by adding monetary value to a non-monetary moment of recognition straight from your social wall.

Reward Gateway | Edenred

Employee recognition and our other products are powered by a centralised hub tailored to your organisation, giving your employees better access to employee recognition tools.

If you're interested in learning more about any of Reward Gateway's recognition and engagement solutions to help attract, retain and engage your people, we'd love to help you get started.

Get in touch with us to learn more:

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