

TOP 10 Best Practices for Recognizing Length of Service



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Most companies formally recognize tenure in some way. Odds are good that your organization is among them. But chances are also good that, like most companies, yours is not realizing the full potential of its service awards program. By implementing the top 10 best practices shared by great service awards programs, you can establish a solid foundation on which to build a more comprehensive enterprise recognition strategy. The benefits of taking an enterprise approach to creating a culture of recognition are numerous and include:

- driving employee engagement
- improving performance
- bolstering retention

Drawing on published research and on its decades of experience and client service in rewards and recognition, Inspirus has found that the first step toward creating a great place to work is to implement 10 best practices that effectively recognize length of service:

1. Ensure timely recognition and notification of service award anniversary dates
2. Involve the most meaningful leader in the recognition experience
3. Present the award with flair to make the moment memorable
4. Provide choice: a reward valued by one may not be valued by another
5. Deliver a user-friendly process for gift selection
6. Equip managers with the right tools
7. Reflect your corporate brand and image
8. Incorporate a personal touch
9. Celebrate major milestones
10. Integrate rewards with broad recognition strategy



The Challenge: Understanding the Impact of a Great Service Awards Program

It doesn't matter that your organization may already have a service awards program. Nearly nine out of every 10 companies have some form of recognition program, and 85 percent of those include length-of-service recognition. Seventy-six percent have both formal and informal recognition programs in place, but formal is still the most common approach—18 percent only have formal programs. While formal recognition programs require a strategy to be effective, 55 percent of the companies using a formal strategy indicated they do not have a written strategy that aligns their recognition programs with their organizational strategies.¹

The lack of formal strategy may stem from a lack of understanding about what recognition programs are, and how service awards programs, in particular, fit into the larger picture of a recognition culture. Failure to understand incentives and recognition plans are the most common reason they are often misunderstood or criticized.²

The ineffective use of recognition programs is one of the most common reasons for skepticism about their value—which often leads to a lack of buy-in among employees and management.³

Recognition experts agree that if you present a service award but fail to acknowledge the employee's accomplishments during his or her years of service and tie to the company's mission and goals, then you devalue the recognition moment and the service award. You also miss valuable opportunities to engage employees and enhance your employer brand.

What is a Service Awards Program, Really?

It may sound overly simplistic, but it's important to understand the language used to define and explain a best-practice recognition program.

WorldatWork and Recognition Professionals International, two global associations focused on compensation, benefits and work-life and rewards programs offer these definitions:

- **Recognition:** Acknowledging or giving special attention to employee actions, efforts, behavior or performance; offered "after the fact."
- **Award:** An item given to an individual or team in recognition of a specific accomplishment (usually non-cash) as a form of recognition; length-of-service recognition is the most common employee recognition award.

It's important to note that "awards" are different from rewards and incentives. A reward is an item given to an individual or team for meeting a predetermined goal. An incentive is any form of variable payment (monetary or non-monetary) tied to performance.

Awards, rewards and incentives each play an important role in a total rewards or total recognition program.

¹ WorldatWork, Trends in Employee Recognition, 2017

² Human Capital Institute

³ Human Capital Institute

The Value in Employee Recognition and Service Awards

Perhaps the greatest value from a great service awards program is its ability to kick-start a culture of recognition.

Service awards programs—programs that recognize milestones in an employee's career—are a foundational component, a stepping stone for moving toward a broader recognition culture. Awards programs are, in fact, the only thing that many companies have, so it's crucial to make the most of them.

A 12-MONTH STUDY ACROSS 50 GLOBAL COMPANIES



Awards at Milestones and Retention Points

A savvy service awards program will look beyond the typical anniversary dates.

- Recognize “mini-milestones” in the first year. For organizations with high turnover, recognizing mini-milestones (every 90 days, for example) can deliver a superior on-boarding experience and support early engagement of the workforce.
- Recognize the “in-between years.” With today’s work force, every year is a milestone. Recognizing service annually is an opportunity to stop and say “thank you.” Recognizing the “in-between years” doesn’t have to be expensive—a simple thanks, an e-card or handwritten note lets employees know that you care and that they are valued.

Celebrating a 10-year anniversary creates a unique opportunity to commemorate accomplishments and performance over a span of time. Creating the right experience at important milestone anniversaries can ultimately contribute to employees feeling good about themselves and good about the company—leading to higher levels of engagement with tenured staff.

This point is crucial because of the proven impact employee engagement and motivation have on performance. Companies that are in the top quartile for employee engagement also report earnings-per-share growth that is more than four times their competitors.⁴

The Solution: Ten Things That Great Service Awards Programs Have in Common

Employee engagement has reached an all-time highest level (34 percent), since Gallup began measuring in 2001. Employee recognition is cited as a dominant reason behind increased engagement.⁵ Numerous studies highlighting success factors in engagement share several common themes that are independent of the cost of recognition programs.

Based on published research and decades of Inspirus experience, this paper offers the 10 best practices for a great service awards program.

1. Ensure Timely Recognition and Notification of Service Anniversary Dates

- Good: Quarterly recognition presentation
- Best: Monthly recognition presentation

It's always best to make a rewards presentation on or near the actual anniversary date or the event being recognized. Managers responsible for planning and timing service awards presentations should think of them as they would life events celebrated outside the company. Wedding anniversaries and birthdays are typically celebrated on the actual day itself—or very close to it. Why wouldn't you also celebrate an employee's anniversary in a timely manner? With service recognition, avoid letting it slip into the next quarter or business cycle.

10-Point Agenda for a Meaningful Recognition Presentation

1. Welcome. Introduce key upper management. Introduce family members.
2. State the purpose of the event and its importance.
3. Introduce the recipient.
4. Use the recipients full name, and ask the recipient to join you at the front.
5. Paint a verbal picture of the recipient. State his or her special attributes and contributions during their career. Personalize your comments and be specific.
6. Thank the recipient for their hard work, dedication and loyalty, and thank any family members who are present.
7. Announce the award and present the award package to the recipient. Shake hands and pose for pictures.
8. Invite the recipient to speak briefly.
9. Congratulate the recipient on their anniversary and thank them again for service to the company.
10. Close the event.

⁴ Gallup Poll: Employee Engagement on the Rise in the US, 2018

⁵ Gallup Poll: Employee Engagement on the Rise in the US, 2018

2. Engage Most Meaningful Leader for Recognition Experience

- Good: Senior leadership
- Best: Manager

Studies have proven that the most meaningful recognition comes from one's direct manager. It makes sense. Managers are most closely connected on a day-to-day basis with employees and have intimate knowledge of employee skill sets, competencies and deliverables. In short, managers know their employees best and can personalize the presentation most effectively.

Another advantage of having the direct manager or supervisor present the award is that the presenter can set future expectations and goals for the individual and the company—tying the presentation back to the organization's mission and business goals.

That doesn't mean senior management shouldn't be involved in the presentation. They should be present. But the direct presentation should come from a manager or supervisor.

3. Present with Flair: Make the Moment Memorable

- Good: A stock, scripted presentation for senior leaders given in a group setting
- Best: A personalized presentation by the employee's manager given in an individual setting

An effective presentation highlights individual accomplishments and says something about that person's qualities—all while reinforcing your organization's culture, mission, goals and objectives.

Managers or senior leaders responsible for recognition need to have the training to understand the appropriate timing, message, delivery and follow-up of recognition.

While practicality may dictate that service anniversaries are recognized in a group setting (e.g., a quarterly or annual event where everyone receives service recognition) it is a best practice that employee service anniversaries be recognized in an individual setting as well, such as a lunch, one-on-one or in a team meeting.

4. Provide Choice: A Reward for One May Not Be a Reward for Another

- Good: Emblematic jewelry, clocks and watches
- Best: Emblematic jewelry and a wide selection of lifestyle awards to provide maximum choice



Employees want choice, value and brands they trust. For service recognition, many employees also value items that reflect the corporate image in some way. Best practice programs find a way to incorporate all elements.

Choice. Employees want options that include a wide range of items.

Value. Provide gifts that reflect how the organization values its employees. Service recognition awards are often socialized among peers, family and friends.

Trusted Brands. In today's consumer-driven world, employees gravitate toward known brands for everything from electronics to housewares.

Corporate Image. Provide award options that reflect the corporate image and incorporate a branded and personalized item, such as a luggage tag that includes the years of service and commemorates important milestones.

It can best be summed up by saying that the best awards are the ones that you'd not normally go out and buy for yourself.

5. Deliver a User-Friendly Process for Gift Selection

- Good: Multiple options for ordering: Web, phone, fax or mail
- Best: A unique and memorable experience including customized and personalized website and greetings

With the breadth and depth of service awards offered today, long gone are the days when an HR manager simply kept a stockpile of lapel pins to hand out when the occasion arose. For the optimum user-friendly gift selection process, provide employees with a wide variety of options they can select online or via mail catalogs.

Increasingly, best practice programs are taking it a step further by incorporating a customized and personalized website experience. A personalized greeting upon login, a branded corporate experience delivered in Flash, messages from the organization's leadership, and other creative displays that connect with the company's mission and vision elevate the experience and make a positive impression.

6. Equip Managers with the Right Tools

- Good: Keeping managers informed of upcoming anniversaries
- Best: Keeping managers informed of upcoming anniversaries, as well as providing best-practice presentation tips, celebration guidelines and sample scripts
- This best-practice may sound like common sense, but again, it's crucial to the delivery of consistent service recognition throughout the company

7. Reflect Your Corporate Brand and Image

- Good: Company logo is incorporated throughout the experience
- Best: Company brand, history, mission, vision and values, as well as key imagery, are incorporated throughout the experience

Your company is unique. Your people are unique. Service recognition is a time for reflection and introspection. Organizations that want to set themselves apart and establish themselves as an employer of choice, will use this unique opportunity to reinforce the company brand. The company brand can be incorporated into numerous elements of the service recognition experience, including:

- How the recipient is notified
- Throughout the recognition presentation
- During the gift selection process
- Providing a symbolic add-on gift

8. Incorporate the Personal Touch

- Good: Service recognition certificate is personalized
- Best: Entire recognition experience is personalized

While good service awards programs will include a personalized service recognition certificate, best practice programs take it further by personalizing the entire recognition experience.

The technology exists today to personalize almost everything—from brochures and certificates to e-cards and gifts. It's even possible to incorporate a personalized custom website. Employees love seeing their names in Flash when they go to the website to order their award—it's certainly something they talk about and don't easily forget!

9. Truly Celebrate the Major Milestones

- Good: Doing something extra at 30, 40 and 50 years of service
- Best: Doing something extra at 10, 20, 30, 40 and 50 years of service

Just as some birthdays are celebrated differently, major milestone service anniversaries should also include a "step up" celebration element. Dedicating a decade of service can represent 20 to 25 percent of a person's entire career—it's a major milestone event and should be acknowledged accordingly.

10. Integrate with a Broader Recognition Strategy

- Good: The organization has a service recognition program
- Best: Service awards are the foundation for a more comprehensive recognition strategy

A best-practice service awards program is an important first step toward establishing a culture of recognition. It's difficult, if not impossible, to be a great place to work without a well-designed program in place to appreciate all the hard work, time and effort employees contribute toward making the company great.

Conclusion

Employee engagement is a proven key to improved job performance and retention. Performance recognition programs have been shown to heighten employee engagement. In fact, nearly nine in 10 companies have some form of recognition program, and 85 percent of those include at least a service awards (anniversary awards) program.

A great service awards program can kick-start a culture of recognition in your organization. If you want to build a solid foundation for recognition, consider these 10 best practices for an effective service awards program:

1. Ensure timely recognition and notification of service award anniversary dates
2. Involve the most meaningful leader in the recognition experience
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4. Provide choice: a reward valued by one may not be a valued by another
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How Can Inspirus Help You?

Building a high-performance company takes a high-performance workforce—one that's both inspired and engaged.

To truly engage employees means implementing a consistent comprehensive total recognition strategy. A strategy that can reinforce, recognize and reward behaviors that align with the company's strategy and do so on a personal and meaningful level.

We would welcome the opportunity to help you inspire and engage your organization, maximize ROI and demonstrate true Motivation You Can Measure®. Please contact us for additional information.

About Inspirus

Inspirus believes employees make up the foundation of culture shaped and evolved through every day experiences that are essential to the development of strong, high-performing organizations. Through our technology and integrated solutions, we elevate the employee experience and optimize organizational culture by providing a holistic approach to the entire employee journey. We seek to influence the employee experience through our six Quality of Life dimensions: recognition, health and well-being, personal growth, physical environment, social interaction, and ease and efficiency.

Only Inspirus combines an integrated rewards engine, learning courses, communication tools, and analytics into a single platform spanning recognition, service anniversary, well-being, and diversity and inclusion. Through Sodexo's broader mission of improving the Quality of Life of all we serve, Inspirus aims to bring joy to work, one experience at a time.

Visit inspirus.com for more information.



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