

# The Guide to Modern Employee Recognition



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# Introduction

# What can I expect from this guide?

The Guide to Modern Employee Recognition covers the knowledge you'll need to successfully understand, cultivate, and support a culture of recognition in your organization.

We'll start by laying a solid foundation for you to build on. Then we'll walk through the basic steps required to successfully prioritize recognition at your own organization, implement a successful recognition program, and maintain an atmosphere of appreciation and recognition in any organization.

# How should I use this guide?

You can start with any section you find interesting or useful, but we recommend beginning with the fundamentals and building up from there.

If you're already familiar with the fundamentals, this is a great opportunity to brush up on current best practices and gain new insight.

## Let's get started!



# 1. What Is Employee Recognition?

# What does recognition look like?

At its core, employee recognition is the open acknowledgment and expressed appreciation for employees' contributions to their organization.

It could be a high-five for a job well done, a special shout-out during an all-hands meeting, or even a bonus for meeting a monthly goal.



Recognition can take many forms, but whatever your approach, it's one of the most valuable areas a team can focus on. Implementing the right kind of recognition program is a critical factor in giving your business the competitive edge. With that in mind, organizations are increasingly adopting and rethinking recognition programs. They're powerful, and they can improve employee engagement, reduce turnover, increase productivity, boost morale, and build purpose when used correctly.



# Who gives recognition?

Ideally, everyone in an organization should be able to give each other recognition. That said, the most effective source of a particular piece of recognition is based on the situation and circumstance.



Top-down recognition

Recognition is traditionally given in a top-down system, where an employee's supervisor, manager, or leadership team witnesses and appreciates their contributions.

This is a great model for many reasons: since these leaders are typically in decision-making roles, their recognition often has monetary results, like a raise or promotion. These people are also in the best position to assist employees with their chosen career path or growth plans.

However, giving frequent, real-time, and specific recognition isn't a simple proposition for management. It requires managers to witness, catalog, recognize, and reward countless contributions.

In most cases, there are too many valuable contributions made on a daily basis for a solely top-down recognition approach to be effective. Most



leaders just don't have the bandwidth to keep track of everyone's hard work. That's why the most common form of top-down recognition is an employee's annual review.

Unfortunately, annual reviews can be a significant <u>source of stress</u> and typically only highlight an employee's largest, most visible contributions. Annual reviews also include suggestions for employees' areas of improvement, which can distract from praise.

That's not to say that managers shouldn't give recognition at all. On the contrary, they definitely should! When it comes to completing big-picture objectives, recognition from higher-ranking leaders can emphasize the magnitude of an employees accomplishment. However, for the day-to-day, it's a good idea to ask for help from the rest of the team.

### Peer recognition

In a <u>peer recognition system</u>, managers as well as other co-workers are all empowered to recognize and reward the contributions of everyone else. It's easy for managers to congratulate an employee on their general job performance, but their peers are working right beside them, day by day. They're in a much better position to recognize an employee's specific contributions and understand the immediate impact those contributions have.

It's simple. You see a teammate do something valuable, then praise them for it.

We also can't ignore the benefits of bottom-up recognition. Managers need appreciation, too! Recognition is motivating and insightful for everyone, even those in senior positions. With 360-degree style recognition, everybody in the company has a voice in how they want to express their feedback. Recognizing direct supervisors and leaders for the work they do isn't brown-nosing--it's a method of interpersonal communication that benefits everyone involved.



# Will recognition work for my team?

#### Yes! 😁

Every team can benefit from a recognition program.



When you implement one, you give employees a way to celebrate each other's achievements. These interactions build stronger teams, cultivate richer company culture, and motivate employees to do their best work. When executed successfully, recognition provides positive peer influence and communicates the notion that good work is valued by everyone in the company.

Looking at the bottom line, companies that score highest for building a "recognition-rich culture" have <u>31% lower turnover rates</u> than their peers. What's more, employees who don't feel recognized are <u>twice as likely to quit</u> within a year.

After all, being appreciated just feels good. Why? It <u>releases the flow of</u> <u>oxytocin</u>, the chemical our bodies create when we bond with others and feel loved. The <u>TINYpulse Employee Engagement and Organizational Culture</u>



<u>Report</u> found that 58% of the happiest employees will recognize and encourage their peers' success when given tools to make it easy.

A recognition-rich culture is a worthy and achievable goal for any organization, in any industry. It benefits the whole team, from the newest hire to the CEO.

The key to success is understanding how employee appreciation works, and how to implement it effectively in your unique environment.

## What will it cost?

Most organizations without a formal recognition program are already spending money on recognition. From organizing celebratory lunches to bulk-buying gift cards, the labor and costs associated with "manual" recognition can add up quickly. This method of recognition tends to be sporadic and can be time-consuming for leaders or HR employees to manage.

The budget is usually accounted for—just allocated less effectively under a different name. Also consider who else benefits from recognition. Chances are, the decision-makers for other departments also see the need for recognition and would be willing to join in.

An effective program normally pays for itself and more in the form of increased motivation, productivity, engagement, and retention. In our next section, you'll learn exactly how recognition has a positive impact on each of these factors.

# But why?

Understanding employee recognition is the first step, and in the next chapter, we'll share why employee recognition is important. Read more to



learn about the many benefits of employee recognition and how using a recognition program like <u>Bonusly</u> can be an extremely effective way for teams to feel valued, perform better, stay engaged, and more. We invite you to <u>tour the platform</u> and join us for a demo to learn more about how you can start building a recognition-rich organizational culture.



# 2. Why is Employee Recognition Important?

A well-implemented employee recognition program <u>has the power to impact</u> <u>many aspects of a business</u> including engagement, turnover, productivity, morale, and purpose. A non-existent, unintuitive, or poorly-implemented employee recognition program can have the opposite effect, decreasing motivation and even pushing good employees away.

Meanwhile, engaged employees are <u>beneficial for workplaces in every way</u>: they're higher performers, they're connected and committed to their company, and they're willing to go above and beyond their role. In organizations that put a heavy emphasis on praising and recognizing employee achievements, engagement levels increase by <u>nearly 60%</u>.

When asked what leaders could do to improve engagement, <u>58% of</u> <u>professionals</u> endorsed giving recognition. It's no wonder that successful organizations across the world prioritize engagement through recognition.

But the needle hasn't moved much: <u>40% of employees</u> still think that employee recognition isn't a priority in their organization. Here's what those organizations stand to lose when they don't prioritize employee recognition:

# Retention

Do you know how much employee turnover costs you each year?

You and your team no doubt monitor spending on advertising, hardware, and workspaces, but you might not have a grasp on just how much employee turnover is costing you—which is why it's probably <u>costing more than you</u> <u>think</u>.

Between writing and posting a job description, screening and interviewing candidates, negotiating relocation packages, paying referral or signing



bonuses...just the cost of finding a new employee adds up. You can use <u>our</u> <u>cost of employee turnover calculator</u> to establish a cost baseline, but it's important to remember that like an iceberg, much of the cost associated with turnover is hidden.

How many people are on your <b>100</b> employees	(	verage salary?	What is your rate of attrition? 25 employees per year	
Advanced calculation				
What does it cost to find new talent? 15 percent of salary	How long does it take to fill a position? <b>37</b> days	How long does it take ramp up a new hire <b>60</b> days		
Annual Cost of Employee Turnover $_{\Theta}$				
	\$1,29	2,808		

Indirect costs of employee turnover include decreased productivity, lost institutional knowledge, and lower morale. When an employee leaves, their team absorbs additional work, which hurts company culture in the form of unhappy team members who are less productive. Even once an organization has hired someone to fill an open position, that new employee needs to be oriented and trained. While <u>welcoming a new team member</u> is typically an exciting time, it's important to note that productivity might drop with the addition of a new team member before it goes up.

Fortunately, recognition is something all employees appreciate and respond to. It's a <u>critical step in reducing turnover</u>.

In a study by Bersin & Associates, organizations with recognition programs that were highly effective at improving employee engagement had <u>31% lower</u> voluntary turnover than those with ineffective recognition programs. As it stands, <u>66% of workers are likely to leave their job if they feel unappreciated</u>.



# Productivity

Productive employees benefit companies in every way, from increasing profitability to optimising resources. Productivity is very closely tied to companies' profitability, and is a top driver of success at modern companies. According to <u>Bain & Company</u>, the best companies are 40% more productive than the rest, and have operating margins 30%-50% higher than their industry peers.

What this means is that taking the time to appreciate employees pays huge dividends on your bottom line. Recognition boosts employee engagement, which then increases productivity. When you add inspiring employees to do their best into the mix, productivity skyrockets:

If satisfied employees are productive at an index level of 100, then engaged employees produce at 144, nearly half again as much. But then comes the real kicker: inspired employees score 225 on this scale. From a purely quantitative perspective, in other words, it would take two and a quarter satisfied employees to generate the same output as one inspired employee. –Eric Garton and Michael Mankins, <u>Harvard Business Review</u>

Giving employees the right feedback to know which of their efforts are most appreciated helps everyone better understand the impact of their work and what to prioritize. This doesn't mean you need to give a standing ovation to every employee who made it to work on time, but it's crucial to let everyone know exactly how (and how much) each of their contributions move the organization forward.

### Morale

Employee morale is the glue that holds your company together. It's a crucial part of any organization, and should be a top concern on your priorities list. With low morale, nearly every aspect of an employee's contributions will



suffer. <u>High morale, on the other hand, tends to inspire greater productivity</u>, <u>creativity</u>, <u>and overall satisfaction</u>.

What's the difference between employee morale and <u>employee engagement</u>? Although they're related, they're not the same thing. Employee morale is typically associated with feelings of well-being and job satisfaction. Meanwhile, here's how Bonusly co-founder and CEO Raphael Crawford-Marks describes employee engagement:

"Engaged employees are typically described as passionate, committed, and enthusiastic—not just about their job, but the company they work for and its overall mission and goals. An engaged employee is aware of both immediate, tactical goals, as well as long-term, strategic ones, and proactively works to advance both."

It's a subtle difference, but it's there. Engaged employees may be satisfied with their jobs, but contented employees are <u>not necessarily engaged</u> with their work. These workers risk losing any emotional connection to their work that they may have had, and their organizations suffer from poor productivity. These are the clock-watchers and the hangers-on. They can become dead weight for the company. Thus, having high employee morale is the foundation upon which employee engagement can grow and thrive.

So how do you build that foundation? A recent SHRM survey found that 65% of employees say <u>respectful treatment of employees at all levels</u> is a very important contributor to their job satisfaction. Because respect can be shown in many ways, personalized approaches make a considerable difference. For example, frequent and visible praise promotes inclusion and a sense of belonging at work that increases job satisfaction.

Along those same lines, <u>Reward Gateway study</u> revealed that, "[a]lthough more than 22% of senior decision-makers don't think that regular recognition and thanking employees at work has a big influence on staff retention, 70% of employees say that motivation and morale would improve 'massively' with managers saying thank you more."



That's why you feel great after a high-five. 👋

## Purpose

Recognizing employees' work and their impact on the team encourages a <u>sense of purpose</u>. This type of transparency helps employees understand how their work ties into the bigger picture of the company and how their contributions matter. Purpose is important, and <u>57% of younger Americans</u> said that they wanted to be part of something that was enjoyable or made a difference in society.

As humans, we're motivated by knowing how our work helps others, and recognition is a key part of that. This idea applies anywhere from working toward a company's broader mission to promoting cross-team collaboration.

It's easy to get caught up in day-to-day work. Frequent and visible recognition reminds everyone that they're all working toward a shared goal.

Communicating clear company missions and values through public recognition also <u>fosters a sense of community</u>, which helps keep employees engaged and alleviates some uncertainty about roles and responsibilities. By recognizing someone for embodying company values, you develop your organizational culture and reinforce objectives in an intentional way.

## Next steps

Building a culture and environment based on employee recognition improves each of these important areas, but it's crucial to understand how the foundation fits together before starting to build the rest. In our next section, you'll learn about how recognition can take shape at your organization.



We also invite you to learn more about <u>Bonusly's employee recognition and</u> <u>rewards platform</u> and join us for a demo to learn more about how you can start building a recognition-rich organizational culture.



# 3. Types of Employee Recognition and Rewards

Recognition and rewards will vary from organization to organization, and how you appreciate employees will depend on your unique company needs. Your team could be motivated by a company-sponsored outing, a thoughtful email, or a gift card to their favorite store. It's up to you to understand how to most meaningfully appreciate your team members and with what rewards.

Types of Recognition

Bonuses

There are many types of bonuses, ranging from small to large.

Small bonuses, sometimes called spot bonuses because they're given "on the spot," are small monetary rewards given frequently by one colleague to another in recognition of a valuable contribution. Although small bonuses can be given by managers to their direct reports, they can also be given by other colleagues, and even from a direct report to a manager.





Small bonuses provide several unique benefits. Like spot bonuses, staff recognition in the form of bonuses can be given in the very moment that a valuable contribution is made by an employee. Employee recognition given in the moment has the greatest potential for impact, because the action is rewarded almost immediately, when it's top-of-mind.

Because these bonuses are small by nature, everyone can give them out often, providing multiple positive instances of employee recognition without dramatically altering an employee's compensation.

Their on-the-spot nature dictates that spot bonuses are given at an irregular cadence, in contrast to annual and quarterly bonuses.

### Written praise

Writing thank-you notes can not only show appreciation, but is tangible proof of an employee's contributions. Written praise is a flexible method of recognition and notes of praise are almost universally appreciated, whether written or sent as electronic communication.

### Verbal praise

Verbal praise is perhaps the oldest, and longest-standing form of peer-to-peer recognition in the workplace. Verbal praise is given by colleagues, generally in an ad-hoc fashion, in recognition of a staff member's valuable contribution.

Although nearly always informal in nature, verbal praise is occasionally solicited as part of a formal staff recognition program.

# When should recognition be given?

We'll cover the characteristics of effective recognition in a later section, but here's a sneak peek of one of the main components—timeliness. It's



important to recognize employees at key moments, whether that's right after a project has been completed, on their work anniversary, or even their birthday.

### Events

### Employee's first day

Should you recognize employees before they even start working? We think yes. Besides, we think the stressful process of interviewing, negotiating, and making it through first days or weeks definitely deserves some kudos! The benefits here are twofold: new employees feel welcomed into the fold right away, and existing employees are able to break the ice immediately.

### Birthdays

<u>Birthdays</u> are a special occasion for a majority of people. If you're in a 9-5 job, chances are employees will be spending a good amount of that special day in the office. While everyone has different preferences around the level of attention they'd like to receive, it's not a bad idea to show them that they are recognized and valued.





### Employee Appreciation Day

Employee Appreciation Day is a semi-formal holiday founded by Bob Nelson, a founding board member of Recognition Professional International. Over the past 20 years, other companies have embraced the unofficial holiday, paying homage to their employees on the first Friday of March.

As a low-key "holiday," Employee Appreciation Day is a great opportunity to recognize employees without the pressure of annual or quarterly reviews. Celebrate Employee Appreciation Day with small company-funded events like barbecues, office parties, or with fun decorations!

### Milestones

### Work anniversaries

Work anniversaries are one of the most common uses of modern employee recognition, but they're often poorly executed. We consider work anniversaries an <u>epiphany moment</u>, and they should be treated as such. Reaching a work anniversary is a key milestone when employees often reflect on their past, contemplate their future, and assess their well-being at their workplace. So receiving a simple gift card or plaque can feel impersonal, leaving an employee disillusioned about the work they put into the company.

A work anniversary should represent another year of a job well done, and should be meaningfully recognized. It's a great opportunity to thank the employee for the specific impact they've made over the past 12 months and over the course of their career. But don't just say, "You've made a big impact this year." Explain exactly what the impact was, why it matters, and how crucial their work is to the team, the organization, and the people it serves.

### Project completion

It's always a weight off the shoulders when a project is completed, launched, or published, so this is also a great time to recognize all the work that went into the process. Be sure to recognize team members in a timely



manner--recognition has much more impact in the moment than when it's delayed.

#### Year end

A year end or annual bonus is financial compensation given to employees in addition to their base pay. Annual bonuses are given once per year, usually at the end of the fourth business quarter. They can be given for a multitude of reasons, but are usually based on goals, either the performance of the organization, the individual, or both. Depending on the organization or industry, annual bonuses are sometimes expected as part of an employee's total compensation package.

### Quarterly review

Quarterly bonuses are similar to annual bonuses, but are metered out more frequently, on a per business quarter basis. Quarterly bonuses are most commonly given as part of a heavily performance-based compensation model. Sales organizations or teams are common users of the quarterly bonus structure.

# Building a successful recognition program

Now that you've got a solid understanding of what recognition is, why it's important, and how it looks, you're probably curious about how to build your own successful employee recognition program! In the next chapter, we'll teach you how to do just that.

We also invite you to learn more about <u>Bonusly's employee recognition and</u> <u>rewards platform</u> and join us for a demo to learn more about how you can start building a recognition-rich organizational culture.



# 4. How Do I Build a Successful Employee Recognition Program?

It's no coincidence that many of the world's most successful organizations use <u>employee recognition programs</u>. As we covered in <u>Section 2</u>, when recognition programs are used correctly, they can enrich company culture, increase employee engagement, reduce turnover, and provide a fulfilling employee experience.

Sound good? Good. Now, where do you start?

Well, you're in the right place! 🎉

We're experts at helping organizations introduce recognition programs to their employees, and here are our tips for a seamless implementation process.

- <u>Develop a case for recognition</u>
- Build a team of champions
- <u>Understand the characteristics of effective recognition</u>
- Follow recognition program best practices

### Develop a case for recognition

Start by establishing a business case for an employee recognition program, tying your expected project outcomes to desired business outcomes. Ask yourself what problems an employee recognition program might solve and how solving those problems contributes to business objectives. <u>Show your leadership team</u> that the benefits outweigh the costs. <u>http://blog.bonus.ly/sell-recognition-to-leadership</u>



Be sure to familiarize yourself with the research-based <u>benefits of employee</u> <u>recognition</u> and its effects on improved employee engagement, reduced turnover, increased productivity, boosted morale, and purpose. Then crunch some numbers! For example, you can use an <u>employee turnover calculator</u> to determine how much your business will save using an effective recognition program.

How much does a good recognition program cost to administer? It might surprise you to learn that recognition programs don't have to be expensive to be effective. 81% of companies that include a recognition program in their budgets spend less than 1% of their payroll budgets on these programs. You should also account for the costs of any rewards.

You'll also want to understand the hidden costs and logistics of homegrown programs. Running to the store every now and then to buy gift cards for your team of five and handwriting notes for each person might be relatively simple to start, but when your team grows to 50 or more, these manual programs can become unwieldy, requiring a whole new level of planning, oversight, and consistency.

Fortunately, <u>rewards and recognition software</u> can integrate with existing tools, automate rewards fulfillment, and even <u>manage work anniversary</u> <u>bonuses</u>.

# Build a team of champions

Once you receive buy-in from leadership, your next step is to find your team of champions to help you implement the program. Seek out leaders who will help conceptualize, promote, communicate, implement, and reinforce your organization's new recognition program.

When building your team, look for folks with the following characteristics:



- Interest in the program
- Positioned as a team leader
- Knowledge of program benefits
- Ability to prioritize the program
- Positive track records

Program champions with these characteristics will be closest to the heartbeat of the organization and will provide the most helpful insights. They'll also be in the best position to ensure program success.

# Understand the characteristics of effective recognition

Before implementing any employee recognition program, it's necessary for everyone involved to understand the characteristics of effective recognition:

- <u>Timely</u>
- <u>Frequent</u>
- <u>Specific</u>
- <u>Visible</u>
- Inclusive
- <u>Values-based</u>

### Timely

Recognition is most effective when given in a timely manner. Unfortunately, the association between contribution and recognition weakens over time. Aim to give recognition as soon as possible to produce a clear connection to positive behavior.



Waiting to recognize a valuable contribution can result in faded impact of that recognition and lost opportunities to encourage the same kind of positive behavior. Too many employees only hear recognition at their annual review.

### Frequent

Frequent recognition translates into <u>more engaged employees, stronger</u> <u>business results, and lower turnover</u>. Employees make contributions every week, and failing to provide regular feedback about those contributions increases the likelihood of individuals feeling undervalued in their role.

You don't need to wait for a huge milestone or achievement to give recognition. It's important to celebrate the small victories, and research backs that up. Take this stat into account: 71% of highly engaged employees work in organizations that recognize employees at least once per month.

### Specific

Why is it important to call out and recognize specific contributions?

Specific recognition helps employees understand exactly which of their actions contributed to their team's goal. Being specific means acknowledging the details and context of a task or project, not just a "Thanks, great job!". When feedback isn't specific, it risks coming across as insincere or unclear.

Naturally, this type of praise should occur soon after any contribution. Remember: a quick "great job last month" isn't useless, but it denies the recipient some crucial feedback.

### Visible

Private recognition can be effective, but public recognition offers several additional advantages. For one, being recognized publicly magnifies its impact. Sharing praise with a wider audience helps everyone learn about the work being done across the organization, facilitating collaboration and



highlighting solutions that might otherwise go unnoticed. It also gives other colleagues the opportunity to join in the recognition, reinforcing positive behavior.

<u>Visible recognition</u> provides examples of commendable behavior, actions, and contributions that others can repeat. Additionally, that visible recognition can bring to light innovations or challenges that spur valuable discussions within teams.

### Inclusive

Inclusive recognition helps foster a sense of equity, belonging, and psychological safety for all employees. Showing employees they belong should be a top priority for leaders, and understanding the actions and people who are recognized means understanding what is really valued in your culture. Who is recognized most frequently and for what?

A powerful way to ensure more people are recognized is to diversify the parties responsible for giving recognition. Recognition from all levels provides more opportunities for contributions to be appreciated.

When employees are empowered to recognize peers, praise occurs more frequently while also carrying more context and nuance. A 360-degree recognition program with a foundation of peer recognition provides a better understanding of what a whole team and organization considers valuable while removing the bottlenecks imposed by top-down recognition and breaking down team siloes.

### Values-based

Values-based recognition encourages teams to work toward the same vision. When sharing positive feedback, think about how a contribution lines up with your values. If your company culture is really based on a shared set of values, reinforcing those values through praise should be a deep-rooted habit.



Recognition based on values ties tangible actions to the foundation of an organization. It becomes more meaningful and helps a team work toward the same goal, reinforcing positive activity. Can you recall your own organizational values?



## Follow recognition program best practices

Define clear recognition program objectives and criteria

Employers should be clear about what behaviors or actions they'd like to see from recognition programs and how they impact business objectives. Whether you're starting a new employee recognition program or updating an existing one, challenge your team to answer important questions.

What types of behaviors will be rewarded? Reference your business objectives and decide which behaviors to incentivize, and remember that



effective recognition is tied to organizational values! Reward deliverables completed on time if lateness is a challenge, and applaud cross-departmental collaboration if your organization is stuck working in silos.

How should desired behaviors be rewarded? It's important to know your team and reward behavior accordingly. In general, praise should be public and can be a great learning opportunity to the whole team. Tying that praise to a tangible reward or experience can remind employees of their achievements long after praise is given.

How often should recognition occur? Effective praise is frequent, so it's important to regularly recognize your team. Giving recognition on the spot is a good habit, and reiterating that praise during <u>team meetings</u>, especially for special achievements, can amplify the effects of recognition. Don't forget about milestone events, like birthdays, work anniversaries, and Employee Appreciation Day.

Who should recognition come from? Recognition has traditionally been given top-down by managers. However, 360-degree recognition, coming from all levels, is the most effective. In fact, peers are the top influence in driving colleagues to <u>go the extra mile</u>.

### Use a multifaceted rewards and recognition program

Many employers assume that employees always want money instead of non-tangible rewards, but research suggests that's not necessarily true. <u>Research by Deloitte</u>, for example, identified two different types of recognition:

- Praise and emblematic recognition
- Token and monetary rewards



They found that both types of recognition are important to employees, as "this varied approach helps to constantly and frequently reinforce desired employee behaviors."

It might not seem intuitive at first, but imagine receiving a bonus without any note or explanation. How would you know how to replicate the behaviors that led to the bonus? You'd have no idea what you did correctly to earn it—and how to avoid doing something incorrectly. Remember to be specific!

Similarly, it's beneficial to understand the difference between <u>extrinsic and</u> <u>intrinsic motivation in the workplace</u>. Whether the praise or the monetary reward is the primary form of recognition, both approaches complement each other.

### Give employees voice and choice

Make it fun! Don't start with the assumption that you already know what everyone wants. Engage your employees to better understand the types of rewards they're most interested in.

Once you've drafted <u>ideas for creative rewards</u>, it's easy to get employee preferences by sending a survey and asking everyone to rank the options. Giving employees a say in rewards redemption can increase their personal investment in the program and make recognition even more enjoyable. Brainstorming unique rewards can also be a <u>fun team activity</u>!





Think about how rewards will be distributed, as well. If you offer gift cards as rewards, make sure employees will use and enjoy products or services from those businesses. <u>Consider these custom reward best practices</u> before committing items to your catalog.

Do your employees want to share their rewards with the world? Offering the right rewards can help you win employee advocates. It's the transitive property of rewards: employees get something they want something they can leave the office with and share with their family and friends. The public recognition they received at work leaves the office with them in its own unique form.

### Ensure an effective launch and implementation

When introducing a new system or approach, it's important that communication around the <u>launch</u> is clear and the implementation is as painless as possible. Any team participating in a new program should be clued in on that program's purpose, how to use it, and when it will take effect. Think about the following factors when rolling out your program:

### Align your organization on recognition

Leadership should be aligned on the program's purpose, especially when rolling out the program. Teams and employees may start to feel jaded if no one is taking it seriously. Imagine being on a team where the manager withholds recognition and doesn't think it's important, while watching the team next door receive reward after reward—it would be demoralizing.

Recognition should also be aligned with organizational objectives and goals; creating recognition programs around behaviors that the business doesn't value leads to confusion and may have the negative impact of directing energy away from company goals. Consider it a reinforcement of existing priorities.



### Make recognition programs visible

Recognition programs should be highly visible within organizations that truly value recognition, right? Employees should see when their peers are recognized, and data from that recognition should be visible for teams to help improve communication.

Note that different types of workforces may prefer different methods of communication. For example, front line employees at a manufacturing plant may prefer to get important updates via <u>specialized kiosks</u>, administrative staff at an accounting firm might prefer email, and employees at a tech startup might prefer a collaboration tool like <u>Slack</u>.





# Plan for a seamless, multi-pronged, and consistent delivery of your program

With current technology, how recognition is delivered is another critical element. How will recognition or rewards be delivered in your organization?

Embed it in your processes. If you regularly communicate through a collaboration tool like Slack, find a program that integrates with it. Use existing team meetings to reiterate recognition where appropriate, and consider using an automated system to fulfill rewards.

More than one method of communication should always be used to introduce the program. Thinking about announcing the program at an all-hands meeting to share a strategic overview followed by followed by an organized team training session with practical guidance.

Managers should also communicate with their teams in smaller team meetings about the program and discuss the initiative. Since not all teams or individuals work in the same location, managers should include <u>remote</u> <u>workers</u> via video conferencing to share program information.

### Measure your recognition program's effectiveness

Recognition programs impact many different areas of an organization. Using a measurement system like <u>employee net promoter score</u> can provide a useful framework to measure the effect of recognition on factors like employee engagement and morale.

Successful recognition programs should positively impact other factors like performance, productivity, and turnover. You can use a number of ways to analyze changes in those areas, like <u>survey tools</u>, <u>brief interviews or feedback</u> <u>sessions</u>, and <u>performance management software</u>. Gather feedback on a regular basis, and use it to adjust your program where necessary.



To take it one step further, use data from your recognition program to inform other business decisions. Research <u>social connections</u> to determine if any team or individual is isolated, review how teams are connected, and facilitate collaboration where needed. Are there teams with outstanding behavior? Study them to understand how to take those learnings to other departments.

### Revisit and revise regularly

No program is perfect, and even excellent programs should be well-maintained to remain effective. Soliciting program feedback quarterly can help you determine whether or not employees still value the types of rewards they're receiving. Leadership feedback will provide further insight into whether or not the program is impacting job performance and business outcomes in a positive way.

In addition to evaluating the program, you should understand which outcomes are needed most. An annual engagement survey will help you identify the company's primary opportunities for improvement based on your company's ever changing employee population.

Once you've collected actionable data, make improvements where possible. For any desired improvements that you are unable to make, be sure to explain why (e.g. timing, cost, redundant to other initiatives, etc.). All organizations aren't the same, and recognition programs should be tailored to your team. As you develop your program, consider how much admin time is available to administer it and how your employees work.

Read more about employee recognition best practices in our article <u>The Art</u> <u>and Science of Recognition: 5 Best Practices for Employee Recognition</u> <u>Programs</u>.



## Implementation

Implementing a successful employee recognition program might seem imposing, but by following the above advice, you can simplify and streamline your efforts. In the next chapter, we'll discuss aspects of tools that can make implementation even better for your team.

Employee recognition is a powerful way for any organization to succeed, and using a specially-designed recognition program like <u>Bonusly</u> can be an extremely effective way for teams to feel valued, perform better, stay engaged, and more. We invite you to <u>tour the platform</u> and join us for a <u>demo</u> to learn more about how you can start building a recognition-rich organizational culture.



# 5. Employee Recognition Tools and Resources

Successfully introducing the right kind of recognition tool can be the critical factor in differentiating your organization. Because of the <u>strategic benefits</u> <u>of recognition</u>, teams around the globe are increasingly using technology to power their recognition programs, integrating recognition into their culture.

What makes for a good employee recognition tool? It should:

- Meet your team where they're at
- Provide rewards
- Share people analytics
- Scale easily

### Meet your team where they're at

An effective recognition tool should be able to easily slip into your team's workflow. Start by thinking about where your team works, the devices available for work, and the software used for collaboration. In the <u>modern</u> <u>workplace</u>, teams are frequently located in different places, keep different office schedules, and often see each other intermittently.

If your team is centrally located in an office, a highly visible <u>dashboard</u> could be a great tool. On the other hand, a distributed team that travels frequently might prefer a <u>mobile app</u> with push notifications.



### Integrations

Easy ways to bring recognition tools into your existing workflows are through integrations. Pay special attention to tools that offer integrations with your collaboration tools HRIS systems, SSO solutions, and other areas.

### Collaboration Tools

<u>Slack</u> is a useful tool for both real-time and asynchronous team communication. It also includes file sharing, contextual search (to help find important conversations and files anytime), and a huge list of app integrations. <u>Slack's Bonusly integration</u> makes it an excellent tool for employee recognition by allowing users to broadcast recognition activity to their team, and even give small bonuses without breaking their workflow.

We love Slack. It's our go-to communication and collaboration tool for nearly everything, and we frequently use it to give recognition.

Every time someone receives a small bonus, the entire company sees it pop up in our #recognition channel. Since we all practically live in Slack, it's a highly-visible way for everyone to see all the great work that happens on a daily basis, no matter which location they're working from.

Other great collaboration tools include <u>Microsoft Teams</u> and <u>Google</u> <u>Hangouts Chat</u>, which also have <u>Bonusly integrations</u>.

### HRIS integrations

Your HRIS system includes valuable data about your employees, from their birthdays to organization connections to contact information. Many employee recognition tools can sync data between systems to reduce the administrative effort required to implement and maintain programs.



When looking for a solution to help manage your team accounts automatically, consider systems like BambooHR, Namely, Workday, Zenefits, or ADP. Bonusly has <u>integrations</u> for these and more.

### Other integrations

Zapier is a powerful platform that allows you to easily connect the different apps you use to automate tedious tasks. Zapier's Bonusly integration allows teams to integrate recognition into Zapier's catalog of over 1,500 different apps, including Hubspot, Small Improvements, and Asana. <u>Here are some templates</u> for inspiration.

#### Screens

From big to small, think about the screens your team works on.

We have offices in New York City, Seattle, and Boulder, CO. To make sure we're always aware of the great work everyone is doing despite the distance that separates us, we project a <u>dashboard</u> displaying all the recognition going on throughout the day. It's impossible to miss, and there's something special about seeing your achievements posted in a larger-than-life format.

For our smallest screens, we use <u>iOS</u> and <u>Android</u> mobile apps to make sure we don't miss recognition in action.

#### Usability

When you think you've found a tool that seems to fit the bill, test its usability. Is the experience intuitive across platforms? Think about the different people who will ultimately use the tool on a regular basis.


### Provide rewards

Modern employee recognition is powerful, but if your recognition tools don't offer rewards, your field of dreams could be nothing more than a cornfield.

Effective employee recognition tools allow users to recognize each other with praise backed up by real-world rewards. <u>Our research has shown</u> that even small rewards with real-world value encourage users to give recognition more frequently and by more people than.

According to <u>Deloitte's 2018 Global Human Capital Trends report</u>, "employees respond favorably to agile compensation programs that provide raises, bonuses, or other incentives more often than the traditional once-a-year rewards system." One study even "found that employees who

receive regular small rewards, in the form of money, points, or thanks, are a staggering eight times more engaged than those who receive compensation and bonus increases once a year."

In order to enjoy all the benefits of frequent recognition (i.e., increased employee engagement and retention), you'll need to encourage your employees to engage with your recognition program and make recognition a habit. The promise of rewards can be enough to get your employees over the hump that <u>adopting new tech tools</u> so often presents. By linking recognition to rewards, you can actually facilitate more meaningful exchanges.

Learn more about the link between recognition and rewards here: <u>Accelerate</u> <u>Your Employee Recognition Program with Meaningful Rewards</u>.





### Share people analytics

How do you gauge the success of your staff appreciation program? By measuring it!

There are a number of great tools available to help you determine the effectiveness of any recognition program you implement. They can provide insights into recognition trends in your organization and help you learn where team members excel with detailed analytics and reporting.

Look for tools that allow you to easily see team engagement in aggregate as well as which employees stand out as recognition and engagement. Use data to understand team dynamics, who's recognized most frequently, and what they're being recognized for.

**Bonusly Analytics** 

Bonusly Analytics uses the rich social data produced by the giving of small bonuses and transforms it into useful data, predictive metrics, and timelines.



It includes <u>organization graphs</u>, participation charts, and word clouds, as well as information on recognition by team, location, and company values.

Bonusly Analytics can help you to see which employees are standing out as excellent contributors, and which employees might need extra support to help them succeed. You can also measure the effectiveness and overall engagement of your staff recognition program.



#### Officevibe

<u>Officevibe</u> is another great tool for measuring employee sentiments. You can send weekly surveys to measure employee satisfaction and engagement, while offering useful and actionable advice on ways to improve it.

Officevibe's Slack bot, <u>Leo</u> is a great way to keep that communication channel open and present without disrupting your team's workflow.



# Scale easily

Running a recognition program requires time and effort from your team. It includes plenty of planning, oversight, and consistency for everyone involved. Fortunately, tools can help your team easily scale recognition programs.

Look for tools that can help you onboard new team members quickly, require little maintenance, automate rewards redemption, and provide strong integrations. Finding the right tool will help you minimize the administration time needed to build a recognition-rich culture.

To make things even easier, look for tools that can manage <u>work anniversary</u> <u>bonuses</u>, <u>birthday bonuses</u>, and other <u>automated or manual awards</u>.

#### **Employee Recognition Resources**

There are many excellent information resources available to help you improve all aspects of organizational culture, from employee recognition to employee engagement. Here are a few great reads:

#### **Bonusly Blog**

The Bonusly blog covers a range of useful topics from creative employee reward ideas, to employee engagement and inspiring employee loyalty. You'll find engaging infographics and regular interviews with industry experts and culture leaders who share their insights on a range of important topics.

#### Officevibe Blog

<u>The Officevibe blog</u> is a great resource. It includes entertaining, yet educational articles and infographics about employee engagement, company culture, and how to improve both. Officevibe's blog also features 'culture



talks,' where industry thought leaders share valuable information over video interviews.

When I Work Blog

When I Work is a useful tool for scheduling and communicating with hourly employees, but the <u>When I Work blog</u> covers a huge range of topics. You can learn new ways to develop better people management skills, recruit and onboard new employees, and manage millennials. The WhenIWork also provide some excellent guides for small business HR.

#### TLNT

TLNT is a publication focused on HR news and insights. There are articles ranging from HR basics, to more complicated subjects like onboarding techniques, narrowing workforce skills gaps, and improving employee retention.

#### Next Steps

Now that you know what to look for in employee recognition tools and have a few resources to bookmark, we invite you to take a tour of <u>Bonusly</u> and <u>schedule a demo</u> if you're interested in learning more.

When you're ready to learn about unique examples of employee recognition in action, take a look at <u>our guide's next section</u>.



# 6. 15 Unique Examples of Employee Recognition in Action

Now that you have the tools you need to build a culture of appreciation, it's time to get started.

It's not always easy to come up with creative ways to recognize and reward your teammates for their great work, so we put together a list of unique examples from some of our favorite companies across the globe.

Just like the people and contributions they're celebrating, these recognition techniques are unique. Most of these examples are not complete strategies in themselves—they're part of a larger strategy incorporating the key characteristics of effective employee recognition:

- Timely
- Frequent
- Specific
- Visible
- Inclusive
- Values-based

# Andrew Schrader | Chobani

#### Employee recognition program Bonusly

Everyone gets caught up in their day-to-day work, which is why it's great to have <u>Bonusly</u>: feedback and instant gratification never get old.

When I receive a bonus and I wasn't expecting one, I get all cheesy about it. There's this thought that runs through my head: "Oh, wow, I implemented



this project and I bug everyone to participate, so of course I know it's important, but it still feels good to receive a bonus!"

Having the ability to recognize someone immediately is the most valuable part of Bonusly. Whether you have 20 employees or 2,000, it doesn't matter. More than 75% of Chobani employees actively use Bonusly.

Bonusly has definitely had a measurable impact on our Great Places to Work® survey results. Just a few months after we launched Bonusly, our score in the recognition category had the biggest improvement!

Monthly emails to highlight praise

We send a "<u>This Month on Bonusly</u>!" email to managers to promote an ongoing culture of recognition and encourage them to continue recognizing their direct reports. Everyone's participation is meaningful.

#### Analiese Brown | CampMinder

Each person on our team believes in and cares about why we do what we're doing – and, just as importantly, how we go about doing it. We're making it easier for camps to make positive impact, and we do it in a way that's aligned with a set of core values rooted in the camp experience: Put Team First, Find a Better Way, Be Admirable, Own It, Give Joy, and Wonder. All of the company's people-related processes – how we hire, promote, reward, and recognize team members – are based on these values, creating a culture where "performance" is synonymous with living our values.



#### Love Leafs

Because these values are so central to our culture, we reinforce their meaning by encouraging a culture of recognition. During our monthly Last Thursday meeting (our version of an All Hands meeting) each team member has the opportunity to recognize another team members for embodying CampMinder's core values by presenting a "Love Leaf." Love Leafs are then added to a customized tree decal to create a visual repository of team members' commitment to CampMinder's core values. At the end of a calendar year, Love Leafs are collected and entered into a drawing, with the winner eligible for a prize, customized to that particular person's interests and goals. We sent last year's winner on a bucket list trip to Peru! On top of the Love Leaf program, we encourage employees to recognize each other spontaneously and organically, either face-to-face or via Slack.

# Richard Fendler | SnackNation

Make it personal

I've always appreciated how our CEO recognizes every single member of our team. Whether it's a work anniversary or a birthday, I can guarantee he'll take the time to write a hand-written note thanking us for our hard work and highlighting our recent achievements. Hand-written notes are a lost art, but they feel more personal than an email or a text and when he does it, you can tell he means what he says.

When I took my fiance to Cabo to propose, he even had a bottle of Dom Perignon champagne waiting for us in our suite with a hand-written note that he mailed over. While he spent a pretty penny on the Dom Perignon, my



lasting impression came from the thought and time he spent on the gesture. It goes back to a saying that I think holds true for your employees: It's not about what you do, it's about how you make them feel.

#### Crush it call

Our team gets together every Friday afternoon to recognize each member's hard work during that week. We take turns saying who we want to "Crush," along with something we're deeply grateful for.

This tradition has managed to keep our spirits high, which has been crucial for us as we've added new team members. When your company is a little more than 30 people strong, you have an idea of what everyone else is working on. But that 100-person mark is kind of a tipping point where you have to make a real effort to stay in sync and connected.

The "Crush It Call" keeps all of our departments incredibly close and continues to energize the newer and the older employees alike by giving all of us a chance to share our progress, insights, and the genuine joy we have for our work. Without these calls (<u>like this one</u>), I don't know how else we would have stayed so aligned as we scaled.

### Hiba Amin | <u>Soapbox</u>

#### Demo day shout-outs

Over at Soapbox, we run on 2-week sprints. At the end of every sprint, we have a company-wide demo day where every team is expected to share all of the work they've done and shipped, from launching new marketing campaigns to releasing new features.



At the end of each team's demo day presentation is a dedicated time to give shoutouts and recognition, from bringing in cookies (when we were an onsite team), to helping a coworker out.

This has been an uplifting and impactful way for peer and cross-departmental recognition to happen across the company. It's also helped break down typical silos that many companies struggle with.

### George Dickson | Polly

Values in action poll

My colleague Audra introduced a practice called "Values in Action." She sends out a company-wide <u>polly</u> ahead of every all-hands calling for peers to nominate one another for embodying core values. She crafts original presentations featuring nominees and their contributions, then runs through them while the nominators (optionally) speak to the team about why they appreciate the nominees, what they did that stood out, and celebrate their impact on the team. Lots of cheering, then Polly makes donations to causes of the nominees' choices!

# Chloe Oddleifson | Dribbble

#### Celebrity shout-outs

As a fully-remote team, we've had fun getting creative with how we recognize achievements, accomplishments, and when someone goes the extra mile to help someone out. We integrated <u>Bonusly with Slack</u>, which makes it super easy for us to give bonuses and keep recognition visible, but it's really the personal touches that make recognition all the more meaningful and effective. We love creating extra-special rewards that are specific to our



team's unique culture. For instance, we use <u>Cameo</u> to get celebrity shout-outs for our teammates that are funny, unexpected, and memorable—Rebecca Black, Sean Astin, and Flavor Flav have all made appearances at team meetings in the past year!

# Chapelle Ryon | WorkBright

Core value call-out

We host a "core value call-out" in our all team meetings. Managers identify one outstanding employee that exhibited one of our four core values then tell the story in the all team meeting, and that person is rewarded with a \$20 gift card, in addition to public recognition for how they embodied the core value.

We also focus each quarter on one of the particular core values and repeat the same workflow at the end of the quarter, where one individual is recognized for best exhibiting that core value in our quarterly review then awarded a larger prize.

# Sançar Sahin | <u>Typeform</u>

At Typeform, we have a kind of internal play book with a list of values and guiding attributes we try and follow. It helps us maintain a humble, friendly, and ultimately more human environment.

#### Spontaneous applause

One of the things on the list is to "celebrate with spontaneous applause". It sounds a little cheesy and sales-y but it's actually a nice Typeform tradition.



Whenever someone does something noteworthy—however big or small—anyone can start a round of applause. The whole office joins in. The beauty is that most people have no idea why they're applauding, but the person receiving the applause does. It's a nice, momentary break for celebration.

### Stephen Milbank | Button

#### Personalizing appreciation

Everyone wants recognition for their contributions to the company, but not everyone feels recognized in the same way. At Button, we have each new employee fill out an orientation survey on their first day.

One of the questions we ask is, tell us about a time you felt appreciated for your work. This provides the management team with insight into how to make sure all Buttonians are able to be recognized in ways that they feel appreciated.

Based on this information we have implemented different manners of recognizing our team, some very public and others more private.

Nemonations

"Nemonations" is our large format, company-wide recognition for going above and beyond expectations.

Each Friday at demos, team members can "nemonate" their deserving colleagues who went the extra mile that week and we pass around a stuffed Nemo (of Disney's Finding Nemo fame) to the recipients.

Giving props



For smaller, everyday props, we have a kudos system focused on our company values. Team members are encouraged to recognize their colleagues who exemplify the values in practice. Kudos are distributed in Slack and are also announced at Demos at the end of each week.

#### Ultimate hiring challenge

Button is a collection of people who thoroughly enjoy a challenge. Competition is often our most successful motivator for voluntary tasks, like recruiting.

To recognize Buttonians for helping to build our team, we have a quarterly competition known as The Ultimate Hiring Challenge.

We have one winner each quarter and the prize is individually tailored to their passions—be it a month's supply of unlimited burritos or Hamilton-themed SoulCycle sessions, we make sure the winner feels appreciated for her contributions.

### Alexis Croswell | Culture Amp

Props bot

At Culture Amp, People Scientist Chris Barrell came up with the idea of creating a <u>Slack "props bot"</u> from scratch for peer-to-peer recognition. He says, "The idea for the Props Bot arose from wanting to publicly thank and recognize some of my colleagues. We already had a public slack channel for kudos but it was more customer orientated. When you wanted to give thanks and recognition to a fellow employee, where did you do it?" He realized that there was an opportunity to create a system for documenting and sharing employee recognition and praise. Chris and a small group of Campers created the Culture Amp Props Bot, which has given over 3,000 props since its inception in 2015.



### Start building a recognition-rich culture

With those examples in mind, consider how to implement your own unique and creative employee recognition ideas, and start building a recognition-rich organizational culture!

#### Try employee recognition with Bonusly

At Bonusly, we use peer recognition to celebrate success, engage our team, and show appreciation for our teammates' contributions.

Every month, users get a Bonusly allowance, and with that allowance, users can give small bonuses to their peers, direct reports, and managers to recognize their contributions in real time.

Employees can redeem the points they've earned in <u>our extensive digital</u> <u>reward catalog</u>.

The catalog is full of rewards options including gift cards and donations, and it's completely customizable. You can add custom rewards like extra PTO, company-branded gear, or lunch with the CEO.

Each time someone is recognized by a colleague for doing something valuable, the whole team is notified and is given a chance to join in on the celebration.

We invite you to <u>tour the platform</u> and <u>join us for a demo</u> to learn more about how you can start building an engaging organizational culture.



Bonusly is a fun, personal recognition and rewards program that enriches your company culture and improves employee engagement.

With Bonusly, everyone in your organization can publicly recognize everyone else by giving small bonuses that add up to meaningful rewards.

Learn more about employee recognition at bonus.ly

