Know your recognition ROI.

How meaningful rewards and recognition drive your business.

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FOREWORD

Combatting a connection crisis: A CFO's perspective on why employee recognition matters now.

Welcome to our guide to proving the return on investment (ROI) of employee recognition. This guide is for HR leaders and professionals who are looking to learn the art of presenting a company's total rewards strategy and investment to get buy-in from key decision makers like the Chief Financial Officer (CFO).

We'll cover both the quantitative ROI (countable and numbers-based, like percentage increase in savings from employee turnover) and qualitative ROI (subjective, observational, and interpretation-based, like anecdotal feedback from employees who receive recognition) metrics to consider and measure.

As an HR leader, you focus on cultivating a workplace culture that supports employee well-being and fosters a sense of connection to meaningful work. This helps you attract and retain great people. **But we know we have a problem in business today when it comes to retention, quiet quitting, and employee engagement.**

Engaged and motivated employees who feel valued and supported are more productive and contribute to a better work environment. Retaining employees also maintains a consistent company culture and preserves institutional knowledge (which can suffer in a high-turnover culture). A Gallup study found that **companies with high employee engagement outperform their peers by 147%** in earnings per share[1]. Plus, being listed as a "Great Place to Work" can attract top talent and improves your company's reputation as a place where employees know they're appreciated[2].

To create a supportive and inclusive workplace culture, you need to offer competitive compensation, provide ongoing opportunities for professional development and upskilling, and support employee well-being through things like flexible work arrangements and company-sponsored events. By doing so, you **show** employees that you value their overall well-being, not just their job performance, which goes a long way towards improving employee morale, job satisfaction, and motivation.

But is effective recognition in your toolkit? While implementing recognition and rewards programs can be a significant investment, **effective recognition is proven to have a major impact on employee engagement**.

[1] *From Gallup's online article, "The Benefits of Employee Engagement", updated January 13, 2023*

[2] *From Blueboard's online article, "New study: Companies prioritizing experiential employee recognition with Blueboard scored 61% higher on Great Places to Work", January 19, 2023*

FOREWORD (CONT.)

A pay and benefits report by The Josh Bersin Company found that the most successful organizations take a systemic approach to employee rewards—and reveals recognition is more important to employees than lavish perks. And the outcomes speak volumes in terms of ROI: organizations with systemic recognition are **1.7 times more likely to exceed financial targets**[3].

Although we can address areas where we can make investments, we also need to understand why there is such a lingering connection gap between employees and their workplaces and what we can do about it. According to a U.S. Surgeon General report[4], nearly 50% of U.S. adults reported experiencing measurable levels of loneliness even before the pandemic-induced periods of forced isolation. **These findings highlight the critical role that connection plays in our individual, community, societal, and workplace health.**

The same report found correlations between loneliness and worse performance at work, with loneliness being a significant predictor of job performance. One powerful way to combat loneliness and cultivate a workplace culture of connection is to **prioritize employee recognition programs that facilitate opportunities for employees to connect both in and outside of work**. Providing experiences as rewards supports employees to spend quality time with loved ones, rediscover passions, and learn new things, all of which contribute to a sense of connection and well-being. **In fact, experiential rewards are proven to be 4X more impactful on the employee experience than other types of rewards**[5].

The Blueboard Method™ is our step-by-step, proprietary framework designed to help you operationalize recognition throughout every part of your business. With The Blueboard Method, you can build a culture of appreciation, connection, and engagement that is expansive and additive as you build and scale your recognition efforts with your business..

We hope this guide will help you develop these programs and assist you in communicating these strategies and investments with your leadership team and CFO.

Scott Broomfield
CHIEF FINANCIAL OFFICER, BLUEBOARD

[3] From The Josh Bersin Company's online guide, "The Definitive Guide to Pay and Benefits: The Road to Systemic Rewards"
[4] From the U.S. Surgeon General's online report, "Our Epidemic of Loneliness and Isolation," April 2023
[5] Data based on a 2023 survey of employed U.S. adults conducted by The Starr Conspiracy and Blueboard; n=873

CHAPTER 1

Understanding the People metrics that drive your business.

To build a business case for better employee recognition, it's important to first zero in on the key People metrics that impact your company's bottom line: **employee engagement**, **employee productivity**, and **employee retention**. Fortunately, these three metrics are deeply linked. Consistently engaged employees are more productive and more likely to stay at your organization longer, both of which save your company money. And that should be music to any CFO's ears.

So what's the current state of employee engagement?

A 2022 Gallup survey[6] of 67,000 people found that engagement has been declining every year since 2020, with only **32% of workers saying they're engaged** with their work compared to 36% in 2020. This means increasingly large numbers of people are not engaged with their jobs or at work.

But this same Gallup survey also found that companies that invest in their organizational culture and company values to keep collaboration, employee wellbeing, and the customer at the center of how work gets done **managed to actually increase engagement during this same time period**.

Employee engagement is not only a great indicator of how your company is delivering on employee experience (EX) goals, but when healthy, it leads to increasingly positive business outcomes, including:

Sustained employee productivity and performance.

Engaged employees **increase sales by 20% and productivity by 17%** according to Gallup[7].

Increased profitability.

According to Gallup[9], companies with highly **engaged employees have 21% higher profitability**.

Reduced voluntary turnover of top talent.

Teams ranking in the top quartile of employee engagement **outperform bottom-quartile units by 24%** in employee turnover[8].

Increased customer satisfaction.

Organizations with more engaged, customer-facing employees generated a **50% increase in revenue**[10].

[6] "U.S. employee engagement needs a rebound in 2023" via Gallup
[7] Employee Engagement vs. Employee Satisfaction and Organizational Culture (Gallup, 2022)
[8] State of the American Workplace (Gallup, 2017)
[9] Employee Engagement vs. Employee Satisfaction and Organizational Culture (Gallup, 2022)
[10] Research: How employee experience impacts your bottom line (Harvard Business Review, 2022)

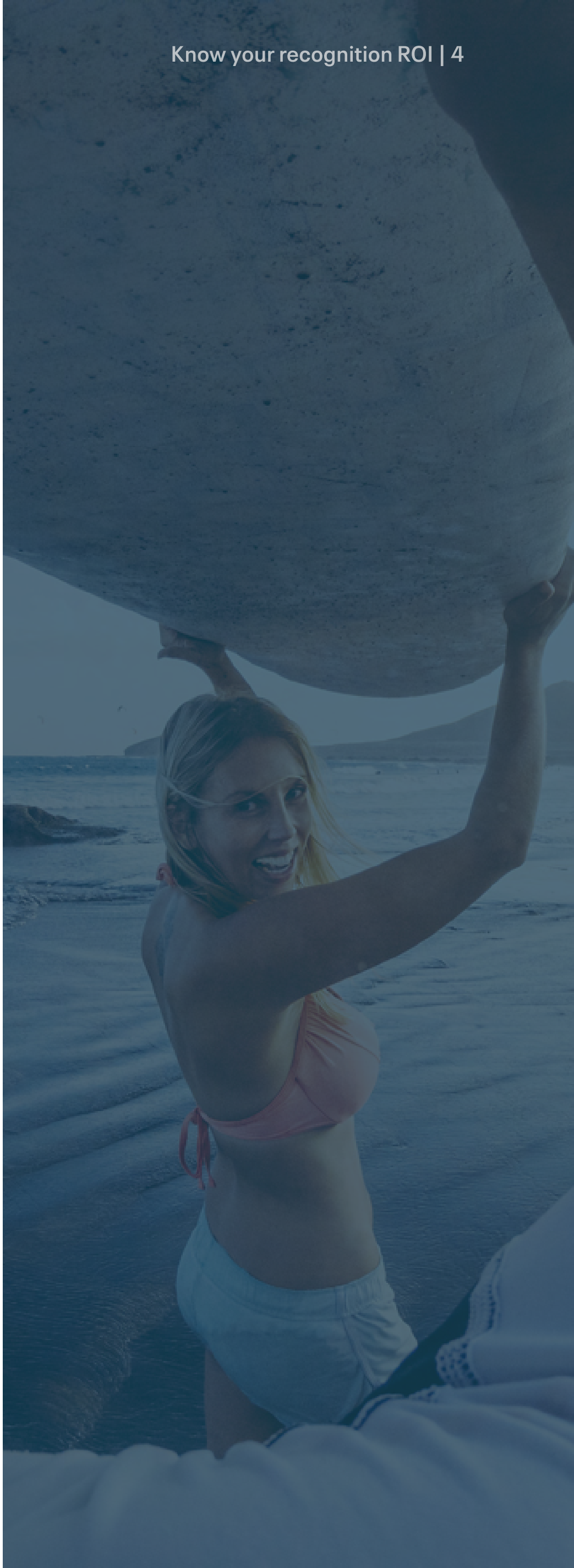
Employees are the heart of your company, and connected, engaged employees are one of your strongest business assets. To swing the pendulum towards higher engagement, companies need to first commit to measuring employee engagement rates (how engaged your employees are) on a regular basis.

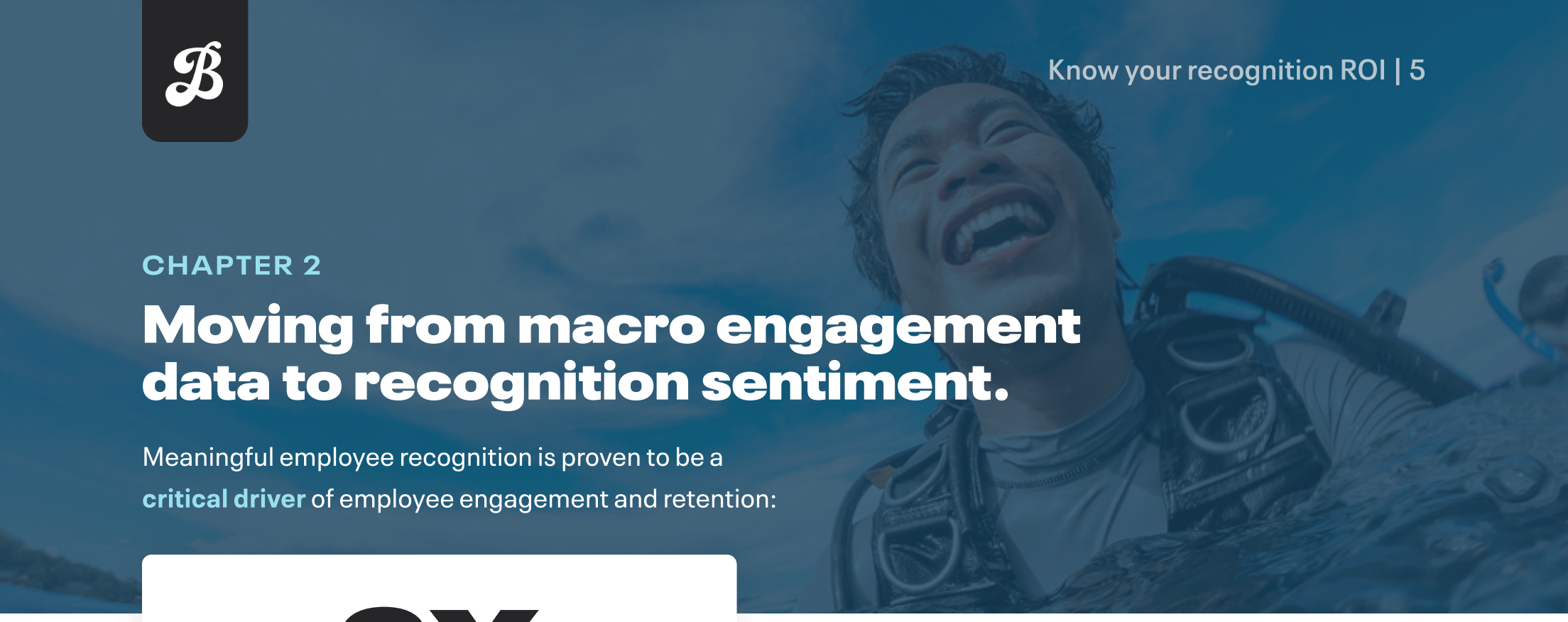
Need help gathering engagement data?

Here are five key employee engagement survey questions from our friends at Culture Amp[11] —a leading employee feedback platform:

1. Measuring employee pride: **I am proud to work for [Company]**. The benchmark for this question is 80-90%.
2. Measuring employee recommendation: **I would recommend [Company] as a great place to work**. The benchmark for this question is also 80-90%.
3. Measuring employee present commitment: **I rarely think about looking for a job at another company**. The benchmark for this question is 55-60%.
4. Measuring employee future commitment: **I see myself still working at [company] in two years' time**. The benchmark for this question is 60-65%.
5. Measuring employee motivation: **[Company] motivates me to go beyond what I would in a similar role elsewhere**. The benchmark for this question is 70-75%.

[11] *"20 employee engagement survey questions you should ask" via Culture Amp*





CHAPTER 2

Moving from macro engagement data to recognition sentiment.

Meaningful employee recognition is proven to be a **critical driver** of employee engagement and retention:

3X

Employees who receive recognition aligned to their needs and expectations are 3X more likely to feel loyal to their organization[12].

6X

Companies with appreciation embedded into their culture are 6X more likely to have high engagement and retention[13].

7X

Employees who feel appreciated at work are 7X more likely to report feeling secure in their jobs[14].

[12] *Transforming Workplaces Through Recognition (Gallup, 2022)*

[13] *"The big reset playbook: Organizational culture & performance" (Josh Bersin, 2023)*

[14] *Employee appreciation linked to higher engagement and job security (Wakefield Research, 2023)*

Particularly in today's tumultuous and distributed work environment, the right kind of recognition:

- Makes employees feel **valued and motivated to perform** at a high-level,
- Helps employees feel a **greater sense of connection** to their work and workplace,
- Drives long-term impact on the individual **employee experience** and **business bottom line**

TL;DR: By investing in a culture of appreciation and recognition, you can make sure your employees feel authentically valued, empowering them to bring their best—and be their best—at work. And thriving, engaged, productive employees positively impact your business in every way.

Which brings us back to benchmarking!

Understanding the state of employee engagement at your organization is a strong first step, but to set your recognition efforts up for success, you'll want to gather more specific data around recognition sentiment. Within your engagement surveys, you should account for the impact of employee recognition on core indicators of the overall employee experience.

Best practice tip:
Incorporate questions that **specifically map to recognition and rewards** into your employee engagement surveys. Then, work from the responses and data collected to understand where to **start or expand your recognition program**.

Here are a few key considerations to help inform employee engagement questions specific to rewards and recognition:

- *Do employees feel appreciated for their good work?*
- *Do they feel like they and their peers are recognized enough and fairly?*
- *Are the ways your organization recognizes employees effective? Why or why not?*
- *What factors in the work environment make employees feel connected to their own work and the success of their larger team and company?*

Again, our friends at Culture Amp have tried-and-true language you can use to **accurately measure recognition and rewards sentiment** at your organization. They recommend incorporating the following questions leveraging the Likert scale (asking respondents to identify their level of agreement with a statement):

- *Generally, the right people are rewarded and recognized at [Company].*
- *My job performance is evaluated fairly.*
- *I receive appropriate recognition for good performance and work.*
- *The recognition I get positively impacts my employee experience.*

For more custom recognition sentiment question design, **schedule time to connect with our experts** to talk through your goals and how to close any gaps in understanding.

CHAPTER 3

Rallying around recognition metrics that matter.

At Blueboard, we use a proprietary employee recognition methodology—The Blueboard Method—to help our clients:

1. **Identify** their most pressing recognition goals,
2. **Map** those goals to measurable metrics,
3. **Use** those goals to build their ideal recognition program mix, and
4. **Amplify** each recognition touch point.

For the purposes of this guide, we'll focus on identifying recognition goals and mapping those goals to measurable metrics and possible recognition programs.

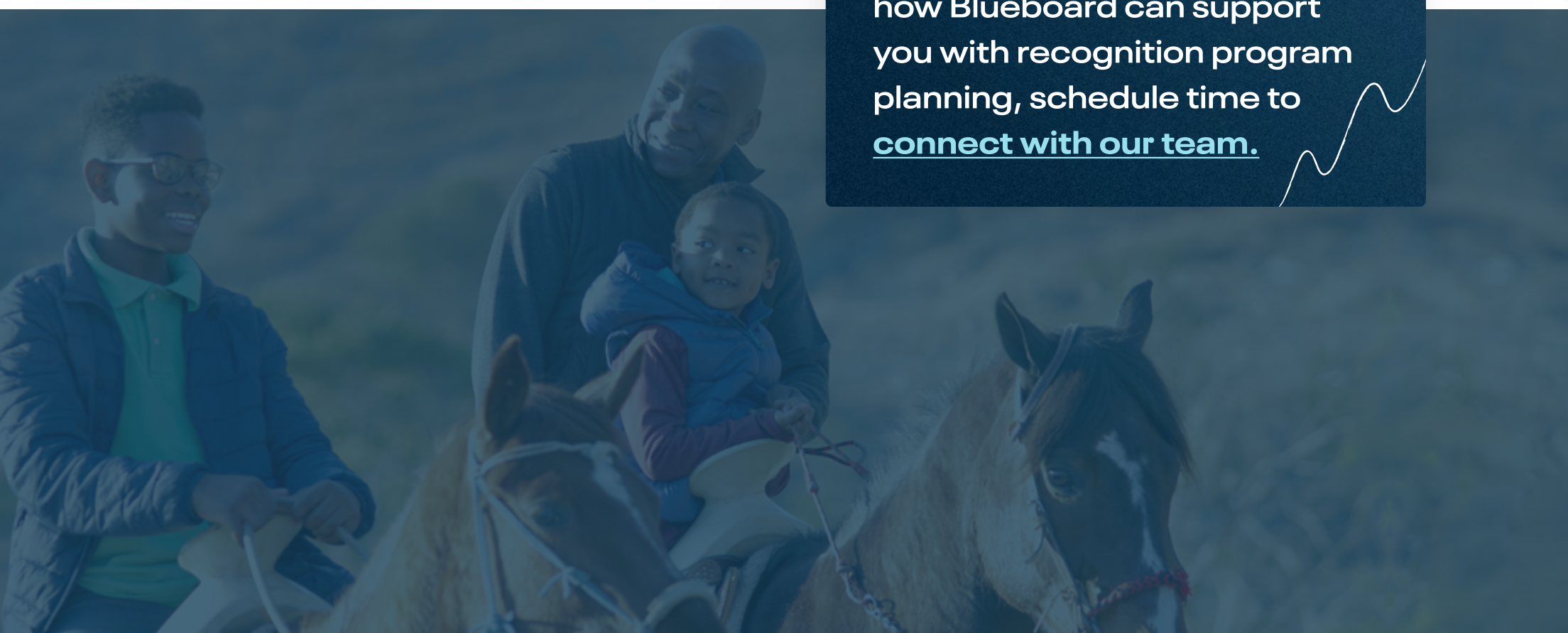
By defining your employee recognition goals, you can align on **key metrics to track**, **benchmark**, and **evaluate success**. You'll want to be as specific as possible as these goals will inform the types of recognition programs you'll want to introduce, and how best to mature your approach to recognition.

To define your employee recognition goals, consider two main inputs (and an optional third!):

- **Key business objectives:** What is executive leadership trying to achieve this year? In the next 3 years? In the next 10 years? Particularly in the realm of the employee experience, are there key focus areas?
- **Employee feedback and engagement surveys:** Top-down information is critical but bottom-up insight is just as important. Look to employee feedback to help you diagnose and articulate your most pressing EX gaps.
- **(Optional) Input from a third-party partner:** Employee recognition and rewards vendors often have internal consultants who can support you in identifying your goals and measurable metrics, as well as designing your overall program.

By documenting planned recognition impact against clear goals, you'll **build credibility** with executive leaders and set yourself up to **unlock additional budget and resources** to continue to develop your employee recognition program and approach.

If you'd like to learn more about how Blueboard can support you with recognition program planning, schedule time to connect with our team.



Select recognition programs mapped to goals and measurable KPIs:

For a full list of Blueboard employee recognition programs, go to blueboard.com or schedule time to talk with one of our experts.

Program/Type	Recognition goals met	Measurable metrics
Year of service awards (Formal)	• Improve employee morale • Celebrate tenured employees to foster loyalty/reduce turnover • Deliver company culture and rewards at-scale • Compete for top talent as an employer of choice • Promote equity and inclusion • Create a culture of appreciation	• Employee retention rate • Employee disengagement rate • Average employee tenure • Number of employees recognized
Spot rewards (Informal)	• Strengthen manager/employee relationship • Reinforce desired behaviors • Motivate employee performance • Connect individual performance to company goals	• Employee retention rate • Employee disengagement rate • Average employee tenure • Number of employees recognized • Manager utilization (%) • Promotion rate (%)
Peer-to-peer (Day-to-day)	• Reduce silos and share wins across the organization • Reinforce company values • Create culture of appreciation	• Employee retention rate • Employee disengagement rate • Average employee tenure • Number of employees recognized • Number of shout outs per cycle • Most recognized employees • Employees who give the most recognition • Number of shout outs per value

Don't forget about employee feedback on your recognition efforts!

Along with measuring metrics like those outlined above, make sure to keep a pulse on employee feedback specific to your recognition efforts. For example, Blueboard enables clients to send a post-reward survey to every employee who receives a Blueboard reward to evaluate their:

- **Feelings of appreciation** post-reward,
- **Motivation to perform** post-reward,
- **Plans to stay** at your company post-reward, and
- Whether the recognition program **promotes company culture**

If you don't have an automated way to track this kind of feedback, consider weaving it into your recurring employee surveys and feedback touch points. While aggregate data is important, some of the most compelling anecdotal (or qualitative) evidence **comes directly from your employees**.

Understanding the impact of different types of employee rewards on employee experience and engagement.

For most companies, the bulk of investment in employee recognition is in employee rewards. Organizations spend almost $180 billion annually on award points, gift cards, trips and travel, merchandise, and experiential rewards to reward sales staff, employees, channel partners and customers, according to the Incentive Federation[15].

Employers use rewards to **acknowledge, celebrate, and encourage company-building employee contributions**, such as:

- *Above and beyond performance*
- *Hitting or exceeding sales quotas*
- *Demonstrating key culture-building behaviors*
- *Hitting critical commitment milestones and showing long-term loyalty*
- *And more*

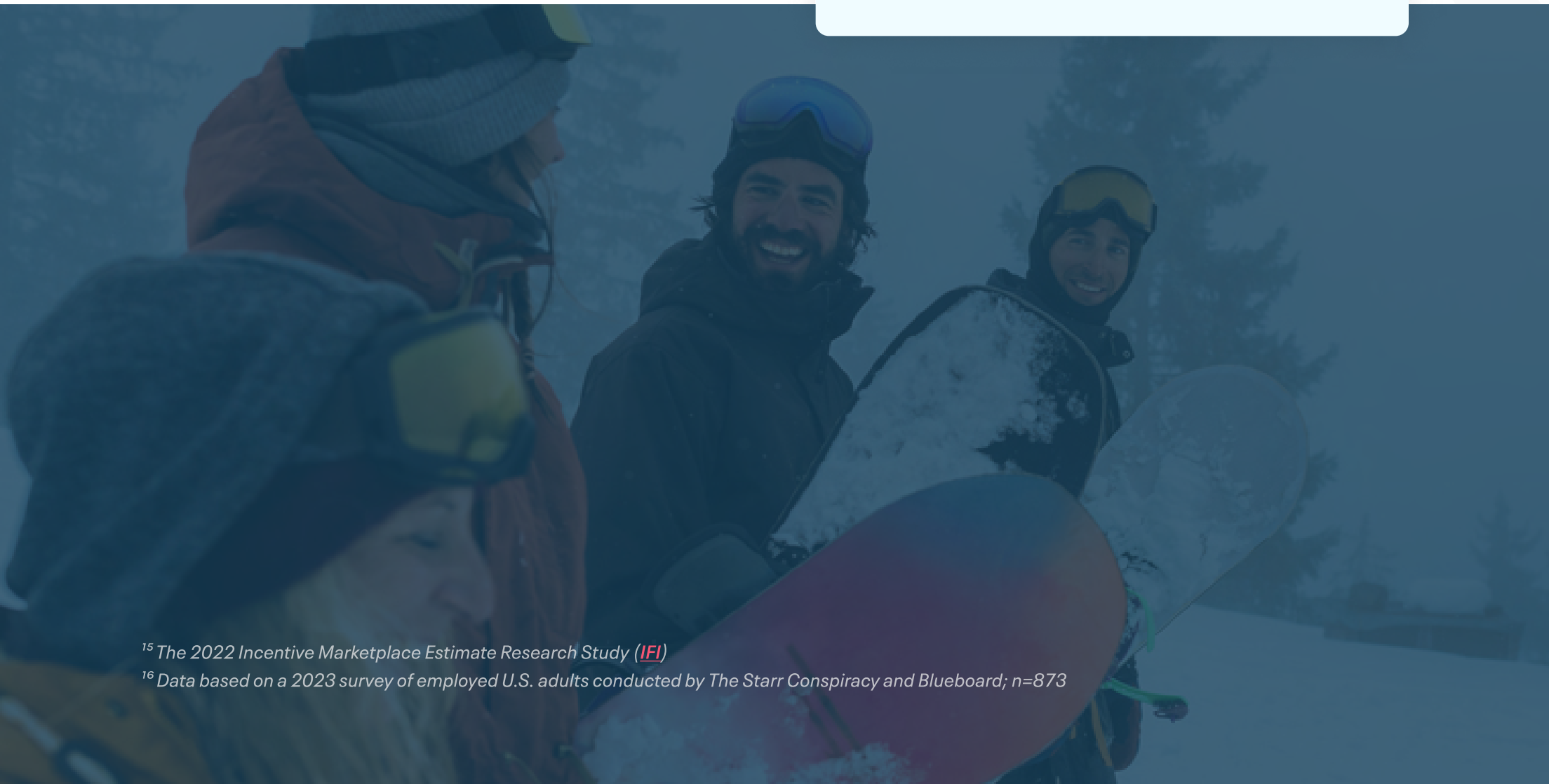
This kind of acknowledgement and investment in employees is strongly correlated to a better overall employee experience. And a strong employee experience yields higher workplace engagement—and all the benefits that come along with it.

According to Blueboard and Starr Conspiracy survey data[16] of over 800 U.S. employees, **employee experience (EX) leaders offer 31% more employee rewards than employee experience laggards**.

The Starr Conspiracy + Blueboard definitions:

Experience Leaders report a high level (promoter scores) of importance and investment in employee experience in their organizations.

Experience Laggards report low levels (detractor scores) of importance and investment.



[15] *The 2022 Incentive Marketplace Estimate Research Study (IFI)*

[16] *Data based on a 2023 survey of employed U.S. adults conducted by The Starr Conspiracy and Blueboard; n=873*

The same research showed that **EX leaders are more likely to offer rewards that are personalized and intentional, like experiences, as opposed to low personalization rewards, like food and consumer goods**. This is likely because the most effective employee rewards express effort and purpose on the part of the giver, and evoke meaning, surprise, and delight on the part of the recipient.

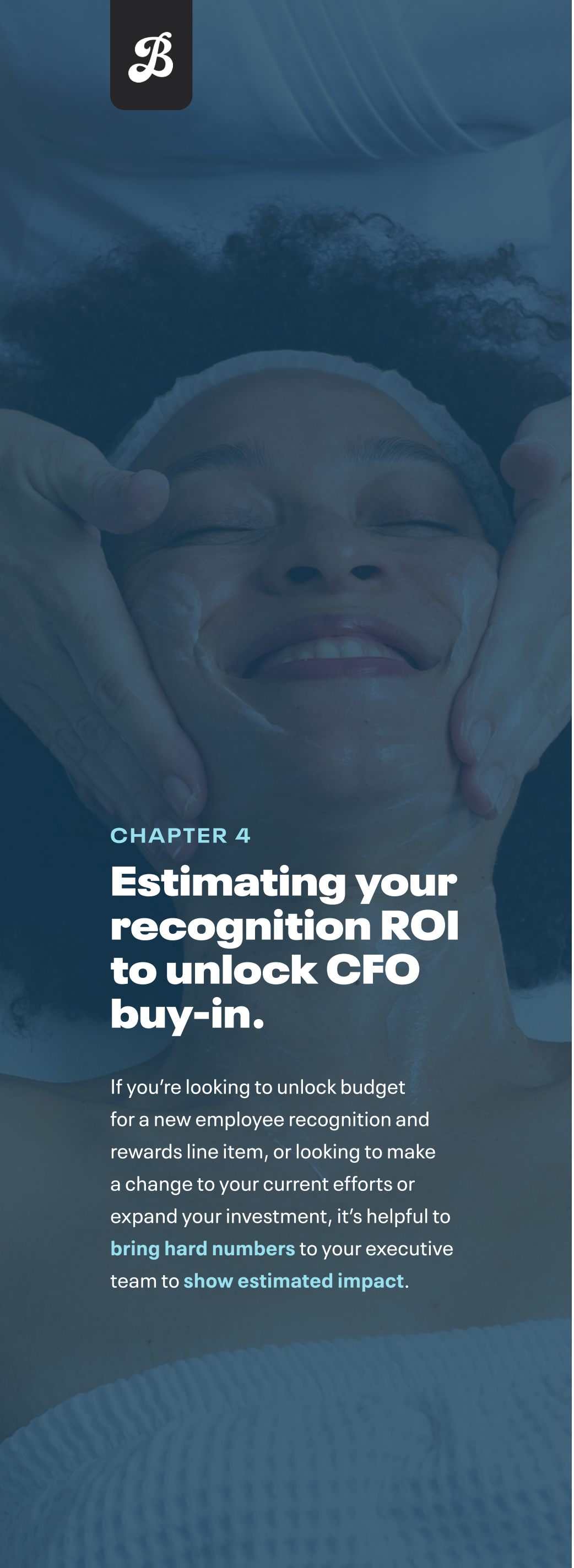
Especially if budgets are tight and organizations are trying to drive reward and recognition results with less spend, HR and People leaders should focus on the solutions that offer the most bang for their buck—without adding administrative hassle. At Blueboard, we enable companies to reward their people with experiential rewards which have nearly **4X more impact on the employee experience** than other types of rewards[17].

Key takeaway: When estimating the return on investment of your employee recognition program, it's critical to consider the short and long-term impact of different types of rewards on the employee experience and, therefore, employee engagement, performance, and retention.

By showing a variety of outcomes based on different types of rewards and reward values, you'll be able to make a more **informed investment decision**—and **build credibility** with your CFO and leadership team.

[17] *Data based on a 2023 survey of employed U.S. adults conducted by The Starr Conspiracy and Blueboard; n=873*

Experiential rewards are personal, meaningful, and support overall employee well-being, fuelling a strong employee experience and driving greater recognition return.



CHAPTER 4

Estimating your recognition ROI to unlock CFO buy-in.

If you're looking to unlock budget for a new employee recognition and rewards line item, or looking to make a change to your current efforts or expand your investment, it's helpful to **bring hard numbers** to your executive team to **show estimated impact**.

An ROI calculator can be an incredibly helpful tool in this respect. A good one will help you **show the possibilities of investing in effective employee recognition, as well as the cost of *not* acting**.

At Blueboard, we use an in-house ROI calculator to help companies get a sense of how much return on investment they can expect when they implement a Blueboard recognition program. HR and People leaders can take these numbers directly to their leadership team and CFO to:

1. Ground any ask for recognition investment in a **realistic estimate on return**
2. Hold themselves accountable to report on impact to these metrics and **prove the return on investment** post-program launch

On the next page is a sample calculation looking specifically at returns from improving employee retention and productivity. In this sample, the company decided to invest just over ***$668,250*** to reward employees with Blueboard experiential rewards based on total rewards budget (% of payroll) and vendor investment.

To get the details on how we calculate and recommend investment and get a custom ROI analysis, simply **schedule time** with our team.

Estimated return on a 500-person company's Year of Service awards program powered by Blueboard experiential rewards:

PV (Present Value) of return **$2,042,820**	Investment **$668,250**	**NPV (Net Present Value) ROI of 206%**

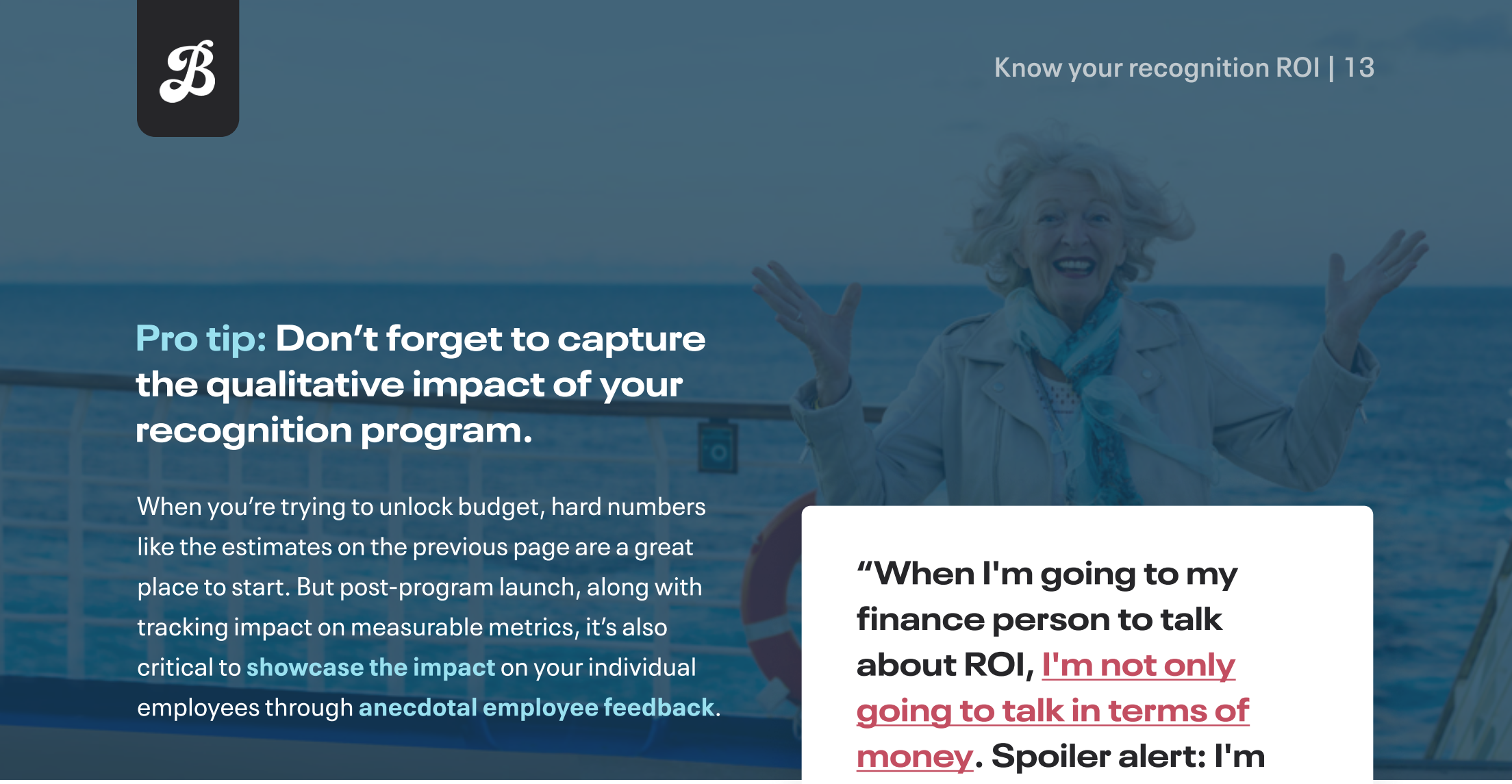
Improved employee retention	
Annual employee turnover[18]	19.2%
People departing your company	96
Impact of turnover[19]	$9,360,000
Estimated reduction in turnover[20]	20%
New annual employee turnover	15.36%
Estimated savings in turnover	$1,872,000
Estimated number of people retained by using Blueboard	19

Improved employee productivity	
Percentage of employees actively disengaged[21]	18%
Number of people disengaged	90
Impact of disengagement[22]	$1,989,000
Estimated reduction in disengagement[23]	20%
Estimated new rate of disengagement	14.40%
Estimated return on productivity	$397,800
Estimated number of people re-engaged by using Blueboard	18

While showing the return on investment can be compelling, it can be equally as powerful to remind your executive team of the...

Cost of doing nothing	
Lost and/or disengaged people	186
Cost of employee turnover	$9,360,000
Cost of disengaged employees	$1,989,000
Total cost of doing nothing	**$11,329,000**

[18] Industry benchmark is between 18 and 20% but this number will vary by organization
[19] The cost of losing an employee can be 1.5-2X annual salary (Bersin)
[20] A conservative estimate: Companies with effective recognition programs have 31% lower voluntary turnover (Deloitte)
[21] Gallup 2022 survey says that 32% are engaged and 18% are "actively" disengaged
[22] Follow this Path book authors estimate that a disengaged employee costs a company 34% of their annual salary
[23] Estimated reduction in disengagement will vary based on many factors, including type of reward and level of investment



Pro tip: Don’t forget to capture the qualitative impact of your recognition program.

When you’re trying to unlock budget, hard numbers like the estimates on the previous page are a great place to start. But post-program launch, along with tracking impact on measurable metrics, it’s also critical to **showcase the impact** on your individual employees through **anecdotal employee feedback**.

Speaking of qualitative ROI: check out this post-Blueboard reward feedback from an employee at Avēsis—a Blueboard client that’s building a consistent culture of appreciation with recognition at multiple touch points in the employee experience.

RECIPIENT	EXPERIENCE
JERRI E.	GLORIOUS GETAWAY

“We had a fantastic family staycation at the Great Wolf Lodge. We celebrated my daughter's 5th birthday, and she said it was the best birthday ever!!! We all had a blast playing in the indoor water park, bowling, doing Build-A-Bear, dance parties, crafts and story time. I can't think of anything that could have been better.”

“When I'm going to my finance person to talk about ROI, I'm not only going to talk in terms of money. Spoiler alert: I'm going to talk about how a director is so amped that he and his spouse got to book a staycation with a Blueboard reward that he talked to me about it for two months before he even booked it. Beyond the cost of negative retention and Gallup research, you know what's going to close it for me? This employee’s story, and excitement before and long after the experience, being amped about the spa day he got to share with loved ones through Blueboard.”

Megan Barbier
GLOBAL VP OF PEOPLE & CULTURE
jumio

CHAPTER 5

Real-world examples: How companies are using Blueboard to improve engagement, performance, and culture.

Sales incentives: How an enterprise software company uses Blueboard to drive revenue.

PROBLEM

This enterprise company had been using monetary bonuses to incentivize sellers, but they were starting to feel stale and fall flat. Sales leaders wanted to see if Blueboard's personalized experiential rewards available to their globally distributed team of sales reps would drive sales team behavior in a different way.

OBJECTIVE

The company's sales team needed to boost revenue for a new product focus—and prove it could contribute in a significant way to the company's bottom line.

> **"We emphasize the variety of the experiences people can redeem, no matter where they're located and that they can share their reward with family and loved ones if they like. The Blueboard experience menu covers everyone's needs, and everyone can find something that works for them."**
>
> SALES LEADER AT AN ENTERPRISE SOFTWARE COMPANY AND BLUEBOARD CLIENT

BLUEBOARD SOLUTIONS

- **Sales Incentives** (Quarterly, product-based contests, powered by Blueboard experiential rewards)

RESULTS

- **Quantitative ROI:** After rolling out a sales incentive program with Blueboard experiential rewards, the company saw a 30% YoY sales increase for their main target product. When they ran a Blueboard incentive program for another product, they saw a fiscal year revenue increase of 116%. Even though sellers couldn't see the monetary value associated with Blueboard incentives, they were motivated by the experiences.
- **Qualitative ROI:** Feedback from sales reps who have received Blueboard rewards is strong. Sales rep, who went to Chicago on a Blueboard reward with their wife, was so excited about their experience, they shared about it on a sales team call—with 600 salespeople—a great way to keep motivation for the program high. A key factor for the employee? "Having the Blueboard team take care of all possible details. My company needs to do this more!"

Multi-program: How Metagenics built a motivating culture of recognition.

PROBLEM

The People & Culture team at Metagenics was struggling to find the right rewards solution for their needs. They'd shifted from gift cards to a vendor that offered acrylic awards but were disappointed by the customer service they received.

OBJECTIVE

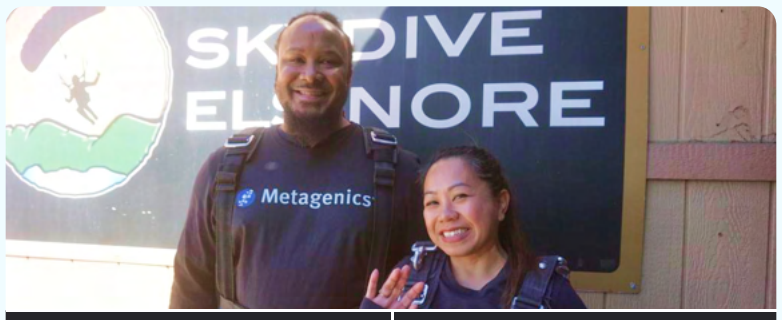
Deliver convenient rewards that give employees time to disconnect on their own terms and recognize their people across different moments in the employee journey.

BLUEBOARD SOLUTIONS

- **Anniversary Awards** (automated rewards sent to employees at years three to 25)
- **Spot Awards** (manager-driven recognition to employees who go above and beyond)
- **Quarterly and Annual Nomination Awards** (Called "MetaStar", these core value rewards are based on peer nominations)
- **President's Club** (Started with pilot program in "Circle of Excellence", a rewards and recognition program for the top-achieving sales people at the company)

RESULTS

- **Quantitative ROI:** Recognizing employees with Blueboard experiential rewards **reduced the administrative time spent on recognition** while giving employees the **power of choice** with personalized rewards. 100% of employee reward recipients responded to post-experience feedback surveys that they "felt more motivated to perform."
- **Qualitative ROI:** The recipient experience anecdotes shared across the organization **generate palpable internal buzz about the program**, connect employees through stories of their experiences, and bring energy into their workforce.



RECIPIENT	EXPERIENCE
RODAFEL C.	SKYDIVING FOR TWO

"Everything about the experience was memorable. We completely enjoyed everything. I was extremely nervous so to have everything already taken care of, it eased my mind."

"Blueboard experiences make our team members feel 'WOW, this is amazing!' It's something they can participate in and create space to be rejuvenated in a way that's most suitable for them."

Ana Niumata
INTERNAL COMMUNICATIONS MANAGER
Metagenics

Spot rewards: How Medidata uses spot rewards to keep employees engaged and performing.

PROBLEM

The Medidata team had experienced poor customer support and logistical delays working with previous reward vendors, making the recognition experience for their employees difficult. They were looking for a new vendor that would delight employees and solve (not add) administrative headaches.

OBJECTIVE

Build a recognition program based on internal and external engagement data and survey insights about the most important value propositions for their employees. The two areas the survey revealed as the main focuses: excellent compensation and benefits and good work-life balance (flexibility).

BLUEBOARD SOLUTIONS

- **Spot Recognition** requested by managers for values-based rewards for employees who go above and beyond and who advance the pursuit of smarter treatments and healthier people, through the following recognition activities:
  - **Daily Recognition:** To encourage regular, year-round appreciation for all employees.
  - **Quarterly achievement awards:** To highlight outstanding individual or team performance that's aligned with one of the four company value pillars.
  - **Annual rewards:** To recognize the top individual or team performer in a truly meaningful way.

RESULTS

- **Quantitative ROI:** The team measures the following metrics:
  - Increases in employee engagement sentiment in their annual engagement survey data
  - Reward utilization, or how often awards are redeemed by recipients (leveraging Blueboard platform data)
- **Qualitative ROI:** Measuring employee feedback (leveraging Blueboard's Post-experience Engagement Survey feature and hosting internal focus groups) 98% of recipients report feeling more appreciated after going on their Blueboard experience. Because their Spot Recognition program has been so successful, Medidata has continued to increase its investment in experiential rewards year over year.

GLOSSARY

A glossary of financial terms.

To set you up for success, we've compiled some commonly used financial terms that you may find useful when making your business case for a recognition program for your C-suite. These terms are helpful for assessing the ROI of a project or initiative so you can confidently speak to how your proposed employee recognition program investment will impact the business:

ROI (Return on Investment): A financial metric used to evaluate the profitability of an investment. It is calculated by dividing the net profit by the total cost of the investment.

NPV (Net Present Value): A measure that calculates the present value of future cash flows, discounted by a rate that reflects the time value of money. NPV is used to determine whether an investment is profitable or not.

IRR (Internal Rate of Return): The IRR is the interest rate at which the NPV of an investment equals zero. It is used to measure the profitability of an investment.

Payback Period: The payback period is the length of time required for an investment to recover its initial cost, based on the cash flows generated by the investment.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization): EBITDA is a measure of a company's profitability that looks at its earnings before accounting for expenses such as interest, taxes, depreciation, and amortization.

Cash Flow: The amount of cash that flows in and out of a business over a given period of time. Positive cash flow indicates that the company is generating more cash than it is spending.

Revenue: The amount of money a company earns from the sale of goods or services over a given period of time.

Profit Margin: The percentage of revenue that is left over after deducting expenses. It is used to measure a company's profitability.

Working Capital: Working capital is the difference between a company's current assets and current liabilities. It is used to measure a company's ability to meet its short-term financial obligations.

GLOSSARY (CONT.)

Capital Expenditure: The money spent by a company on acquiring or improving fixed assets, such as buildings or equipment.

Operating Expenses: The ongoing costs of running a business, such as rent, salaries, and utilities.

Debt-to-Equity Ratio: A measure of a company's financial leverage that compares its total debt to its total equity. A higher ratio indicates that a company is more reliant on debt financing.

Return on Equity (ROE): A measure of a company's profitability that compares its net income to its shareholder equity. It is used to assess the effectiveness of a company's management in generating profits.

Free Cash Flow: The amount of cash a company generates after subtracting capital expenditures from its operating cash flow. It is used to measure a company's ability to generate cash for future investments.

These are just a few of the financial terms that your leadership team, especially CFOs, may find useful when evaluating the ROI of a project or initiative.

Ready to become your organization’s recognition champion?

You’ve already taken the first step: Getting curious about how you can recognize and appreciate employees with truly meaningful rewards, personalized to their interests—that are easy to implement and manage, and that actually drive business results.

Now it's time to move from planning to action:

- Meet with executive stakeholders and take a closer look at your current employee engagement and pulse survey questions and make sure you’re accounting for employee engagement and recognition sentiment. Prioritize your recognition and rewards strategy accordingly.
- Identify the key employee recognition metrics to measure to drive the business outcomes you're looking to achieve and work with a Blueboard expert to estimate your organization’s recognition ROI using our custom calculator.
- Build your business case—talking points, ROI calculations, and goals based on what you’re looking to accomplish with recognition—and wow key decision makers with the impact you’ll gain from an effective culture of appreciation and more meaningful, impactful employee rewards.

If you’re ready to learn more about Blueboard’s experiential employee rewards, request a demo with an experiences expert or reach out to us at hello@blueboard.com.