



Vol. 1: Buyer's Guide

How recognition improves engagement.

Understand the value increased employee engagement and how an effective recognition program delivers real results.



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BUYER'S GUIDE

Understand the value of increased employee engagement and how an effective recognition program delivers real results

What we'll cover:

- 1 Why is engagement important?
- 2 Recognition vs. Rewards vs. Perks
- 3 What does effective recognition look like?
- 4 Why experiential rewards?
- 5 Blueboard's value



Blueboard reward winner Tony exploring the ruins of Cambodia

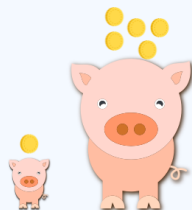
WHAT IS ENGAGEMENT?

En-gage-ment: the extent to which employees feel passionate towards their jobs, are committed to their organization, and are exerting discretionary effort.

As an HR leader, engagement is (or should be!) your top priority. You're seeking employees who go above and beyond. Employees that drive company innovation. Employees who are mutually invested in and actively contributing to the health and growth of your company. Sound good? More please!

Engagement can often be confused with employee satisfaction. But they're not the same, not even close. Satisfied employees are slightly happy about coming to work everyday. They might enjoy a free lunch, or catching up with their coworkers. They do what's expected of them, punch the clock, and head home. Not all employees are engaged, but as an HR leader it's in your power to affect change.

WHY IS ENGAGEMENT IMPORTANT?



Engaged companies outperform disengaged companies by **5X**.*

5 times higher total shareholder return over a period of 5 years



Companies voted as a Best Place to Work by their employees reported higher annual revenues by **22%**.**



Engaged companies outperform the stock market average by **22%** over 5 years on S&P.***

*Source: Kenexa Research Institute "Employee Engagement Index" report, 2013

**Source: Forbes, 2014

***Source: Aon Hewitt, 2013

CURRENT STATE OF ENGAGEMENT

Despite the overwhelming benefits of an engaged workforce, the majority of companies do not have effective programs in place to drive employee engagement, or worse, don't know if their existing programs are even effective. It's worth understanding the current state of engagement as you further analyze your own company's needs:



Only 32% of employees are actually engaged at work*.

The rest are either disengaged, or worse, 18% are actively disengaged, meaning that they're keeping their chair warm while actively looking and interviewing elsewhere.



Declining Employee Retention and Loyalty:

Employee retention is at an all-time low, with over 50% of actively employed workers considering a job change. This only increases with millennials, over 86% of this segment are willing (and planning) to job hop.*

All of this poor workplace engagement costs the US economy a whopping \$550B per year*:

Disengaged employees are more likely to steal from their companies, negatively influence their coworkers, miss work days, or drive customers away - making costs add up.



Gallup further estimates that a disengaged employee costs an organization approximately \$3,400 for every \$10,000 of their salary:

Wouldn't you rather be spending that on something else?

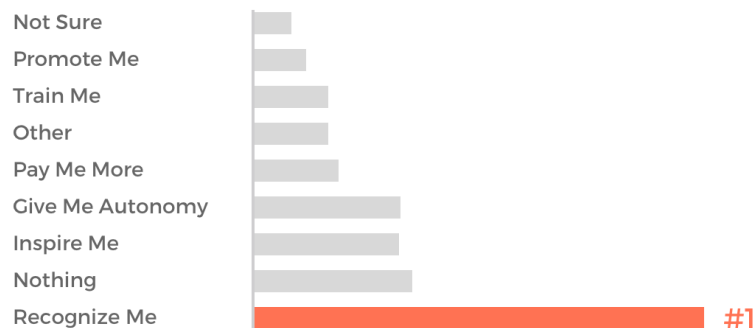


So the question is, **do you have an engagement strategy?** And if so, do you know if it's effective? Let's talk about recognition as a means to engage your workforce.

*Source: Gallup "State of the American Workplace" reporting, 2016

HOW CAN RECOGNITION HELP?

So what's the secret to engaging your employee base? A recent study asked employees to rank their motivators for producing great work (aka engagement), and "Recognize Me" ranked in the #1 spot*. Surprised? We were too, especially considering this topped traditional motivators like promotions and pay raises. The good news? Recognition is totally in your control!



Engagement: Organizations with reward programs in place see a **14%** improvement in employee engagement and productivity.*



Turnover: Rewarding employees effectively reduces annual voluntary turnover by over **30%**.**



Customer Satisfaction: Companies with high levels of engagement report a **37%** net promoter score (NPS) vs. 10% NPS for those with lower engagement.***

NOT ALL RECOGNITION IS CREATED EQUAL

The challenge with recognition is that it can be a double-edged sword... when done well, it can bolster the engagement levels of your employees, raising productivity and making your company a great place to work. Executed poorly, recognition can create skepticism and increased disengagement amongst workers who see through ingenuine attempts. This is why recognition must be thoughtful and done well, and why we're here to help.

*Source: OC Tanner "What Causes People to Produce Great Work" report, 2015

**Source: Bersin and Associates "The State of Employee Recognition" report, 2012

***Source: Aon Hewitt, 2011

RECOGNITION VS. REWARDS VS. PERKS

Let's dig deeper into recognition and what this means. As an HR Leader there's a lot of pressure to deliver everything under the sun to make your employees happy, and the method of doing so can get confusing. Do you invest in spot bonuses, offer increased vacation days, or did you buy that fancy espresso machine? The key is to understand what offering will be most **valuable and relevant** to your employees in order to deliver the greatest return.

Let's break down all the options:

Recognition: the overarching program that you will craft to show appreciation to your employees, and demonstrate that you value their work, contribution, and them as human beings.

Rewards: the means for congratulating a job well done, a milestone achieved, etc. Rewards come in many shapes and sizes, ranging from a personalized experience, to cash, gift cards, or company swag.

Perks: a range of benefits that serve as incremental compensation or entertainment for the employee, including things like free lunch, matched 401K plans, unlimited vacation days, or that fancy espresso machine.

Perks are very different than employee rewards because they are ongoing and universal to all FTEs, and **do not validate** a specific individual's or team's actions or behaviors that indicate great work.

If you're serious about building engagement and improving company culture, go beyond standard perks and roll out a recognition system that is **personal and meaningful** to your employees.

THE ELEMENTS OF EFFECTIVE RECOGNITION

If we're going to do this, let's be sure to do things right. Here are a few factors that make up an effective and successful recognition program:



For the Employee



Make it memorable: memories, especially positive ones, build company affinity in the employee's mind



Make it personal: the more the reward resonates with their personal interests, the more meaningful the reward will be.



Make it sharable: employees should feel empowered to celebrate their achievements and their rewards.



For the Company

Recognize in real-time: make sure your recognition program allows you to recognize quickly, without lag time between action and reward. Significant lag can diminish the impact of the reward and is a missed opportunity to make an employee feel rewarded.

Invest in your people: your rewards should be just that...rewarding. There's no quicker way to make your employees roll their eyes than when a recognition program doesn't feel authentic or show that you value your people.

EXPERIENCES ARE THE BEST WAY TO REWARD

We just reviewed a few factors that will help your recognition program be a success. The big question is now, which reward will you choose?

The answer: Experiences.

Experiences create more happiness than giving cash or material things. Here's how:



Experiences are memorable:

Think back to the last time you did something special with a friend or loved one. We'll bet that event meant more to you and stayed with you longer than when that last cash bonus hit your bank account.

Employees will associate fond memories of their experience with your company.



Experiences are personal:

Everyone has unique hobbies, passions and aspirations, so rewards cannot be generic. We offer a wide catalog of experiences (hundreds) for them to pick from.

Employees pick what's most exciting to them, making your rewards genuine and relevant.



Experiences are sharable:

People love posting to social media and coming in early on Monday to share about their weekend adventure. Can you remember the last time someone humble-bragged about their Amazon gift card? We can't either.

Employees share memories, which builds positive relationships and morale.

And experiences offer a much longer shelf life than cash (which can go towards mindless purchases like gas or credit card bills) or gift cards that typically end up collecting dust. The impact of experiences follows a much lengthier timeline, including these three steps:

STEP 1 Revel in Anticipation

What it is: The pleasure and excitement felt during the period of time leading up to an adventure.

What Science Says: It's proven that happiness and excitement start accruing before you even experience the event. Ever had a hard time sleeping the night before a special occasion?

STEP 2 Embark on the Adventure

What it is: Challenging one's comfort zones, indulging in one's passion, or experiencing new things.

What Science Says: Experiences are proven to make people happier than material things, both by helping people to be present in the moment, and giving them stories to share with loved ones later on.

STEP 3 Bask in the Afterglow

What it is: The enjoyable moments spent reflecting or reminiscing about a past experience or adventure

What Science Says: The value of an experience accrues over time, making us happier as time goes on. Our experiences become part of our identity the way that a material good cannot.

You might be rewarding with cash, gift cards, or swag. **Ask yourself, are these things memorable, personal or sharable, and do they have lasting effects?** If not, it's time to consider a new alternative.

HOW BLUEBOARD SUPPORTS YOUR PROGRAM

Blueboard is the go-to solution to help enhance the effectiveness of your rewards and recognition program, and help influence your People and Business outcomes. We leverage the power of experiences to make your employees feel truly valued. And afterwards, employees come back feeling revitalized and motivated to continue strong performance.

Beyond offering exceptional employee experiences, we're also here to set your recognition program up for success. Regardless of contract size, we offer:



Program Planning: This might be your first time planning a recognition program, or just looking to learn best practices for an evolved program. We'll help you conceptualize and plan your program based on learnings from our customers.



Onboarding & Rollout: We'll offer customized creative and development support to build excitement and clearly communicate your program across multiple touchpoints. Materials include custom collateral, landing pages, in-person lunch and learns, and reporting to help you track and manage within your internal HRIS systems.



Concierge: Once your employee redeems their award, our top-notch Concierge team handles all experience planning and logistics with white-glove service, making employees feel like total rockstars.



Customer Success: We'll actively stay in touch with proactive reporting and insights to ensure we deliver on your program goals, lead distribution of employee feedback surveys, and help you innovate.

This combination of program support and experience delivery is why so many companies are **trusting Blueboard to help them deliver personal, meaningful rewards** to their employees.

FINAL TAKEAWAY

Earlier we mentioned that recognition is a double-edged sword, and whether a company wants to admit it or not, every organization is in a continual battle against apathy and disengagement. So now the question is, are you wielding your sword properly? Does your rewards and recognition program have your people buzzing with activity, or are you in an unsustainable spiral of merely keeping employees “satisfied”?

We'd love to get to know you and your recognition goals better. Here's a quick outline of next steps:



1.

Align on recognition strategy

2.



Determine a rewards budget

3.



Onboard with our Customer Success team

4.



Send rewards and watch your employees have a blast

LET'S RECONNECT ON RECOGNITION



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