

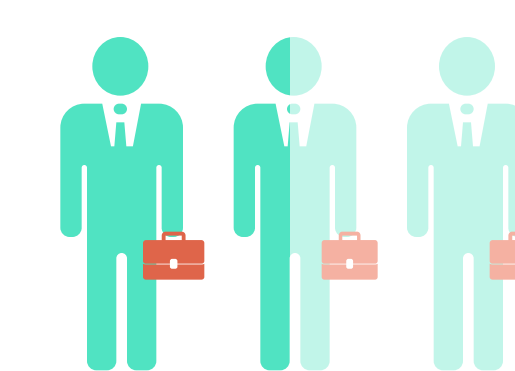
Improve Employee Retention

How to build employee loyalty through a culture of recognition

Retention is the name of the game

Retaining top-performing employees is one of the biggest challenges employers currently face. Competition for talent is tighter than ever—employees are constantly getting approached by recruiters (and in some cases VPs, and even CEOs) and qualified job seekers are quickly snapped up by companies looking to fill positions. Your current employees are overwhelmed with opportunities, the market is flooded with jobs, and there soon won't be enough qualified candidates to [fill the open roles](#).

At the same time, **turnover is increasing as millennials saturate the workforce**. Millennials already make up the largest percentage of American workers, and by 2020, they'll become a significant majority, at 46%. The reputation millennials have as job-hoppers is not just hype—this generation is definitely distinct from their predecessors. A 2015 study by the [Education Advisory Board](#) predicts that **millennials will change jobs up to 20 times in their career**, about twice as often as their baby boomer counterparts.



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x 20

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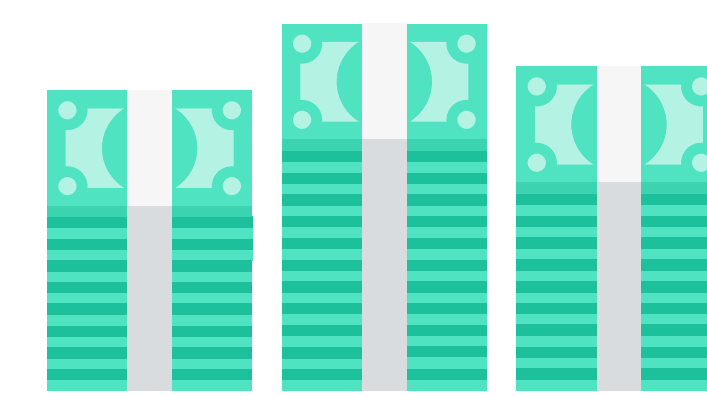
Why does employee turnover matter?

Simply put, a productive employee who leaves your company hurts the business. Employee turnover comes with a price tag attached. A [CAP Study](#) estimates it costs up to 9 months of an employee's salary to replace them (and even more for senior executives). Consider the time and company resources it takes to recruit, interview, and hire a replacement. And even once all those boxes are ticked, there's a ramping up period before the new hire is as productive as the person who left. It can be difficult to quantify these "soft costs" of hiring and training a replacement, but they can have a significant impact on your business's bottom line.

Employee departures can also have a negative ripple effect on the culture of the teammates who remain at a company. Their engagement may dip as they wonder why a coworker left (and might consider leaving as well), and they are likely to feel overworked as they're asked to take on increased workloads until the backfill employee is hired and fully ramped. This ripple effect can lead to a significant uptick in disengaged employees, which as a whole cost US companies up to [\\$550 billion a year](#) in lost productivity.



It costs **+9 month's salary** to replace an employee



The cost of disengaged employees = **\$550 billion** annually

This may lead you to ask yourself:
Which programs should I prioritize to reduce employee turnover?

Meaningful and effective recognition is the answer

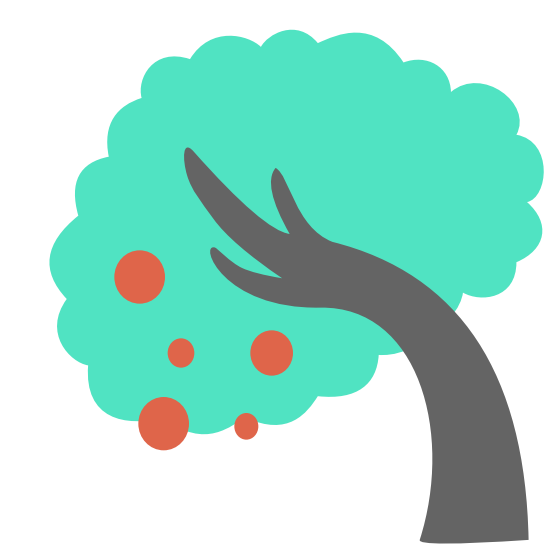
Why? Deloitte shares that recognition is a low-hanging fruit that, when done well, reduces voluntary turnover rates [by 31%](#). There are a few reasons why we can consider recognition to be low-hanging fruit:

1. **Recognition can be verbal in seconds** - when managers actively focus on sharing praise or constructive feedback with their employees, they can immediately begin creating a more positive culture.
2. **Recognition programs are easy to implement**, when compared to other company-wide efforts, with successful programs rolling out in just 1-2 months.
3. **Recognition programs are easily championed** - because recognition is linked to above and beyond efforts (vs. daily needs, like perks), it's much easier to champion internally.

Research from TINYpulse shows there's a [direct relationship between employee recognition and retention](#). **When employees feel valued and appreciated, they have a more positive perception of their workplace and are more likely to say they would feel enthusiastic about reapplying for their current job.**

Recognition strengthens how peers feel about each other, but its effect is even more meaningful for the manager/direct report relationship. We've all heard the common refrain that people don't leave jobs; they leave managers. But the other side is just as true: **People stay when they have a good manager. When managers get recognition right, they promote positive feelings in their direct reports.** And these good vibes have a very real impact on retention: TINYpulse finds a direct relationship between [how valued an employee feels and how they rate their direct supervisor](#).

Keep in mind that recognition *has to be done well* in order to be effective—it won't make up for serious problems with company culture or management. Recognition programs need to be intentional and organized in order to create these feelings of goodwill and boost retention. **The key is to implement a recognition program that both reflects and strengthens your existing company culture.**



Recognition is a low-hanging fruit



Strong manager:employee relationships create positive culture

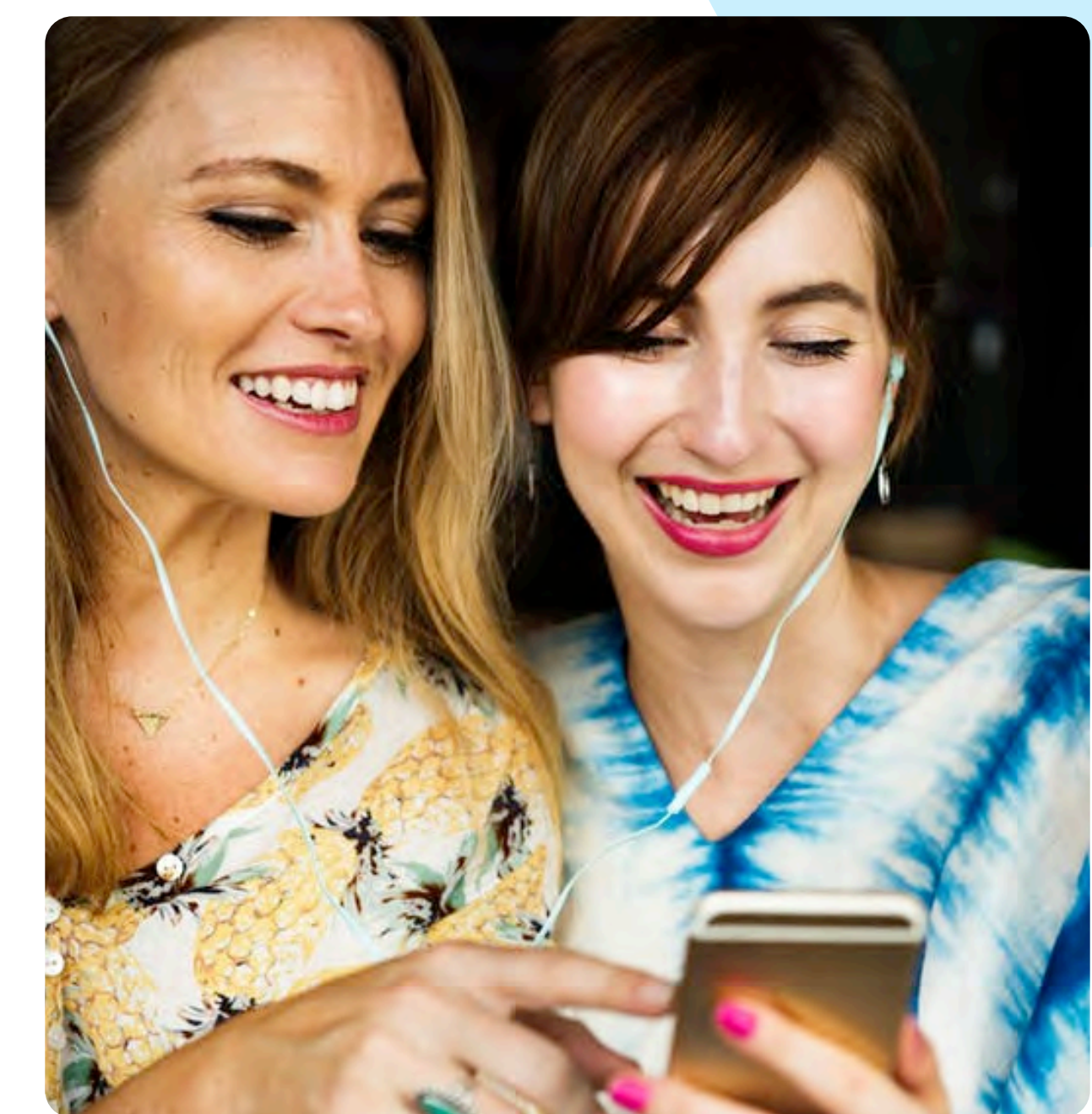
Shareable, experiential recognition programs lead to retention

Blueboard rewards are experiential, exciting, and easily lend themselves to storytelling. While monetary rewards might give employees a small burst of excitement, it's largely private—it feels awkward to brag about the cash you've won in front of your coworkers. On the other hand, talking about the fun you had on a weekend wine tasting getaway, or during a private guitar lesson learning to play your favorite Beatles song is natural and comfortable. You might even whip out your phone to share some photos or a quick video from the experience with your personal network.

Employees are motivated to share their once-in-a-lifetime experiences with their peers, and you can easily bring these stories to the wider audience of your entire company by asking recognized employees to speak at your Town Hall or share their photos through internal social channels. You can also cite Steve's skydiving adventure or Sara's scuba excursion as case studies that illustrate how your company rewards top performers. Not only does this form of storytelling keep current employees engaged and motivated, but it can also help attract new talent to your company as you empower recruiters and hiring managers to share these stories with candidates.

The shareability of Blueboard rewards has two major benefits: it elevates what your company values and shows how you reward these actions. It also communicates that you care about your employees in a holistic way and the programs you invest in are proof of that. You're not simply throwing money at employees: You are enhancing their lives by offering meaningful experiences they wouldn't have had otherwise.

By celebrating experiences, you show that your company truly cares about recognizing top talent, building a culture of recognition that engages employees and motivates them to stay.



Experiential recognition in practice: stories from the field

Thinking about building a culture of recognition at your company? Great idea! Here are a few best practices from current Blueboard customers to help you think about how you can use experiential rewards to improve employee retention.



Striking while the iron is hot at CrowdStrike

CrowdStrike bakes Blueboard anniversary awards into their new hire onboarding curriculum, using this as an opportunity to let new hires know that their tenure and commitment to the company is valued, generating excitement and giving new hires a milestone to eagerly anticipate.



Glaukos: an experience to look forward to

Glaukos celebrates employees reaching their 5-, 10- and 15-year anniversaries with Blueboard rewards, encouraging employees to bring along a paper cutout of their CEO Tom Burns, dubbed “Flat Tom” on their adventures.

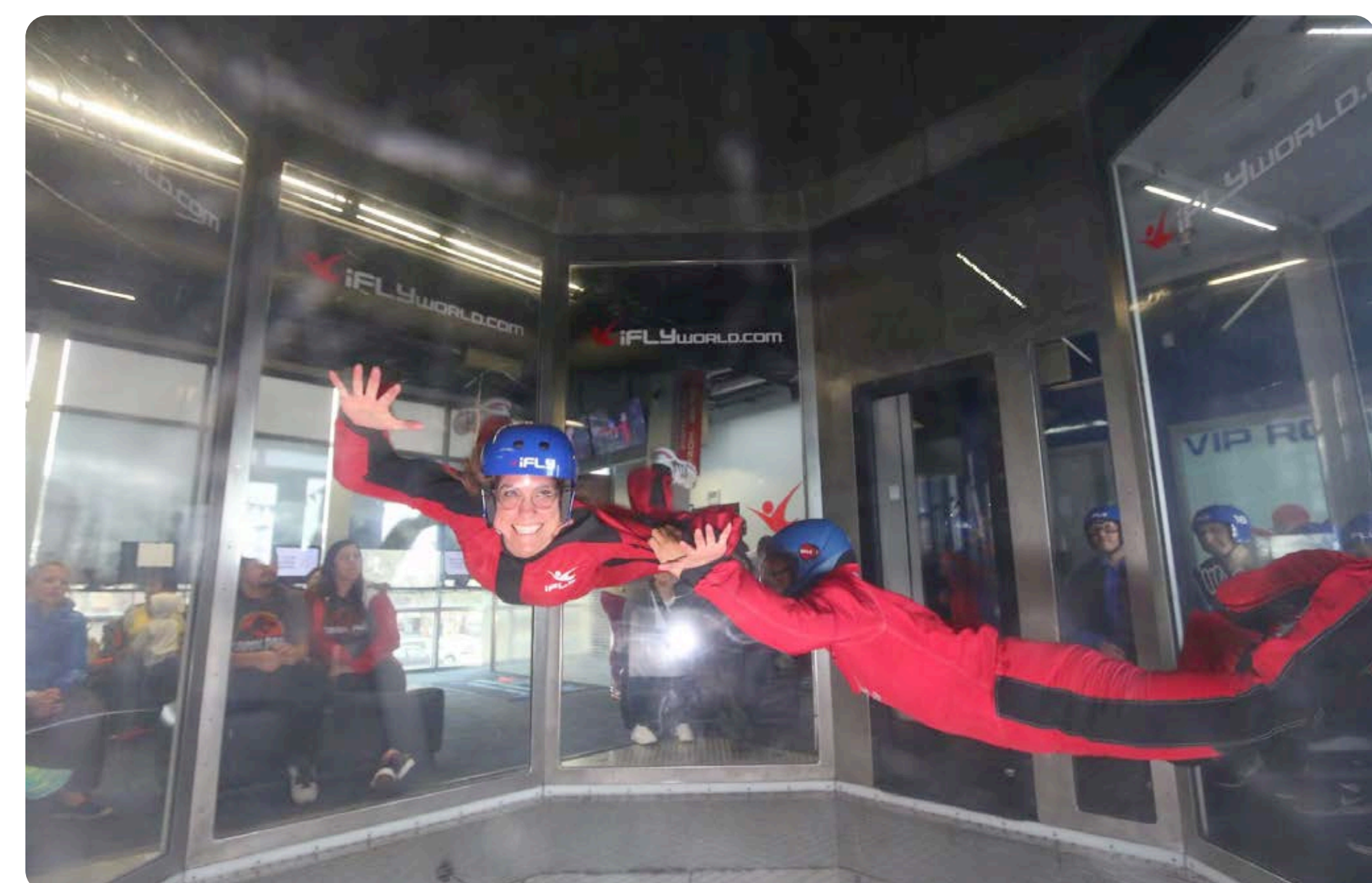
Photos are posted internally on a community photo wall, and on Instagram at [@FlatTomsAdventure](https://www.instagram.com/FlatTomsAdventure). Promoting these Blueboard reward stories motivates Glaukos employees to reach their own anniversary milestones through increased tenure, and cheer along their peers as they reach theirs, building a healthy culture centered around tenure recognition.



Maximum recognition at Maximum Games

Maximum Games was named one of the fastest growing companies in the Bay Area (with +480% YoY growth!), and celebrated with a Blueboard Ivory reward for every employee.

As employees went out and about, they shared stories, photos, and memories on a dedicated Blueboard Slack channel, encouraging bonding between employees and inspiring them to work towards future company achievements.



Recognition programs that strengthen tenure

Let's chat through the best types of recognition programs for building culture and increased employee tenure.



Exciting anniversary awards

Celebrating employee milestones through anniversary awards supports company culture and retention. Why? **Because recognizing employee tenure creates a fulfilling and positive work environment.**

Some employees aren't shy about saying they won't look for another job until they've hit a particular tenure milestone—they're holding out for that coveted award!



Company-wide spot recognition

A spot recognition program can be manager- or peer-led and recognize anything from hard work and above-and-beyond effort to demonstration of core company values.

This type of recognition program continues to reinforce the values or behaviors we want employees to achieve in order to succeed in their careers. And when employees feel like they're truly contributing to the bottom line, **they achieve a stronger sense of purpose, building their plans for extended retention.**

Watch Deborah's Indoor Skydiving Celebration



Building a successful recognition program: tips & tricks

01

Recognition should stem from the top: Executives can show their support and buy-in by sharing recognition stories during wider Town Hall meetings, or by contributing their own voice to the recognition ceremony.

Douglas Conant, former Campbell's Soup CEO famously hand wrote up to [20 notes a day to employees](#), celebrating their successes and contributions. **He believed that “connecting personally with people at every level” helped to improve culture and employee retention, and it worked wonders.** Just eight years into Conant's tenure, the company was outperforming the S&P 500 and employee retention was at world-class levels.

02

Set managers up for success: Ensure managers are trained to deliver rewards and educated on the criteria needed to earn awards (so they reward employees consistently and fairly). **Participation and adoption from management will make your program a success.**

03

Make recognition visible: Identify champions to facilitate sharing and communication — ideally, someone on the HR team to moderate a dedicated recognition stories channel (like Maximum Games on Slack, Glaukos on Instagram), as well as an Executive Sponsor to keep leadership in the know and excited. The champion team can **review quantitative metrics tied to utilization rates and program sentiment, as well as qualitative stories shared from rewarded employees** to report on the program's success or areas for improvement.



“The whole Blueboard experience made me feel like I was the MVP of my company.”

- Richard Arca, 🚗 edmunds



Want to learn more about Blueboard,

and how to build employee retention through a shareable, experiential rewards program?

[Request a demo](#) on our website
and we'll look forward to connecting!

