

An Insiders Guide:

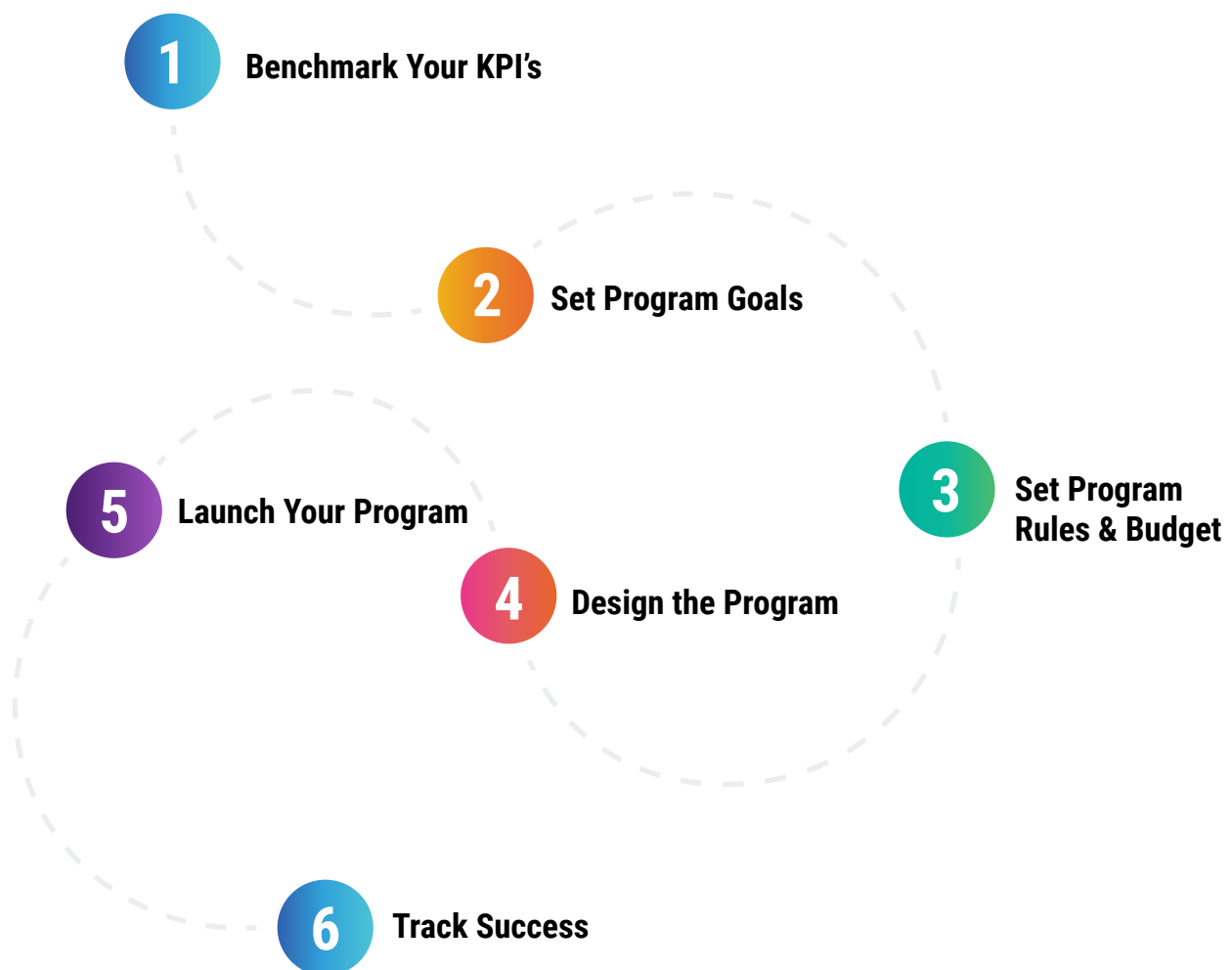
TO BUILDING A SUCCESSFUL EMPLOYEE RECOGNITION PROGRAM



LEVY RECOGNITION

Contents

Recognizing employees for their work and contributions to the workplace goes a long way. Being consistent when you give recognition can make employees feel like a connected part of the company. Whether you choose to recognize employees daily, quarterly, yearly, or any time in between, having a thoughtful recognition program is guaranteed to make employees feel great about the work they do. There's no denying the relation between a performance-driven recognition environment and high scores on business metrics, like employee engagement and retention, customer satisfaction, productivity, and cost savings. When recognition is done right, appreciation from the top down can fuel the achievements of enterprise goals and objectives.



The background is a blue-tinted photograph of a person's hands working on a desk. One hand is pointing at a document, while the other is resting near a pie chart. The pie chart is divided into several segments, some of which are labeled with percentages like '42%', '35%', and '15%'. There are also some tables and other documents visible on the desk.

Benchmark Your KPI's

STEP 1

Benchmark Your KPI's

To track the success of your program, you have first to benchmark the KPI's that you would like to track the success of the program from. Think about what initiatives you are already taking to improve morale, retention, engagement, and performance. How have employees responded to the tactics currently in place? Take some time to evaluate where your company already stands when it comes to existing initiatives. Benchmark as many quantitative numbers as possible so that you can track improvement.

If you are implementing a specific program, for example, sales incentives. You can track sales numbers. When utilizing a sales incentives program, the goal is usually to increase sales. Benchmark where you are right now, so you can see growth in the future to determine if the program has been impactful.

Common Key Benchmarks

- ◇ Retention Rates
- ◇ Productivity
- ◇ Total Sales
- ◇ New Customer Acquisition
- ◇ Employee Satisfaction
- ◇ Net Promoter Score



A man in a light-colored shirt is standing at the head of a long conference table, writing on a whiteboard. Several people are seated around the table, some looking at laptops and others at notebooks. The room is dimly lit, with a warm orange glow. A large, semi-transparent number '2' is overlaid on the left side of the image.

Set Program Goals

STEP 2

Set Program Goals

One of the most critical steps of building a successful program is to define your goals. This is what your program should ultimately achieve. A well-defined goal will give you a building plan that shows exactly what your program should be and what you need to get there.

Most companies automatically think extremely high level when first considering goals. Their first thoughts go to increasing sales and profits. But let's first take a step back and think about what type of goals you need to hit to achieve an overall increase in profitability.

When considering your program goals, the SMART goal model can be helpful.

S

Specific - Use action words that describe exactly what you plan to do.

M

Measurable - Every goal needs to provide a way of evaluation. Use metrics or target units that can be measured.

A

Attainable - Make sure that the goals you set are realistic and achievable.

R

Relevant - The goals need to be relevant to what you are doing and want to achieve.

T

Time-bound - Set a time that each goal should be achieved and make sure that's realistic.



STEP 2

Set Program Goals

One of the primary purposes of employee recognition is to provide support, communication, consistency, and to reinforce your organization's goals and values. When choosing goals make sure they align directly with your enterprise's goals. Recognition is a motivator that can change behaviors to those that dictate success and provide employees with purpose.

Tip: Develop goals that are measurable and establish KPI's of success so that you can report on the return on investment (ROI) of the program. Set goals that establish where you are right now (your benchmarks) and where you want to be at the end of a specific time period.

Top Types of Performance Recognition





Set Program Rules & Budget

STEP 3

Set Program Rules & Budget

Your employees are extremely busy, and they have a lot of things vying for their time. The rules for your program need to be simple and to the point. They need to tell your employees exactly what to do and what they will get from it. The rules for the program should be focused on how your employees will earn points/rewards. The most important rule for creating rules is K.I.S.S (Keep It Simple Stupid). It shouldn't take more than two sentences to explain the primary way to earn points and recognition in your program. If it's longer than that it is probably too complex.

Many studies show that the fewer metrics there are, the more likely people are at achieving their goals. Try to have **no more than 3 metrics** if possible, as a general rule of thumb.

Budgeting is an integral part of developing your rules. To create rules for earning opportunities, you have to determine what your budget is for each employee. A majority of employers spend around 3-5% of their payroll budget on employee recognition. 3-5% is generally enough that can encourage employees to change their behaviors.

Organizations typically budget for their program under a fixed or variable budget.



Fixed Budget

The total investment cannot exceed a specified amount. Fixed budgets allocate a specific dollar amount for the overall yearly spend on rewards.



Variable Budget

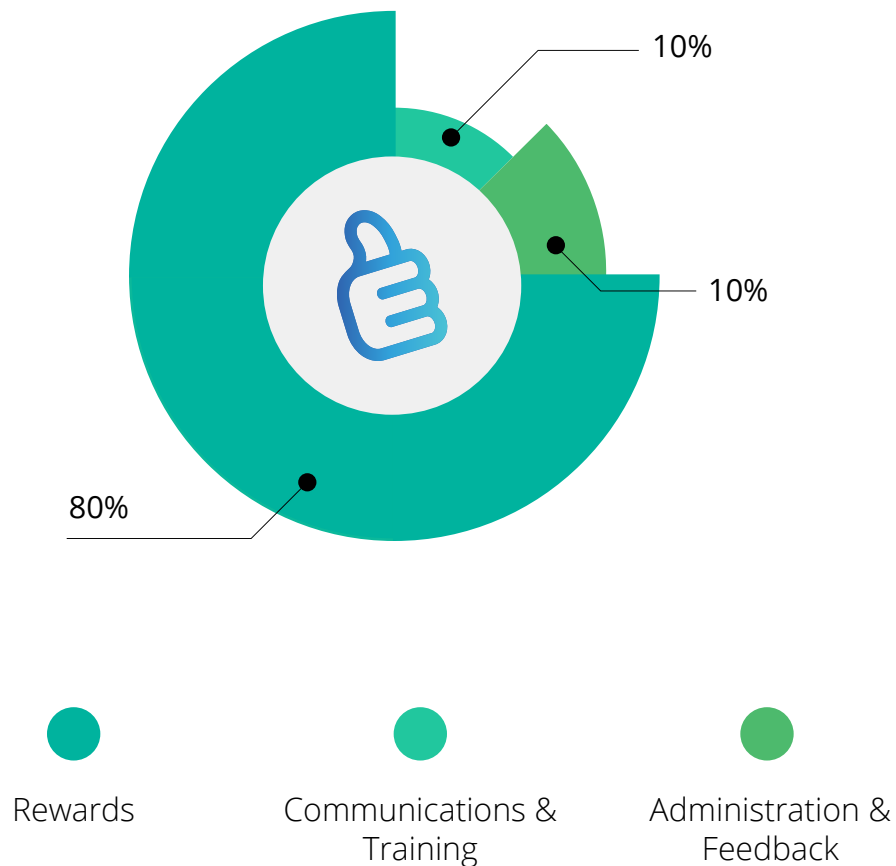
The total investment is based on the results. They allow employees to choose from a limitless selection of incentives. They give you more flexibility in creating a program that will influence every participant.



STEP 3

Set Program Rules & Budget

No matter what type of budget you choose to go with, there are elements of the program investment that will be fixed. Every program needs regular communications to make it work. You must keep it top of mind to all your employees, and there may be some training involved to make it successful. Vital to the success of any program or initiative is feedback and tracking performance. Then the rewards make up most of the budget can either be fixed or variable.



Once you know your budget, decide how often you will give awards and who is eligible to receive them. A points-based system allows managers and supervisors to award redeemable points for positive behaviors. Employees earn points for set behaviors, goal completions, and contributions.



4 Design Your Program



STEP 4

Design Your Program

Now that all the planning has led you with a clear vision of what you want your program to be, it's time to design it. Successful recognition programs require a purpose-built platform, unlike conventional programs. The platform should create a targeted employee experience that integrates recognition sources. It should have a variety of reward choices and facilitate ROI analysis. Having a program that is simple and stress-free to use is crucial to its success. Employees are more likely to use a program that is fun, interactive, and easy.

During the planning stages, you should have determined which areas of your business you hope to improve with a recognition program. It's essential to choose the program type and modules that best fit your goals. While there are many different types of programs here are a few popular options.



Years of Service

Work anniversaries and milestones are a great time to call out the special work that a person can only do when they've been with their employer for a long time. The right type of recognition can increase employee loyalty and demonstrate that you care to all employees.



Workplace Wellness

Successful wellness programs reduce healthcare costs, increase productivity, reduce burnout and improve retention rates. In short, supporting the well-being of your employees also supports the well-being of your company.



Sales & Channel Incentives

Engaging and motivating an audience of direct or channel salespeople is important. Creating an incentive program designed to address all the drivers of success and encourage specific results is a challenge. And one worth tackling.



Customer Loyalty

Consumer Loyalty Programs remain one of the most effective tools to acquire, engage, grow, and retain customers. Our Loyalty Rewards solutions allow you to put the most engaging rewards offerings front and center with your customers every day.



Employee Performance

Your employees work hard for you and your company. Why not recognize them for what they do? When you reward your workforce for a job well done, achieving a goal, finishing a critical project, or their years of service, you reinforce positive behavior.



Safety Incentives

When accidents happen, companies see higher workers' compensation costs, lost time on the job, and decreased production. Organizations have used incentives to reduce accidents by over 50 percent, saving millions every year. Working safe is working smart—for employees and employers.



Design Your Program

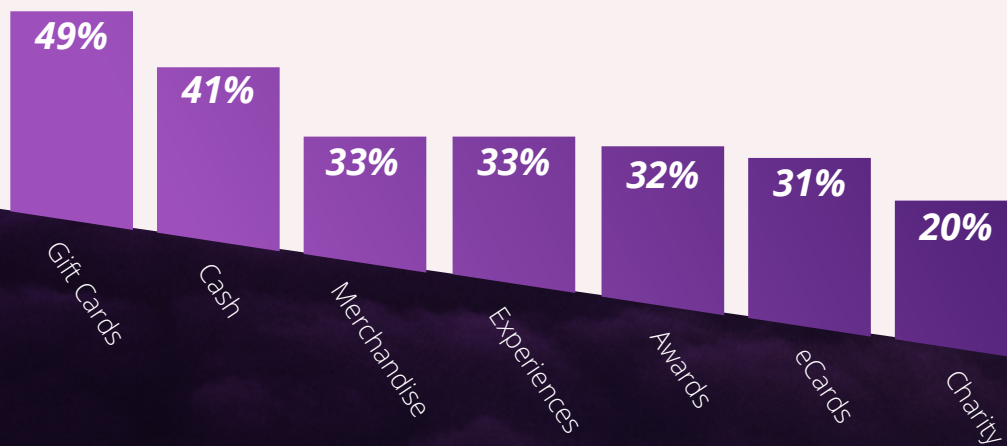
Companies benefit from a reward and recognition program when it emphasizes business goals and aligns employees with those objectives. To make your program as successful as possible, it's important to choose modules that will foster growth and engagement. Make use of the following types of programs to engage your employees in different ways.

Incentive Reward and Recognition

Typically employees can earn incentive rewards through a points-based system. Employees can earn points by demonstrating a core value or reaching a specific goal. Employees can redeem points for merchandise, gift cards, event and travel tickets, and more.



The Most Prevalent Reward Options



Design Your Program

Employee Surveys

Employee Surveys allow employees to share their opinions and feedback. Create surveys that help you gauge how engaged employees are, how they are interacting with the program, or even what type of rewards they would like to see. You have the ability to create surveys on whatever topic you would like.

Employee Feedback

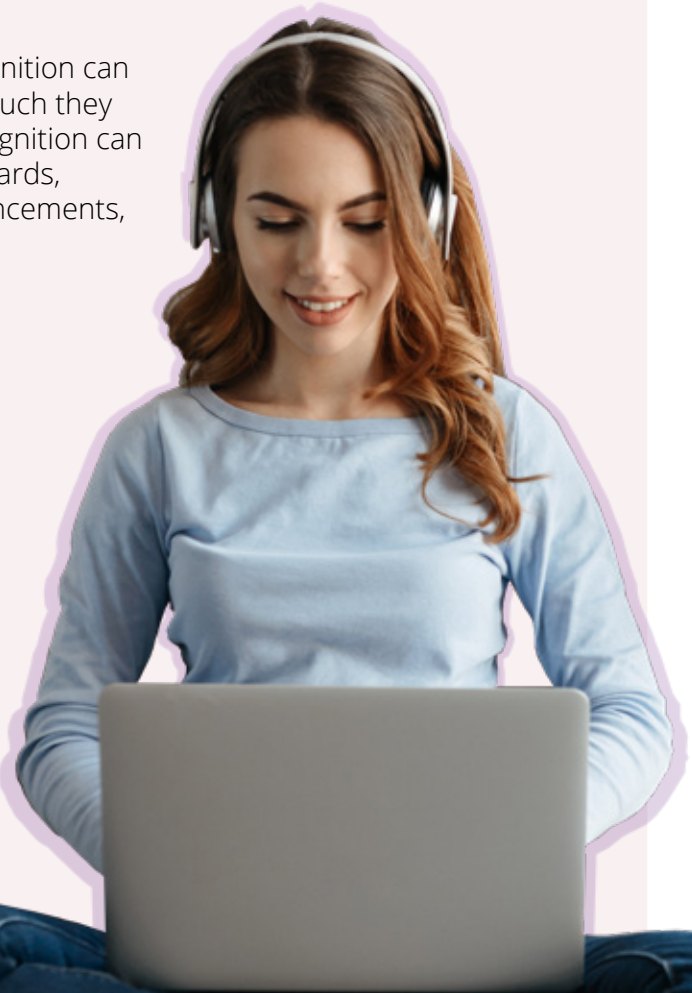
Enhance workforce skills and development by introducing real-time feedback in an easy and intuitive way. Providing immediate feedback fosters growth and open communication.

Learning and Development

When used every day, on-the-spot recognition can boost spirits and how employees how much they mean to the company. On-the-spot recognition can come in the form of thank you notes, eCards, message boards, and social post announcements, and simple gifts.

Businesses with a strong learning culture enjoy employee engagement and retention rates around **30-50%** higher than those that don't.

Robert Half



Design Your Program

On-The-Spot

When used every day, on-the-spot recognition can boost spirits and how employees how much they mean to the company. On-the-spot recognition can come in the form of thank you notes, eCards, message boards, and social post announcements, and simple gifts.

Peer-To-Peer

Encourage employees to build relationships by offering them the opportunity to recognize each other. Peer-to-peer recognition is a great way to build respect, teamwork, and comradery among employees. Employees can reward each other points, give on-the-spot recognition, or nominate each other for higher recognition and rewards.

Wellness

Improve employee wellness through rich health videos & challenges. Employees have the opportunity to earn points for completing challenges and videos. Keep your workplace healthy and focused through the use of promoting wellbeing.





5 Launch Your Program

Launch Your Program

The way that you launch your program can set the tone for how successful it will be. It's necessary to engage the right people in the plan, start hyping the program up ahead of time and develop a training plan. Take a look at a few of our best practices for creating a launch plan that will excite and engage employees.

1

Create a Communications Plan

- ◇ When developing your communications plan make sure that it ignites engagement from day one and will sustain momentum throughout the duration of the program.
- ◇ Think through options for maximizing program visibility with on-site posters and electronic notifications.
- ◇ Plan for promoting your program through other venues such as your company's intranet portal.

2

Engage the Right People

- ◇ Engaging executives and middle managers through the planning process is vital. They should be in the know of everything going on. You will want to communicate program details to middle managers and other employees that are fit to be program advocates before rolling out the initiative to employees.

3

Hype the Program

- ◇ You'll also want to communicate the program's launch to your employees. Build anticipation by sending employees teasers and clues about the types of rewards they can earn. On the day of the program's launch, throw a party to celebrate. Launching the program through a fun event encourages everyone to join in and participate in the fun!

4

Training

- ◇ Before you launch the program to employees, you should by training managers and supervisors on the program's goals, functions, and capabilities. They will be the one to help execute the training plan to your employees.
- ◇ During employee training, make sure that every participant understands the goals of the program and philosophy. Talk about why this program is a priority in your organization, how the program works and what your expectations are regarding their specific responsibilities regarding adoption, implementation, and follow up.
- ◇ Consider creating (or having your recognition partner create) a quick guide or reference cards that provide easy-to-follow instructions.





Track Success

STEP 6

Track Success

After implementing the program, routinely assess the goals you set for the program. Programs will typically include data and reporting modules that show you how employees are using the program and if it is contributing to the positive changes in the workplace. Look at the benchmarks you set before launching your program and compare those numbers to the data provided by the program. You may also be able to determine the success of your program through qualitative measures such as employee satisfaction, behavior changes, increased productivity, and job focus.

Key Activities to Track

- ◇ Levels of recognition activity to ensure there is active participation
- ◇ Evaluate progress and regularly report on predetermined metrics to demonstrate business impact
- ◇ Communicate recognition achievements throughout the organization

Track all the benchmarks for an appropriate time: 30, 60, and 90 days. After evaluating the results, look for opportunities to improve recognition initiatives. This could be by enhancing your communication plan or even adding new program components.

To assess whether your employees enjoy using the new recognition program, ask for their feedback. Use their answers to decide if you need to set new or more realistic goals, introduce new challenges and initiatives, or abandon old ideas. Employees should feel like the rewards and incentives are attainable and that the program is being used consistently and fairly throughout the company. Do this regularly to keep your employees enthusiastic about participating in the program.





Levy Recognition is a full service recognition provider specializing in turn-key and fully-custom incentive solutions. We help clients connect with the people most important to their businesses with programs that engage, inspire and reward the people who matter most.



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