

How to Build Employee Recognition Programs That Actually Inspire Your Employees



AUTHOR: JONATHAN BEST

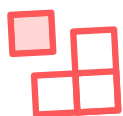
Who doesn't like to feel recognized and rewarded for a job well done?

Your employees almost certainly place value on recognition. In a study by [O.C. Tanner](#), employee recognition was found to be the most important driver of great work. Over one-third (37 percent) of respondents said personal recognition would encourage them to produce better work. That's more than inspiration (12 percent), more than autonomy (12 percent), and more than money (7 percent).

Companies benefit from employee recognition, too. [Gallup](#) estimates organizations of 10,000 engaged workers can save in excess of \$16 million in turnover per year when recognition becomes part of their company culture.

Employee recognition programs are the usual vehicle HR executives use to codify how employees are recognized and rewarded in large companies. But the odd pat on the back or a sporadic bonus isn't enough for organizations or employees to realize these benefits.

Instead, HR executives must build an effective employee recognition program. Here's how they can do just that.



Start With the Basics in Employee Recognition

To create a truly effective employee recognition program, you must get the basics before everything else. That means being clear on why you are creating the reward program, the behaviors you want to reward and the frequency with which employees should be recognized.

Start by defining the goals of your employee recognition program. There are several questions you should be asking yourself and your team, says [Kartik Mandaville](#), founder and CEO at HR software solutions provider Springworks, including:

- What are you solving?
- Is the goal to increase employee engagement?
- Is the goal to create a positive workplace?

Next, think about how often you will recognize employees. Rather than wait for the end of the quarter or year, [Marcel Schwantes](#), founder and chief human officer at Leadership from the Core, recommends creating a culture of “year-round recognition” where high performance is acknowledged daily.

You’ll want to identify the types of behavior that should be recognized and rewarded at this stage, too. Some will be obvious, especially those that are performance related. But you can find more by thinking about your company culture and goals. In doing so, you can reward traits that may otherwise be ignored, like honesty, integrity, and dependability.

It’s also important to consider how your employee recognition program could be made more inclusive and whether it’s at risk of unconscious bias. “As with many incentive initiatives, bias can be a major factor in the success of such a program,” writes [Thalia Rodriguez](#), an HR consultant and Forbes human resources council member. Rodriguez recommends leaders be clear about the “purpose, objectives, quantitative metrics and qualitative measures that define the parameters and eligibility for participants” to reduce the likelihood of bias.





Create Multiple Forms of Employee Recognition and Reward

Recognition and rewards should come in many different forms to keep employees engaged and ensure your program offers something for everyone.

“Organizations should challenge themselves to find multiple ways to recognize employees—‘thank you’ cards, ‘wow’ moments acknowledged on the spot or on bulletin boards and newsletters, recognition at leadership or department meetings amongst peers,” says [Pamela Russell](#), division director of human resources at the City of Winter Park in Florida. “There are so many ways to recognize employees; the key is making the commitment to do so.”

If you’re stuck for reward ideas, [Sophia Lee](#) at Culture Amp lists 20 employee recognition ideas. These include:



Lunch out.



Company swag.



Office outings.



Wellness days.



A team trophy.



Handwritten notes.



Social media praise.



Take care to offer both recognition and appreciation to employees. While there is a tendency for the two words to be used interchangeably, they mean very different things, as [Mike Robbins](#), author of “Bring Your Whole Self to Work,” points out.

Recognition is performance or results-based positive feedback, he explains. It can be formal, like a bonus, or informal, like a thank you note. Recognition is both motivating and meaningful, but it has limits.

“First, it’s performance-based, so it’s conditional. Second, it’s based on the past, so it’s about what people have already done. Third, it’s scarce.

There’s a limited amount of recognition to go around—everyone can’t get a bonus or be mentioned by name in a memo—and it can be stressful when many people are vying for a finite amount of praise,” he writes. “Fourth, it generally has to come from the top.”

Unlike recognition, appreciation acknowledges the value an employee brings without linking that value to performance. As Robbins puts it: “Recognition is about what people do; appreciation is about who they are.”

If you focus too much on performance-based recognition, you may miss many opportunities to appreciate your employees.



Make Employee Recognition Globally Consistent

Perhaps the biggest issue for multinational companies looking to create an effective recognition program is how to roll it out consistently in local areas. Whether it's employee preferences or the types of rewards and recognitions available, there will always be differences between different countries.

Localizing employee recognition programs could be seen as a solution, but it's rarely satisfactory. Not only does it require an HR presence in every country for the program to be effective, but it's hardly the most inclusive option and can lead to issues when employees move from one country to another.



It Needs to Work for Employees

An employee recognition program is only effective if employees approve of it. That's why you need to design a program that works in their interests.

How to best recognize an employee depends on their values, says [Maggie Wooll](#), managing editor at BetterUp. "Some people love public recognition, while others shy away from the spotlight. Always ask your team what form of recognition they prefer, so they feel respected and understood."

A better solution is to use a centralized platform that delivers a universal recognition and rewards experience to employees wherever they are based. Such a platform doesn't just let you create a consistent rewards program across every office, but it should also allow you create more personal and relevant rewards to individual employees. Consistent personalization when it comes to rewards and recognition is much easier to manage than keeping the rewards themselves consistent.





It's not just personal preference at play here. In fact, industrial psychologist [Ken Matos](#), the global director of people science at Culture Amp, suggests “erring on the side of public recognition unless the employee specifically requests otherwise.” That’s because “recognition is about more than making employees feel good and encouraging commitment to the company. Public recognition also serves to signal to coworkers and leaders that an employee is talented and should be considered a valuable team member,” he explains.

Making employee recognition work also means giving employees full visibility into the way they are rewarded. By digitizing employee recognition, it's easy for employees to see all their rewards in one place, such as in the form of a total rewards statement, for instance, whenever they like.

Make Ongoing Feedback Part of Your Process

You shouldn't set and forget an employee recognition program. You need to constantly make optimizations for it to be both meaningful and effective.

To that end, you need to utilize several feedback methods. One of the most popular is an employee satisfaction survey. This can give employees a chance to highlight what's important or satisfactory to them when it comes to rewards and recognition, as well allowing HR executives to identify areas of wasted expense or effort. Because as much as an employee recognition program needs to work for employees, it needs to make fiscal sense for your company, too.