

GETTING **EMPLOYEE** **RECOGNITION** “RIGHT”



Table of Content

01	Introduction	02	06	Final Tips	18
02	About the Author	03		1. Align with your company values	
03	What is Recognition?	04		2. Align with your overall reward strategy	
04	Why is Recognition Important?	06		3. Empower everyone to recognize	
05	Designing Your Recognition Plan	09		4. Make it timely	
	Step 1: Why			5. Make it visible	
	Step 2: What			6. Get leadership buy-in	
	• Key decisions		07	Case Study	21
	• Types of recognition programs				
	• Recognition Awards				
	Step 3: How				
	• Manage				
	• Communicate				
	• Measure				

01 Introduction



Employee recognition has evolved from being a nice way to thank employees for their years of service, to something that can have a significant and meaningful impact on your workforce and your business.

Over the years, employee recognition has evolved from being a nice way to thank employees for their years of service, to something that can have a significant and meaningful impact on your workforce and your business. And because of this, it's no longer seen as a "nice to do", but a "have to do".

However, as with anything in life and in business, it's all about **how you do it** - do it the right way and you reap the benefits, do it the wrong way and you waste your time, energy and your company's money.

It's this "right way" of doing recognition that I will explore in this eBook, sharing tips and stories to help you achieve the many positive impacts that it can deliver to your employees and your company.

02

About the Author



Debra Corey

Debra Corey is a highly experienced and award-winning HR consultant, three-time author, world-class speaker, and was named one of the top 101 global employee engagement influencers. She's had a varied and exciting career over the last 20+ years, working for many well known global companies where she's developed and delivered HR strategies in a rebellious way, pushing the boundaries and challenging the status quo to truly drive employee engagement.

03

What is Recognition?

Let's start by looking at what recognition is. There are many definitions for it, but the one that I've developed over the years answers the question in two ways - from the perspectives of the employee and employer.

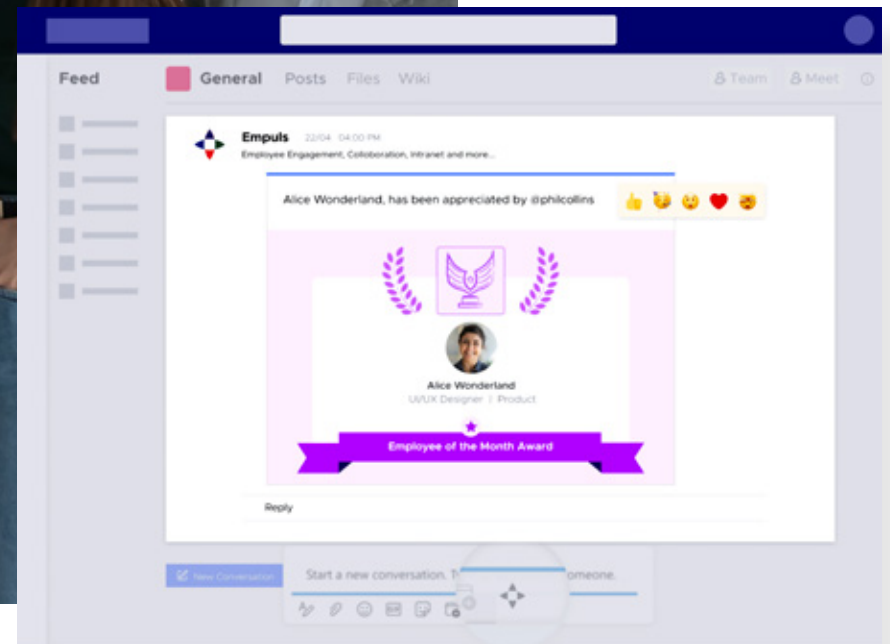
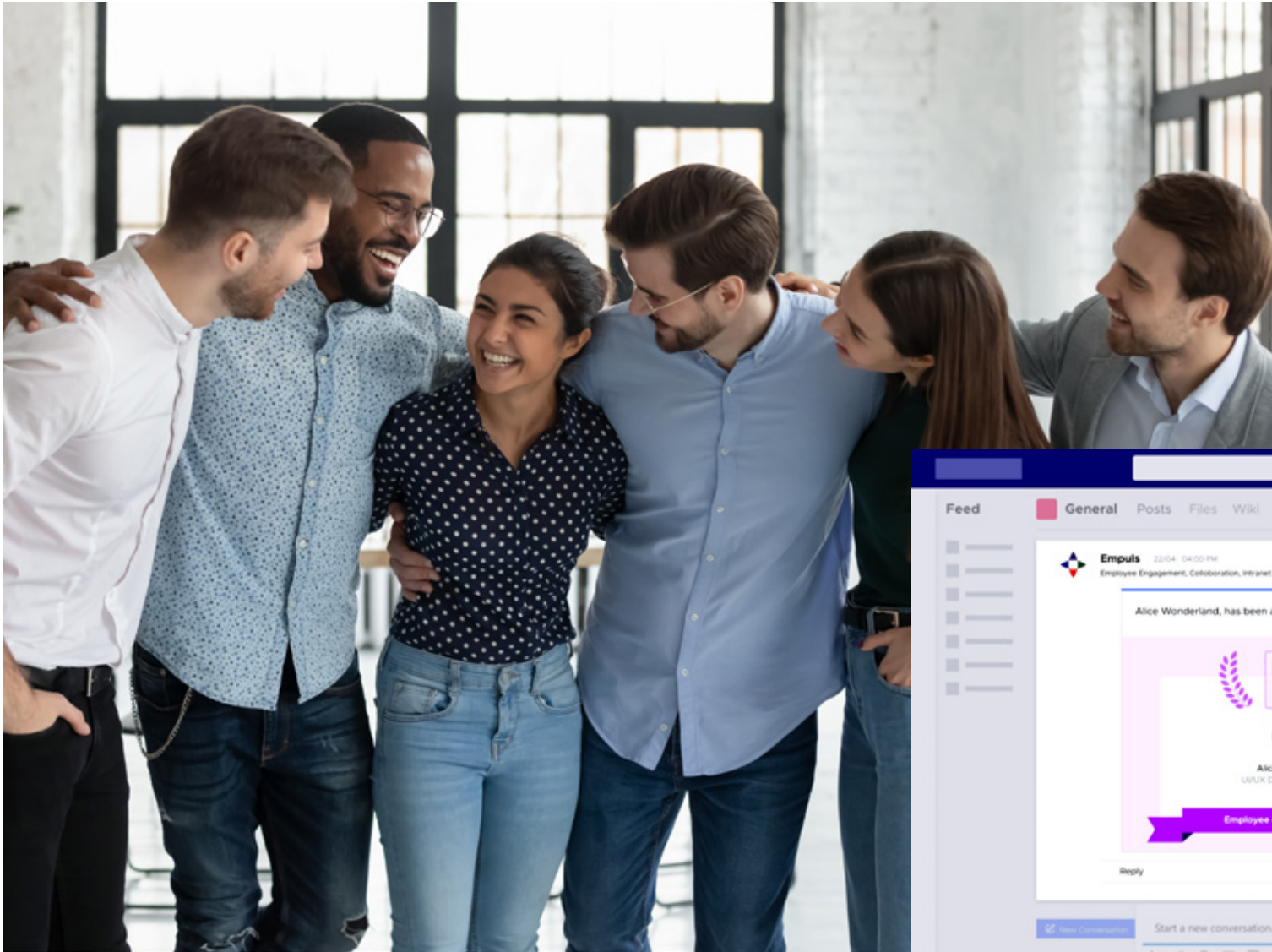


For your employees, recognition is a way to:

- 1 **See them** by acknowledging what they've done;
- 2 **Appreciate and value them** for how they've contributed through their actions and behaviors;
- 3 **Provide them feedback** to help them learn and develop.

For your company, recognition is a way to:

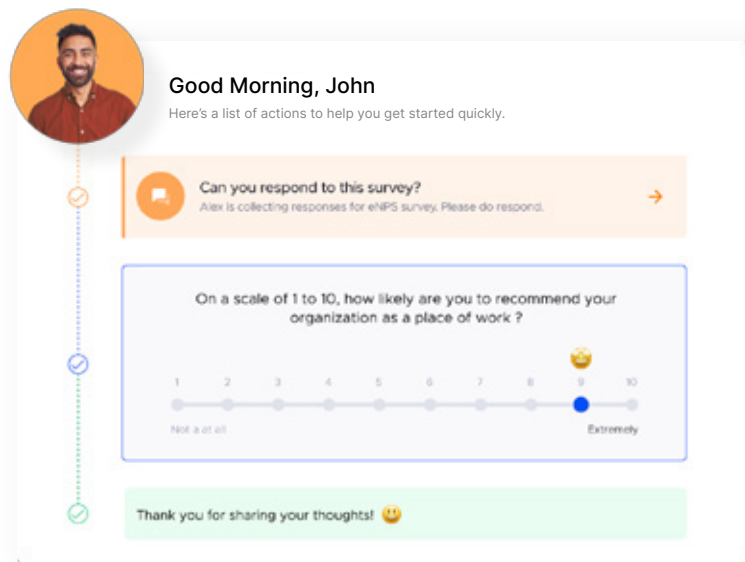
- 1 **Motivate employees** to give and do their best;
- 2 **Drive performance** across the organization;
- 3 **Achieve** goals and objectives;
- 4 **Celebrate** individual, team and company successes.



04

Why is Recognition Important?

Recognition is important for a wide variety of reasons, some of them tangible and some of them intangible, but all having positive impacts on both your **employees** and your **company**. Here are six of the most common reasons:



1 Increases employee engagement.

Let's start with employee engagement, something that most companies focus on and measure as they've come to see the impact it can have on their business. Studies have shown the positive impact that high employee engagement can have on company sales, revenue, customer service, safety and turnover to name a few, showing the true extent of its impact.

Recognition has been proven to be a key driver of employee engagement, with an article by [Deloitte](#) saying that employee

engagement was 14 percent higher in organizations that practice employee recognition than in those without recognition.

2 Increases employee happiness.

Employee happiness, like employee engagement, can also have a positive impact on a business. In Shawn Archer's book "The Happiness Advantage", he talks about how happiness leads to employees feeling more positive, getting more creative, becoming



better at solving problems, and developing into more effective collaborators, all of which contribute to a more successful company.

A study by The Boston Consulting Group that ranked the 26 factors of happiness on the job, found that the most important single factor for all people is appreciation for their work, proving that employee recognition is directly connected to employee happiness.

3 Increases employee trust.

Employee trust is another factor that has been proven to have a positive impact on the success of a company. From productivity to innovation, companies with high levels of trust have been found to outperform those with

low levels of trust.

And again, recognition has an important part to play, with a study by [Work Human](#) saying that one of the most effective ways of building trust for managers and senior leaders is through frequent recognition. They found that employees who were recognized were 34 percent more likely to trust senior leaders and 33 percent more likely to trust managers, compared to those who had never been recognized.

4 Increases productivity.

Another key element to the success of your company is productivity, since having employees who work harder and smarter leads to a more productive work environment.

Studies have shown that recognizing employees can increase their productivity, with one [study](#) showing that 69 percent of employees would work harder if they felt their efforts were better appreciated, and another [study](#) showing that employee productivity can jump as much as 30 percent when employees receive just one piece of praise a day.

5 Reduces employee turnover.

The next reason has to do with the impact recognition can have on employee turnover, with employees staying longer because they feel recognized. One [study](#) found that employees who do not feel adequately recognized are twice as likely to say they'll quit in the next year, and another [study](#) found that

of the respondents who were planning on switching jobs, a lack of recognition was the number one reason.

6 Increases employee awareness.

And finally, recognition can increase awareness through the feedback it provides to employees. It lets them know which of their efforts are most appreciated and most valued, giving them a sense of achievement, and also an awareness of what they should continue to focus on to help themselves and the business succeed.

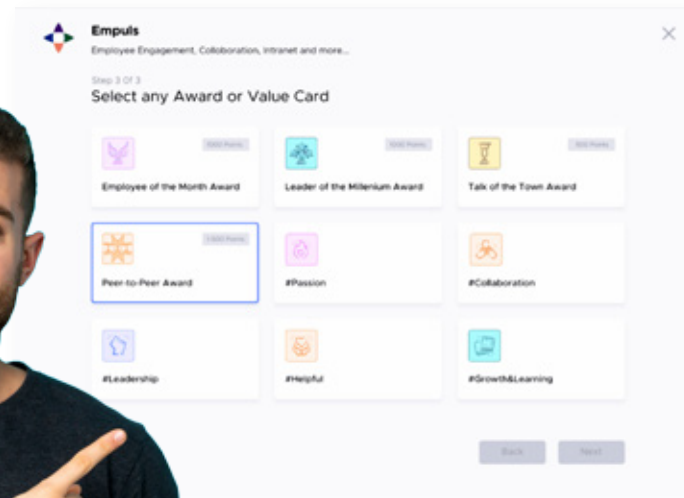
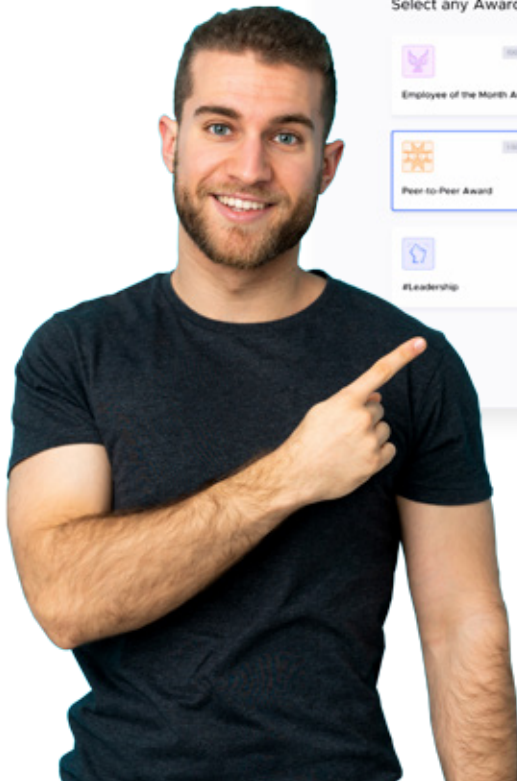
The added benefit is that in organizations where recognition is shared and celebrated socially through technology, it's not just the employee who becomes

aware, but all those that view and join in on the recognition. Because of this, the awareness, and the impact that it has, is multiplied throughout the workforce.

05

Designing Your Recognition Plan

Now that we've gotten the basic questions out of the way, let's now move onto how to make it happen, how to build (or rebuild) your recognition plan. In this section, I've broken it out into these three key steps:



STEP 01 WHY?

Why do you want (and need) to recognize your workforce?

What are you trying to recognize and what kind of recognition programs will help you do this?

STEP 01 WHAT?

How will you deliver and communicate your recognition plan in a meaningful and effective way?

STEP 01 HOW?

STEP 01 WHY?

The first thing to do is to ask yourself, “why” - why do you want and need to recognize your workforce? As we all know, each business has different objectives, so it’s important to develop your “why”, your recognition strategy, around your unique and individual objectives. Here are three things to consider as you develop your strategy:

1 Your company’s mission, values and culture.

The starting point is to align your recognition strategy with your company’s mission, values and culture. By doing this it will help you achieve your overall vision and goals (your mission), the actions and behaviors you desire (your values), and reflect who you are as a company (your culture). Do this and all the “pieces” fit together in a cohesive picture and direction, don’t do this and there will be confusion and a lack of focus.

According to research by SHRM and Work Human, 70 percent of companies tie their recognition programs to company values.

2 Your business and people objectives.

Next, you want to align your recognition strategy with your business and people objectives. For example, do you have objectives based around developing new products to focus your workforce on innovation? Do you have people objectives around developing stronger teams to focus your workforce on collaboration? Consider these when developing your recognition strategy so that it reinforces and drives employees to meet these objectives.

According to research by Bersin & Associates, only 60 percent of companies tie their recognition programs to business goals.

3 Your business and people challenges.

And finally, it’s important to align your recognition strategy with any business and people challenges that you may have. For example, is engagement, productivity, and/or retention a problem that could be positively impacted by your recognition plan? Consider these as you develop your strategy and individual programs so that they become a strength and not a weakness.

According to the “2020 State of Recognition Report”, the five most common objectives of recognition programs are:

1. Increase engagement - 88%
2. Reduce employee turnover - 63%
3. Create consistency and/or transparency - 55%
4. Improve cross functional and communication - 42%

STEP 02 WHAT?

The next thing to do is ask yourself “what” - what are you trying to recognize (e.g. what is the criteria to be recognized) and what recognition program or programs do you need to help you best deliver on the strategy and objectives you created during Step 1.

During this step, I’ll address these three topics:



1. Key Decisions

What decisions need to be made upfront?



2. Types of Recognition Programs

What types of recognition programs are there to choose from?



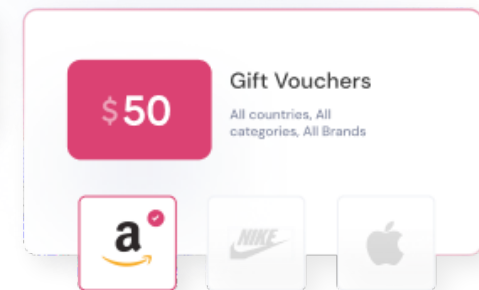
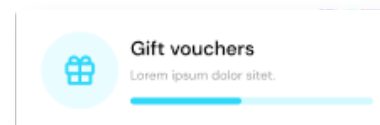
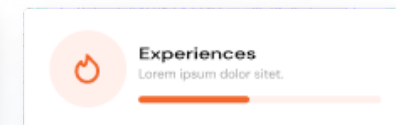
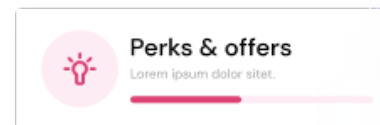
3. Recognition Awards

What types of awards (e.g. financial, non-financial) will be given for each program and how to set budgets?

1. Key Decisions

Too often companies jump into selecting their recognition programs without thinking through and addressing some key decisions. These decisions are best discussed and made upfront so that they are considered as you select and design your recognition programs.

Please find below five key decisions that I normally address when helping companies design their recognition programs, and some common responses. Keep in mind that these are not the only responses, for based on your people, company, objectives and culture, you may very well have different ones.



Key Decision	Common Responses
1. What are you trying to recognize?	• Supporting/helping others (e.g. colleagues, customers) • Going above and beyond • Completing key projects • Key milestones
2. Who will give the recognition?	• Leadership team only • Managers only • All employees
3. Who will receive the recognition?	• Certain job levels and/or certain groups of employees • All employees
4. What will they receive?	• Non-financial • Financial
5. When will they receive it?	• Specified times (e.g. every 5 years, annually, monthly) • Anytime

2. Types of Recognition Programs

Once you address the key decisions described above, you can use this information to help you select which programs best align with them. For example, if your response to key decision #4 about timing is that you only want “anytime” recognition, meaning it can be given at any point in time, then you wouldn’t put in place programs that are only given at

specified times.

Here are five of the most common types of recognition programs to choose from:

1. Manager-Led Recognition

This is where many companies begin their recognition journey, with a top down approach to recognition, having managers responsible for recognizing their employees. This type of program can be effective at achieving many of the objectives listed in Step 1, showing employees that they are seen and valued, and giving them feedback to help them perform at their best, learning and growing at the same time.

A study on motivation by McKinsey & Company found that praise and commendation by your immediate manager is more motivating than performance-based cash bonuses.

2. Peer-to-Peer Recognition

Peer-to-peer recognition has evolved naturally from manager-led recognition, with many companies realizing that they can better achieve their recognition strategy and objectives if employees at all levels have the ability to recognize their peers. In fact, according to the “2020 State of Recognition Report”, 66 percent of companies have a peer-to-peer recognition program, showing how more companies are incorporating it into their overall recognition plan.



As more companies see the impact that teamwork can have on meeting their goals and objectives, they're developing team-based recognition programs. This is where teams, and not individuals, are recognized for their collective contributions and achievements, highlighting and encouraging successful teamwork across their workforce.



There are a few reasons for this - first, because there will be more employees looking for and capturing the important recognition moments, and second, because as studies have found, this kind of recognition can come across as less formal and more genuine than manager-only recognition.

A study by SHRM found that peer-to-peer recognition is 35.7 percent more likely to have a positive impact on financial results than manager-only recognition.

3. Team-Based Recognition

As more companies see the impact that teamwork can have on meeting their goals and objectives, they're developing team-based recognition programs. This is where teams, and not individuals, are recognized for their collective contributions and achievements, highlighting and encouraging successful teamwork across their workforce.

An important thing to keep in mind with this type of program is to recognize at the team level when there is a high level of interdependence and collaboration between team members. For if this does not exist, it could potentially demotivate individuals as they'll see it as not fair and inequitable.

4. Best-of-the Best Recognition

Many companies have what I refer to as "best-of-the-best" recognition

programs, which is when awards are given to individuals (and sometimes teams) at certain times throughout the year (e.g. annually, quarterly or monthly) for being the best-of-the best. Winners are selected in many ways, often through nominations, and a panel made up of managers or the general workforce, to reflect their contributions and impact above and beyond others.

An important thing to consider when designing these programs is how you are going to handle not just the winners, but those who've been nominated. Too often I've seen companies missing out on these recognition moments by not recognizing the nominated population, and focusing solely on the winners. It doesn't have to cost anything to let them know that they've been nominated, and it can go a long way in helping them feel appreciated.

5. Milestone Awards

This final type of recognition are "milestone" awards, which are awards given when employees hit certain milestones as a way to thank them for their efforts or to celebrate an occasion. Examples of these are years of service, birthdays, or even the completion of a project.

With these types of recognition awards it's important to keep in mind that although they do help employees feel appreciated, going back to the points listed in the section titled "What is Recognition", they do little to tick many of the other boxes, and thus the

objectives of recognition. For this reason, I highly encourage you to not rely solely on them, but put in place other programs to achieve these objectives.

According to the “2020 State of Recognition Report”, the four most common types of recognition programs are:

1. Peer-to-peer - 66%
2. Service anniversaries - 61%
3. Quarterly and/or annual awards - 37%
4. Performance-based incentives - 27%

3. Recognition Awards

One of the two most common questions I’m asked about recognition are - 1) What award should I give for each program and 2) How much money should we put in our recognition budget?

According to the “2020 State of Recognition Report”, the most common amount spent annually per employee is between \$5 and \$100.

There are varying studies on recognition budgets - a World at Work study found that most recognition programs have a budget of 0.3% or less of the payroll budget, while a SHRM study suggests that a recognition budget of 1% or more of total payroll is key for a successful program.

Now these figures are helpful, and are a good starting point, however my preferred approach for determining recognition awards and budgets

is to start by asking yourself some key questions:

For individual recognition program awards:

1. Does the award need to be financial, does a non-financial gesture/ award achieve the same objective?
2. For financial awards, what is the “right” amount that reflects their level of contribution?
3. How does the financial award “fit” in with other elements of reward, e.g. pay, bonuses, incentives?

Note: The reason I suggest asking yourself this question is that often I’ve seen companies where the recognition award is the same if not more than an annual bonus award. In these situations, you need to ask yourself - is the level of contribution for both the same? Often the answer is no, as an annual bonus is for work achieved throughout the year, where a recognition award is often for a shorter time frame and effort. Bottom line, review them together to ensure they all fit together.

For recognition budgets:

1. How many different recognition programs will you have?
2. What are the financial awards for each program?
3. How many employees do you expect to receive awards for each of the programs?

Note: For some of your programs this will be easy to predict, e.g. for

your monthly awards you may have five winners a month. For other programs it may be more difficult, however, it's still important to predict and then measure and update it as you see what happens once the programs are in place.

4. How much will you pay for the administration and communication of your plan with your selected recognition provider?

STEP 03 HOW?

The final question to ask yourself is “how” - how will you ensure that your recognition plan and individual recognition programs deliver on your objectives once they're in place? I want to stress that this is just as important as designing the “right” recognition plan, for I've seen fantastic recognition plans fail if this isn't done well.

During this step, I'll address these three topics:



1. Manage

How will you manage and operationalize your recognition plan?



2. Communicate

How will you communicate your recognition programs to ensure your employees engage with them?



3. Measure

How will you measure your recognition programs to understand if/how they are meeting your objectives.

1. Manage

Let's start with how you'll manage your new recognition programs, which I highly encourage you to address **at the same** time as when you're designing them. By doing this, you make sure that when you're ready to launch your new programs, you can manage the programs in a way that you meet your objectives.

There are two ways to manage your programs, manually or through a technology platform. I've done it both ways, but my preference is the later, as it can deliver recognition in a more seamless, flexible and global way. Let me explain what I mean using these three objectives:

- **Seamless** - One of the biggest reasons I've seen recognition plans fail is because it's not easy - not easy to give recognition, not easy to receive recognition, and not easy to participate in the recognition given to others. By making the recognition experience seamless, meaning smooth and continuous, you remove hurdles that prevent

disengagement with your recognition programs.

- **Flexible** - Another challenge I've seen with recognition plans, is that they aren't flexible enough to meet your needs. It's important to build flexibility into your management approach and processes so that if you need to change what and how you do things, you'll be able to do so with little hassle and effort.
- **Global** - And finally, you want to be able to manage your programs in a global way, whether this means you are in multiple countries or multiple locations within one country. Going back to the idea of making things easy, this means making it easy for every employee regardless of where they are, to have access to the system and, when it comes to reward-based programs, have access to rewards that are relevant and meaningful to them.

2. Communicate

If your company truly wants to harness the power of recognition to achieve your objectives, you must communicate it in a way that informs, engages, and appeals to their personal and emotional needs. To help you with this, let me share with you a communication model, I wrote about in my book "Effective HR Communication," called the "IMPACT" model:

- **I = Investigation:** This step involves understanding how your employees like and need to receive the communication so that it meets their needs.
- **M = Medium:** This step involves coming up with the most effective

medium to deliver messages in the most meaningful ways.

Common modes of medium are email, texts, videos, posters.

- **P = Planning:** This step involves planning multiple ways to communicate over and over again to ensure your messages are received and understood.
- **A = Allies:** This step involves bringing in allies, partners, to help you develop and deliver the messages to get the most out of them.
- **C = Content:** This step involves creating content that will appeal to your diverse workforce, meeting their needs and getting your messages across effectively.
- **T = Test:** This step involves testing if and how your messages are meeting your objectives.

By using this model, or the parts of the model that apply in your given communication situation, you have a better chance of communicating in an effective way to ensure engagement with your recognition programs.

3. Measure

And finally, a key part of your "how" is how you measure the impact of your recognition plan. It's by measuring key metrics such as return on investment (ROI), retention, employee engagement, productivity, turnover, etc. It's important to collect data on these metrics on a regular basis, measuring them to show if and how the program has been a success or failure, and identifying areas and opportunities for improvement.

06

Final Tips

Let me end by sharing with you six final tips to keep in mind as you build, re-build and manage your recognition programs.



1. Align with your Company Values

As mentioned at the start of this eBook, recognition has been proven to help you deliver on your company's business objectives, and the same is true of your company values. And for this reason, if you can align your recognition plan and values to work together, then you have a much better chance of achieving your objectives.

According to a study by SHRM, values-based recognition is 2 times more likely to reinforce and drive business results.

The most common way of doing this is to link recognition moments to your company values, meaning that each time an employee is

recognized the value that they have demonstrated is cited. This shows a clear connection between an action and a values-related behavior, and at the same time, increases awareness of the meaning behind each of your important company values.



2. Align with your overall Reward Strategy

It is also important to align your recognition strategy and plan with your overall reward strategy. Since recognition is just one element of your rewards, along with pay, benefits, incentives, etc., it's critical that they all work together, completing the total rewards picture and objectives.

For example, if you have a reward strategy that encourages and rewards teams through programs such as an annual team-based bonus, you should build team-based recognition into your overall recognition plan. If you have a reward strategy that says that all employees are treated in a fair and consistent way through giving all employees the same benefits, you should include all employees in your recognition programs, giving them all the chance to give and receive recognition.



3. Empower Everyone to Recognize

In order to build a culture of recognition, you need to empower each and every employee to recognize one another. This means making peer-

to-peer recognition an integral part of your recognition strategy and programs.

There are many proven reasons for this including increased performance, motivation, productivity and a sense of community and belonging. In addition to this, it ensures that your entire workforce has their eyes and ears open to recognition moments, and are not missing any opportunity to recognize one another for their contributions and support.

According to a study by SHRM, peer-to-peer recognition is 35.7% more likely to have a positive impact on the financial results of an organization than manager-only recognition.



4. Make it Timely

For recognition to be effective it is important for it to be done in a timely manner, with the recognition happening as near as possible to when the action or behavior took place. Now this may seem obvious, but too often I've heard people say that they've had to wait weeks, months or even a year to be recognized.

This delay has a ripple effect as not only do your employees have to wait to feel appreciated and learn from the recognition they receive, but your company has to wait or completely miss out on the benefits

and impact that recognition can deliver in the form of productivity, engagement, and so on.

Now this may seem obvious, but too often I've heard people say that they've had to wait weeks, months or even a year to be recognized. This delay has a ripple effect as not only do your employees have to wait to feel appreciated and learn from the recognition they receive, but your company has to wait or completely miss out on the benefits and impact that recognition can deliver in the form of productivity, engagement, and so on.



5. Make it Visible

One of the great things about recognition is that it can not only have a positive impact on the receiver, but also on others in the organization, thus multiplying its positive impact. This can be achieved when you make recognition visible across the organization, by sharing and showcasing the recognition, which leads to these two outcomes:

It makes recognition social - When you share recognition moments it creates a social event, inviting others to get involved by congratulating and/or commenting on the recognition. This can translate into stronger connections and relationships between employees to drive cooperation, trust and overall workplace happiness.

It creates learning moments - Sharing recognition moments also leads to “learning moments”, which is when employees learn through what others are being recognized for. For example, if an employee is recognized for developing a new process or concept, others not only hear and learn about it, but understand that such actions are valued and recognized at the company. This can lead to a workforce that is better informed and aware of what others are doing, and learns through this process.



6. Get Leadership Buy-in

Last, but certainly not the least, it is absolutely critical to get the buy-in and support of your leadership team. They are the ones that set the tone, with your entire workforce watching closely to see if and how they engage with recognition to determine whether it is genuinely important to the business, or just another one of those senseless initiatives.

Take the time to clearly explain to your leaders the impact of recognition on the business (sharing those listed throughout this eBook), ensuring they’ve bought into the difference it can make. Just as important, take the time to explain how the programs work and what good recognition looks like, again sharing much of what is included throughout this eBook. Bottom line, make sure your leaders understand that they have a crucial and “starring” role in the success of recognition,

and not think that they have a “supporting” role, waiting for HR to drive and own recognition.

07

Case Study

LUMINOUS *Khushiyon ka ghar*

Luminous Power Technologies is a powerful and trustworthy brand with a wide range of innovative products in the power backup, home electrical and residential solar space, including inverters, batteries, solar solutions, and home electrical offerings such as fans, modular switches and LED lighting.

They have 6,000 employees in over 36 countries who serve more than 60,000 channel partners and millions of customers. Their motto is “Customer Delight through Innovation and Passion”, and they are passionate about innovating to make life comfortable and efficient.

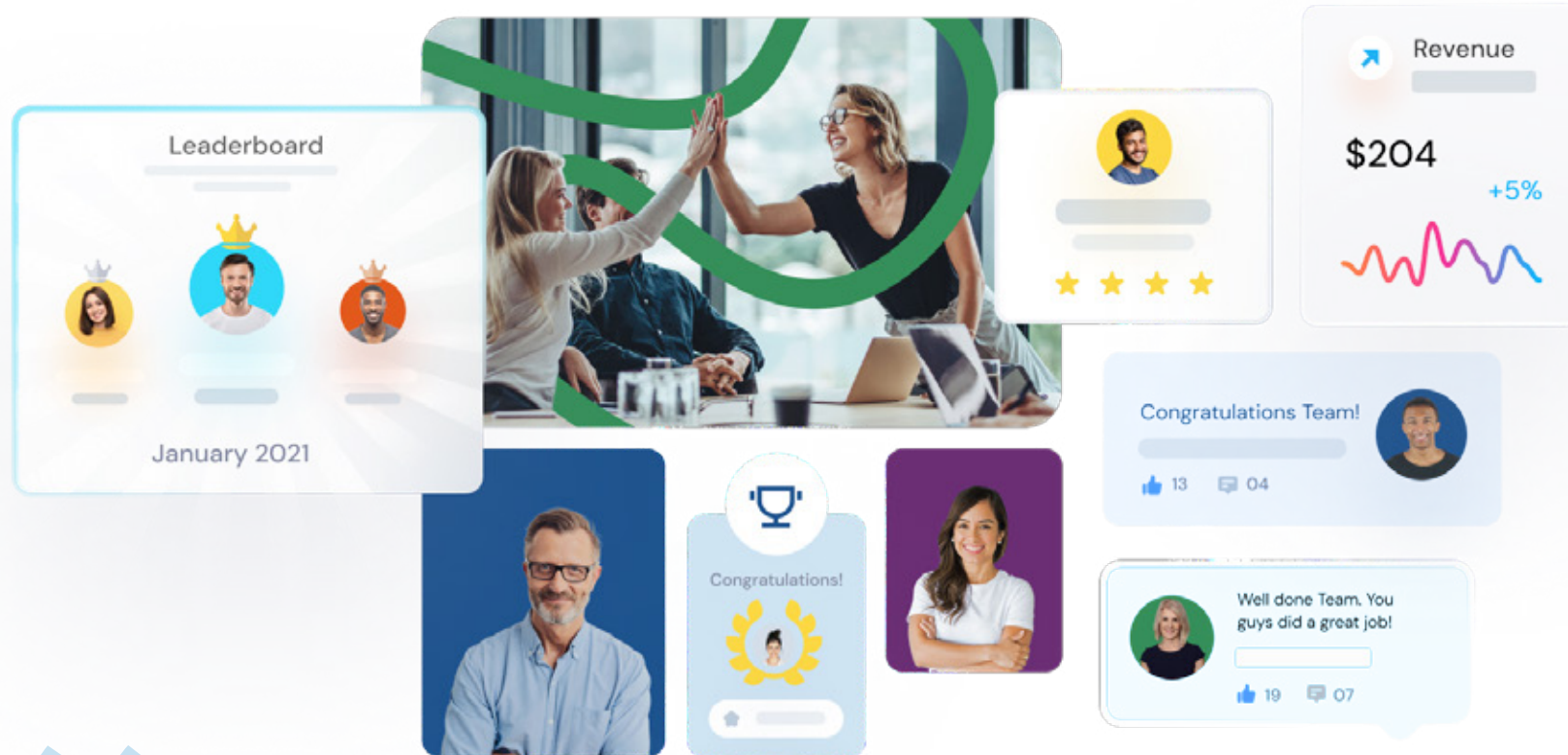
They are also passionate about their people, innovating to support and engage with them. An example is with their recognition program, where they moved from a manual process involving printed certificates and

trophies to a digital process through the Empuls platform.

This has opened the door to a variety of new opportunities to recognize employees, from celebrating work anniversaries and personal milestones such as birthdays, births and weddings, to living their company values and hitting sales targets.

They introduced peer-to-peer recognition with a nomination process, where if employees feel that any of their peers across teams have done good work, they can nominate them for individual or team recognition awards, along with reward points which can be redeemed within the platform.

This type of recognition is new to many of their workers, especially those in their manufacturing sites, and it has been met with positive feedback, as employees are finding it very easy and useful. Over 60% of employees currently engage with the recognition platform, and they continue to promote it to increase usage so that all employees have the opportunity to be recognized and feel appreciated.



“

The fact that all of the recognition can be done online, remotely, and with instant notifications to all those involved, really helps us build a culture of appreciation at our firm a lot more seamlessly.

Govind Bisht, Assistant General Manager – Total Rewards

We believe in building a happy and engaged workforce. And it's made possible by



www.empuls.io