Recognition Blueprint

AN EXPERT'S GUIDE TO BUILDING A HUMAN
CULTURE THROUGH SOCIAL RECOGNITION

workhuman*

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The deepest principal in human nature is the craving to be appreciated.

WILLIAM JAMES
Psychologist and philosopher

Inspired by the idea of creating a true culture of recognition? This guide offers a primer on the best practices for employee recognition, with practical tips for getting maximum results in culture management and employee engagement.

CREATE A SINGLE, UNIVERSAL RECOGNITION PROGRAM

The first building block of a successful social recognition program is simplicity of design. To be successful, you must create a single, centrally managed global program that is accessible to employees in all departments throughout your organization.

Your program must make giving recognition easy, intuitive, and fast for people who want to nominate and congratulate co-workers. It must make sure approvals are streamlined and include automatic notifications. And it must be universal – with a unified focus and a single brand, no matter how many locations or languages you support.

A single, universal program connects your entire workforce around common values and business objectives. It rewards equity and ensures compliance with tax laws. It cuts costs by streamlining disparate recognition programs. And it allows you to easily measure both your program – and your culture – around the world.

LEVEL THE RECOGNITION FIELD

A common and costly mistake some companies make in their approach to recognition is constraining it within hierarchical and departmental silos. If managers are the only distributors of recognition – permitted to recognize only their direct reports – companies miss huge opportunities to measure and manage their culture.

A great recognition program empowers and inspires all employees to recognize peers, managers, and subordinates – across departments and geographies – wherever appreciation is deserved. When you give employees permission to recognize anyone in the organization, you make everyone "own" the company culture, and you foster a true culture of recognition.

Employees are
2X more likely to stay
when they receive 7-10 recognition moments per year.[†]

OFFER A BROAD RECOGNITION CIRCLE

To create positive change, your program must touch your employees. Gone are the days of the uninspiring employee-of-the-month award with its reserved parking spot for the one "winner" in your company.

Because let's face it – your superstars are already performing well for you. Recognition should also cover the biggest part of your bell curve. Those employees are the engine of your company's success, and when the winners' circle is an exclusive club, everyone else is made to feel like losers.

The best practice for recognition is to reach 80%+ of your employees annually. That's because frequent, lower-value awards touch a greater number of people across your organization and motivate everyone to make contributions worthy of praise.

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We have lots of studies showing that if you recognize the kind of behavior you're looking for and highlight that to other people, they start to see that behavior is valued, encouraged, and appreciated.

ADAM GRANT
Best-selling author and
Wharton professor

GIVE TIMELY, ONGOING RECOGNITION

Stale recognition is ineffective recognition. Recognition shouldn't be a once-a-year – or even a once-a-quarter – activity. To positively affect behavior and reinforce values, workers need consistent, ongoing feedback.

Gallup's 2017 State of the American Workplace report[1] found that only three in 10 employees have received recognition or praise for doing good work in the last seven days. "By moving that ratio to six in 10 employees," the reports reads, "organizations could realize a 24% improvement in quality, a 27% reduction in absenteeism, and a 10% reduction in shrinkage."

What's more, employees prefer ongoing recognition. According to the 2017 Workhuman® Analytics and Research Institute survey[2] of more than 2,700 full-time U.S. workers, 58% said monetary rewards tied with recognition are more motivating when given in the moment – rather than in the form of an annual bonus.

How often should you recognize? Findings from the Workhuman Analytics and Research Institute have shown on average, an annual rate of 7 to 10 recognition moments is correlated with 2x lower chances of voluntary turnover.

LINK TO CORE VALUES & OBJECTIVES

A recognition program that is not linked to core values is like a ship with no navigation – aimless and off course. It's a wasted opportunity because recognition, when imbued with company values, is a vehicle to get your values off the plaque in the hallway and injected into the lifeblood of employee behavior. In fact, the 2018 SHRM/Workhuman Employee Recognition Survey[3] of HR professionals found a majority of companies (70%) have values-based recognition.

So how do you bring core values to life in your organization? The 2017 Workhuman Research Institute Survey Report[4] found, "In organizations with values-based recognition programs, employees are nearly twice as likely to believe passionately in their company's core values. Because the values are reinforced and broadcast in real time through recognition, organizations with values-based recognition are much less likely to have employees who are unaware of core values or find them meaningless or unrealistic."

Values-based recognition reinforces core values

57% Yes
My organization's core values are something I believe passionately in

Recognition program tied to core values

15% Yes
My organization's core values are something I believe passionately in

Recognition program NOT tied to core values

Source: 2017 Workhuman Analytics and Research Institute Survey Report

GAIN SUPPORT OF SENIOR-LEVEL EXECUTIVE CHAMPIONS

According to The Employee Experience Index[5], published by the IBM Smarter Workforce Institute and Workhuman Analytics and Research Institute, leaders and managers play a powerful role in setting the overall tone and direction of an organization – and making possible a more positive employee experience. To successfully move an organization forward requires a high level of clarity around future direction – coupled with a clear message that employees matter.

Because senior leaders should be the architects and caretakers of your corporate values, mission, and objectives, they should be evangelists for your strategic recognition efforts. Executives should lead by example, not be passive witnesses to cultural change. To drive the adoption and effectiveness of your program, senior leaders must champion it behind the scenes, and embrace and evangelize it publicly.

Jennifer Faulkner, vice president of team member engagement & communications at Baystate Health, a Workhuman customer[6], says Baystate Health CEO Mark A. Keroack, MD is a "recognition rock star." She continues, "He's a super user and was an early champion of the program. You can imagine what it's like for any of our team members to get a recognition from the CEO."

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> You cannot overplay the hand of gratitude; the grateful mind reaps massive benefits in every domain of life. Gratitude is the ultimate performance-enhancing substance.
>
> **DR. ROBERT EMMONS**
> Professor of Psychology at University of California, Davis

Engaged executives have engaged workers

56% of engaged workers say senior leaders give employees a clear picture of the direction the organization is headed

63% of engaged workers say their manager serves and supports the team

Source: IBM/Workhuman Employee Index Study

INVEST 1% OR MORE OF PAYROLL

One of the most common questions that arises once a company has decided to build a recognition culture is, "What should we be investing in our social recognition program?"

Survey results strongly indicate that an investment of 1% or more of payroll is where HR professionals can expect to see the greatest return on their recognition investment. The 2018 SHRM/Workhuman Employee Recognition Report[7] finds that recognition programs funded at 1% or more of payroll are 86% more likely to be rated as good or excellent, compared to "e-thanks." A majority of "e-thanks" programs (58%) are rated as poor or fair.

Not only do HR professionals rate programs funded at 1% or more of payroll more positively, but they're also much more likely to agree those programs are fully aligned with the organization's people strategy.

Why does that matter? The SHRM/Workhuman report notes that HR's people strategy is often tied to important business metrics, like the retention rate of critical employees, strength of company values, employee happiness, and even number of safety award nominations. Using a measurable social recognition program to shed light on these metrics can be an invaluable tool for HR.

Moreover, the money allocated to a new recognition program can often be found in legacy programs that are not nearly as effective or impactful as a unified social recognition program.

Programs funded at 1% or more of payroll are more integrated with people strategy

40%
say recognition is core to their people/talent strategy **when they have 1% or more investment**

19%
say recognition is core to their people/talent strategy **when they have less than 1% investment**

13%
say recognition is core to their people/talent strategy **when they have zero investment**

Source: 2018 SHRM/Workhuman Employee Recognition Report

Programs funded at more than 1% of payroll more likely to be positively rated

42% Good/excellent
Zero investment

59% Good/excellent
Less than 1%

78% Good/excellent
1% or more

Source: 2018 SHRM/Workhuman Employee Recognition Report

PUT SOCIAL RECOGNITION IN THE PALMS OF THEIR HANDS

Workforces are more mobile than ever before. People are busier than ever before. So by making your social recognition program portable, simple, and easily available, you'll also be making it more successful.

In fact, a great recognition platform enables people to access the program from their desktops, laptops, or mobile phones. "We have a large offline population – a lot of distribution workers and field workers who aren't necessarily sitting in front of a computer," says Melanie Filas, vice president, compensation at Cardinal Health, a Workhuman customer. "So, having the ability for them to pull out their phone and quickly access the app and easily recognize a colleague or to get their recognition right there on their phone in their timeframe is key. And it's so easy."

Make sure employees can do any of the core activities of your social recognition program – nominate, approve, receive, congratulate – from any type of device.

And be sure all activities are captured on one consistent platform. That way, you'll have all data at your fingertips, and can easily see the impact your social recognition program is having on employee engagement, productivity, and retention.

PROVIDE PROPORTIONATE, LOCAL AWARDS FOR ALL REGIONS

There are many horror stories about global merchandise awards backfiring – choices made in one country clashing with another country's local customs. That's because awards in different countries can differ dramatically in value (check out our beer graphic above as an example) – or even have no value at all because they are locally irrelevant.

Rewards must be local, proportionate, and appropriate. That means an award should have equal value all around the world, adjusted for local standards of living. It should also be locally relevant – no matter where in the world a receiving employee resides.

So an employee who lives in China will receive a reward that delivers real value and a lasting emotional impact – even if was given by someone living in another country.

Local value matters: check out relative beer prices around the world

| NEW YORK | AUCKLAND | BANGKOK | MEXICO CITY | DELHI |
| $8.97 | $5.88 | $3.12 | $3.03 | $2.31 |

Source: The Wall Street Journal

BRAND YOUR CULTURE

An effective social recognition program will to transform your culture for the better. So own it. Brand it. Make it a recognition program your people identify with emotionally. And make sure it accentuates your company's brand promise and corporate values.

"The SMILES program embodies everything that Hershey stands for," said Kevin Walling, chief human resource officer at The Hershey Company. "The smile is a universally known symbol that is meaningful across all cultures and is closely connected to Hershey's goals and vision. When our employees smile, we smile. And thanks to Workhuman we now have a way for recognition to reach all of our employees all over the world."

Studies show that employee happiness resulting from a pay action only lasts one to four weeks.

Recognition boosts culture
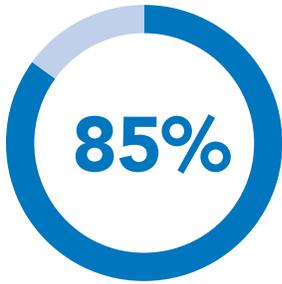
85% of HR professionals say their recognition program helps improve organizational culture

Source: 2018 SHRM/Workhuman Employee Recognition Report

week 1   week 2

Source: University of Toronto Rotman School of Management and Evolv Inc.

LEAVE CASH OFF THE TABLE

Everyone enjoys cash, but when it comes to recognition, cash is not king.

Studies show that cash rewards tend to be quickly forgotten or disappear into household accounts. A study from the University of Toronto Rotman School of Management and Evolv Inc[8], found that employee happiness resulting from a pay action only lasts one to four weeks.

More tangible noncash rewards offer a more emotionally powerful and memorable experience. The shopping experience provided by gifts and merchandise offers a more lasting reminder of achievement. In short, employees find alternatives to cash more meaningful.

COMMUNICATE AND TRAIN YOUR PEOPLE

You can create the greatest social recognition program in the world, but if people don't know about it, it's all for nothing.

That's why you need to build a solid communications and change management plan around your recognition program – for pre-launch, launch, and post-launch. Make sure that employees understand the company's recognition philosophy.

Get new employees excited about the program by making sure recognition training is part of your standard on-boarding process.

MAKE IT SOCIAL AND PEER-TO-PEER

Like most things in life, recognition is more fun and more contagious when it's not limited to an elite few.

Encourage employees to recognize one another's achievements and contributions – regardless of role or department. It's not only more fun, it also encourages people to be on the lookout for behaviors that demonstrate corporate values. And that helps reinforce those values across your organization.

By making recognition "social" – allowing people to easily see their co-workers' awards and add their own congratulations – you amplify the experience, and directly impact business results.

Note: If you want to prevent outsiders from seeing your company information, keep it social within the walls of your organization.

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One of the most valuable assets for any organization is its relational capital – the strength and quality of relationships that people have with one another ... That's why I think the idea of creating a peer-based 'currency of recognition' is such a powerful management breakthrough."

GARY HAMEL
Iconoclastic business thinker and best-selling author

week 3

week 4

MONITOR AND MEASURE

When you have a unified recognition program – one that is built upon your corporate values – you can easily monitor and measure all facets of the program.

You can quickly see:
- Where recognition is happening
- What you're spending on a weekly basis
- Which departments are the most active – and which have low activity
- What values are being recognized most often, by geographic areas
- And more

Be sure your social recognition program enables you to easily keep tabs on the metrics that matter most to your organization.

LEVERAGE YOUR CROWDSOURCED DATA

Recognition is an essential motivational tool. Great managers and leaders understand that.

But here's what many managers haven't figured out: Social recognition collects a treasure trove of powerful information and data about your talent and your culture.

This crowdsourced information about your organization – lifelogging – can be used to gain deep insights into which values are thriving and which employees are excelling.

Be sure your recognition program is not letting that data slip through your fingers. Offer it to managers to enhance employee growth and development, and use it to better measure and manage your corporate culture.

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What gets measured gets managed.

PETER DRUCKER
Management Consultant, educator, and author

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E-STAR is a powerful way for us to acknowledge employees who are supporting our brand promise and demonstrating behaviors aligned to our leadership attributes.

JENNIFER SWEDA
Compensation Manager at Eaton

DRIVE CULTURE WITH A COMPREHENSIVE SOLUTION

We've seen that a unified social recognition program – aligned to corporate values – is one of the most effective ways to shape and define a positive workplace culture.

But the effectiveness of social recognition in driving culture can be greatly amplified when combined and coordinated with other "touch points" that employees have with each other.

For instance, research has shown that recognizing employees' life events humanizes the workplace, and shapes the way workers feel about their company. And that translates into greater productivity and more discretionary effort.

A full suite of human applications – such as the Workhuman Cloud® – builds upon and enhances the power of social recognition. By combining performance development, service milestones, life events, and community celebrations applications with social recognition, the overall impact is greater than the sum of the parts.

Together, they are more effective in creating a truly human workplace – one where employees feel empowered, energized, and eager to do the best work of their lives.

Workhuman® Cloud

social recognition®

Crowdsourced rewards and positive feedback

conversations®

Continuous performance management

service milestones®

Dynamic career and anniversary awards

life events™

Celebrate life's meaningful moments

community celebrations®

Team celebrations, in and out of the office

Sources

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Workhuman® is the world's fastest-growing integrated Social Recognition® and continuous performance management platform. Our human applications are shaping the future of work by helping organizations connect culture to shared purpose. With a consistent stream of gratitude fueling unparalleled, provocative workplace data and human insights, Workhuman® Cloud is a critical software engine for global companies seeking to motivate and empower their people to do the best work of their lives. Formerly known as Globoforce and now doing business as Workhuman®, we were founded in 1999 and are co-headquartered in Framingham, Mass., and Dublin, Ireland.

To learn more about modernizing your employee recognition, give us a call.

+1 888 743 6723 | workhuman.com
Or read more on our blog: workhuman.com/whblog