

AWARDS NETWORK™

PLANNING A SUCCESSFUL AWARD PROGRAM

THE ULTIMATE GUIDE



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WHY START A PROGRAM

Your to-do list is ever growing and the emails just don't stop flooding your inbox. With everything else you have to get done, starting an employee recognition program is likely not your top priority but even though it may not seem a pressing task, studies have shown that an effective employee recognition program can have an impressive positive impact on a number of important aspects including employee engagement, performance, turnover, safety and even your company's bottom line.

Here are a few examples:

Increases in annual company revenue, revenue from customer referrals, overall sales team attainment of annual quota and improvements in annual customer service cost have all been directly tied to adopting an employee engagement program.¹

Engaged employees have significantly high productivity, profitability, and customer ratings, less turnover and absenteeism, and fewer safety incidents.²

Employees want to be challenged and intrigued by their work; they strive to have strong relationships with their colleagues and they're interested in feeling like their work is valuable to the growth of their company – and they want to be recognized for that work.³

THE MOST IMPORTANT ASPECTS

Before you start your employee recognition program planning, we want to stress the three most important aspects of any program. Take these into consideration every step of the way.

1. **Timeliness.** The most effective employee recognition programs provide recognition as soon as possible after a targeted behavior or activity is completed or a goal is achieved.

“Recognition should be timely, specific, and personalized.”⁴

2. **Relevance & Specificity.** The relevance of the individual goals, behaviors and activities your program targets should be obvious to employees so they know exactly why it's important to achieve them. As employees accomplish these goals, the recognition they receive should be specific in calling out exactly what they achieved and are being shown appreciation for.



3. Fairness & Consistency. Your program should be structured so that it is clear exactly what employees are rewarded for and practices should be put in place to ensure that rewards are given upon goal completion. Consistent review of the program should ensure that favoritism is not being given to any certain employee.

Did You Know?

The most important best practice for employee recognition is senior leaders taking the lead on ensuring employees understand organizational goals and desired behaviors.⁶

STEP 1: GATHER YOUR DREAM TEAM

Although many organizations task one go-getter individual to research and plan their employee recognition program, the most successful programs take insight and feedback from employees at different levels in the company into account.

If you have the capability, form a team or committee comprised of several people including employees, managers and senior leadership. Having more voices in on

the decision will likely extend the planning and decision making process but being able to take all those different viewpoints into account will not only make your program stronger, you will have individuals to champion your program at all levels of the company. As an additional important benefit, involving someone from senior leadership will make it more likely that you'll get the green light to implement your program once all the planning has been completed.

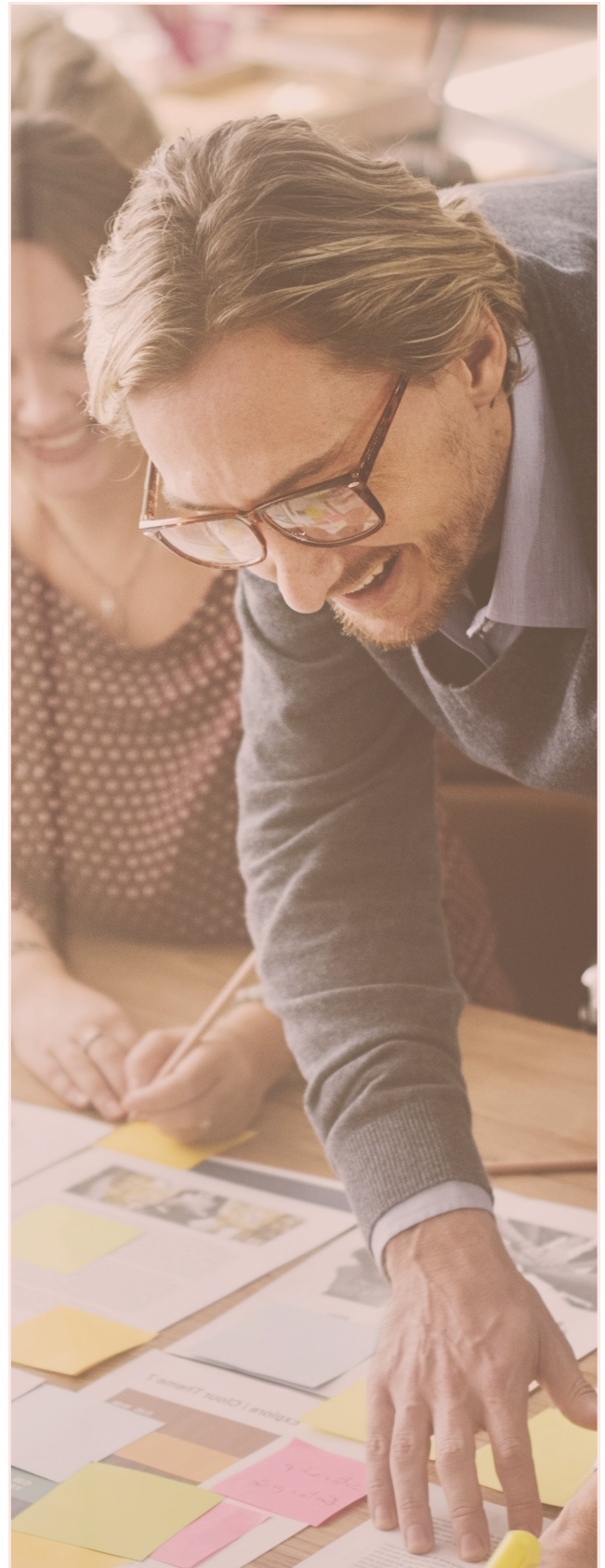
STEP 2: FOCUS ON THE BIG PICTURE

Before you start a list of every goal your team thinks employees should be recognized for, take a step back and decide what the main purpose of your program is. Are you trying to recognize years of service? Build a safety culture? Boost sales numbers? Show gratitude for referrals? Improve employee engagement?

Some organizations just want to give an award for one accomplishment, others have larger overarching goals that may require recognizing a number of incremental activities. Once your team has identified the main goal your program needs to focus on it will be easier to know whether you need to drill down and recognize further goals from there. Knowing what goal(s) you want your program to accomplish will also help you decide how to structure your program.

The Most Popular Big Picture Goals⁴

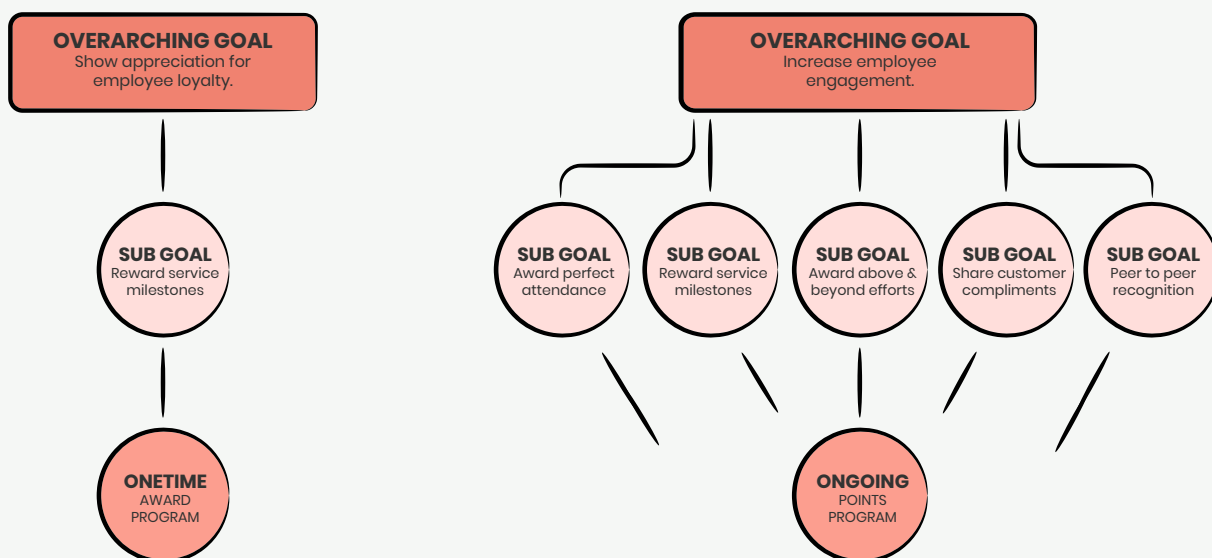
- 1) Recognize years of service
- 2) Create positive work environment
- 3) Create a culture of recognition
- 4) Motivate high performance
- 5) Reinforce desired behaviors



STEP 3: SELECT A STRUCTURE

Although there are countless program options available to you, there are two main types of program structures. Either the program allows employees to receive a set award for a specific accomplishment (reaching a service milestone, providing a good referral, meeting a safety goal, etc.) or it allows employees to earn “points” on an ongoing basis for a variety of activities and accomplishments.

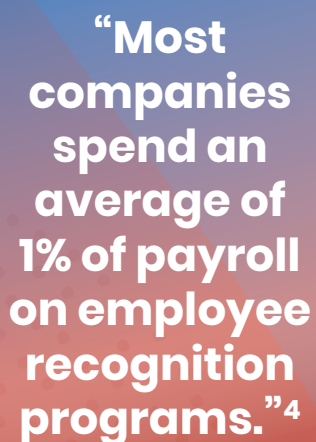
Once your team has decided on the big picture goal of the your program, it will become more clear which of these structures will best help you accomplish it. Will a single award provide the recognition you’re looking to give or do you need to reward a number of smaller, incremental behaviors and accomplishments to help guide your employees to the end goal? If you simply want to recognize employees who have reached a certain milestone



anniversary with the company, you probably need a simple award program. If instead, you’re looking to boost employee engagement or develop a safety culture, it might take ongoing recognition for a variety of accomplishments in which case the points based approach may make more sense.

STEP 4: PLAN YOUR BUDGET

Many of our clients report that setting a budget is their biggest hurdle in setting up an employee recognition program. Because it seems like such a daunting task, you may be tempted to skip this step and just figure it out as you go or hope for the best. Please don't!



“Most companies spend an average of 1% of payroll on employee recognition programs.”⁴

Setting a budget is vitally important in both getting your program approved by senior leadership and in ensuring that your program is successful long term. If you don't have a well thought out budget, one of two things will very likely happen – either you do not have enough money to make your program worthwhile or the program will be successful with the employees but you will spend too much money and leadership will cancel the program due to the unforeseen cost.

We have seen programs fail because of both of these reasons which is why we stress the importance of including a well thought out and approved budget as part of your planning process.

STEP 5: DETERMINE AWARDS

There is literally no end to the options you have for what type of awards you can use to recognize your employees. You can throw them parties, buy them lunch, give them logo'd items. Award them cash bonuses, gift cards, time off. Send them on a trip or make a donation in their name to their favorite charity. We could go on and on but instead, we will give you three pointers to consider when making this decision:

1. Don't use cash. Okay – we are obviously biased and you can certainly use cash or cash based gift card awards if that's what your team decides is best. We just wanted to note that there are numerous studies that show cash and cash based gift cards to be less effective motivators and behavior modifiers than other types of rewards.

70% of companies say tangible awards are more memorable than cash.⁸

2. The most successful programs reward employees with what they value most. Survey your employees to find out what types of awards would be most meaningful to them...but maybe don't include cash as an option because everyone will choose cash and...see #1 above.

3. Variety is the spice of life. If you do indeed survey your employees (and don't include cash as an option), you will probably find there is a variety of preferences. Because of this, programs that are able to offer the widest variety of reward options are usually your best bet.



STEP 6: HOW TO MANAGE

At this step in the process, a lot of you may be tempted to say you don't need a third party company to run your program. If you're at a small company (say less than 50 employees) or if this is your sole job duty (probably not), it could be worth a try but a lot of the new clients that set up a program with us have tried managing their programs in house and found that it was simply too much work to be handled effectively on top of all their other duties.

To be effective, third party recognition software must be customized to reflect the look, feel and content of the organization's goals and culture.⁶

Working with the right provider will make your program more effective and streamlined. A couple examples of what a provider should be able to help with include:

1. Program Planning & Set Up. No one knows your organization and what you need to accomplish more than you and your team, but a quality program provider should be able to ask the right questions to get you to think about all the important aspects of how to structure your program to successfully target those goals. Experience with other clients should allow a provider to give you suggestions or insight into how other companies have structured their programs to tackle some of the same problems.

2. Design & Marketing. An important aspect of a successful program is making sure it's communicated well and that the communication materials are visually appealing, effective and exciting. A lot of organizations don't have a dedicated marketing department to handle

3. Award Merchandising. Since, as we discussed, the most effective programs often require a wide variety of awards, just sourcing and stocking these items can be a full time job! Don't sacrifice the effectiveness of your program by limiting the available selections. The program provider you select should be able to provide a wide variety of awards that are high-quality and kept up to date. If you are utilizing an ongoing points based program you are also going to want the awards to be continuously expanded upon and refreshed to make sure there are always new and exciting options to incentivize your employees.

4. Reporting & Analysis. In order to ensure that your program is staying on target and effectively making strides towards the overarching goals you've set for it, you'll need to keep a "finger on its pulse". A good program provider will have a reporting package and administrative access available for you to access the reporting you'll need to monitor the program's progress. A better provider will work with you to review the progress, point out trouble spots and use their expertise to suggest areas where improvements can be made.

5. Customer Service. From assisting employees to accessing their award accounts to providing tracking updates and handling damaged award replacements, there are many customer service aspects that can arise throughout your program. A good provider will have a dependable customer service team that your employees can contact directly whenever they need some help so you don't have to be bogged down with the day to day minutia of keeping your program up and running smoothly.





STEP 7: LET IT SHINE!

Now that you and your team have worked through all of the planning and set up for your program, it's time to roll it out to your employees! Hopefully the survey and planning process have already generated a buzz that has been spread by your team members but you also want to kick off your program in an exciting way.

Make sure you spread communication about the program by whatever methods are most effective for your company. If your employees are mostly in an office environment, send an email blast announcing the program. If your employees are mostly out and about in the field, flyers with their paychecks or providing an introduction to the programs at team meetings might be more effective.

Ways to Keep Your Employees in the Know⁴

- 1) Send out introductory and update emails
- 2) Post information on intranet
- 3) Include details in the company newsletter
- 4) Promotional posters hung in break and community rooms
- 5) Flyers distributed to employees individually

“HR needs to work with management to do a roll out that is highly visible. The solution needs to be socialized within the organization and the workforce needs to know that it’s in their best interest to use it.”¹

STEP 8: REVIEW AND IMPROVE

The job isn’t over even once your program is off and running. Remember back when you decided what the big picture goal of the program was? You’re going to want to make sure that you’re reviewing the program on a regular basis to make sure that it continues to be set up to help your employees work towards that goal.

Participation rates should be monitored on a regular basis to ensure that your employees are aware of the program and that it continues to be relevant and utilized. Reporting should also allow you to keep an eye on the awards and make sure you’re staying within budget.

A successful program will continue to evolve as your initial goals are accomplished and new goals are set. Your team should continue to get feedback from employees at all levels of the organization to ensure that the program stays on target and relevant.

The Top 5 Ways to Measure Program Success⁴

- 1) Employee satisfaction surveys
- 2) Usage / participation rates
- 3) Number of manager and peer generated nominations
- 4) Turnover & productivity improvements
- 5) Customer feedback surveys

SOURCES

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5. Aberdeen Group – The Power of Employee Recognition, 2013.
6. Bersin & Associates – Making Recognition and Rewards Matter: Five Practices to Drive Better Business Results, 2012.
7. Incentive Research Foundation – The Benefits of Tangible Non-Monetary Incentives, 2010.
8. The Incentive Research Foundation – IMRA Small Business Merchandise Market Study, 2016

Ready to learn more?

REQUEST A DEMO

Awards Network aims to Amplify Workplace Culture® across all organizations, no matter the size or industry. Our proprietary engagement platform of rewarding activities and features creates an exhilarating employee recognition and appreciation experience for employees and managers alike.

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