

workhuman*

8 Smart Questions to Ask About Homegrown Recognition Programs





Many organizations run ad hoc recognition programs, such as throwing a monthly pizza party or passing out gift cards from a stack in the VP's office. Others see a recognition program as a piece of software, either designed in-house by their IT department or managed internally via a third-party messaging service such as Slack, Teams, or Yammer.

These organizations understand the power of gratitude and are looking to increase employee engagement, trust, productivity, and retention, and they believe using in-house resources is a cost-effective solution. However, homegrown programs rarely move the needle – regardless of the form they take. There's often not much strategy behind them, and what leaders believe to be a money-saving, engagement-increasing alternative could actually be doing the complete opposite.

When a well-designed, science-backed recognition solution is run effectively, the numbers don't lie: Prioritizing what's good for your people is also good for your business. World-class companies have seen the following results with Workhuman® solutions and expertise:



Customer since 2013

Employees who receive monetary recognition are 2x more likely to stay. Adding recognition data to the predictive turnover model increased accuracy by 10 points.



Customer since 2016

New hires that receive recognition are 5x less likely to leave within the first year. **Engagement surveys show an increase of 12 percentage points** related to recognition.



Customer since 2015

96% retention rate for all employees who receive 4+ awards. 54% of employees increase their performance rating after receiving 3+ awards.



Customer since 2021

70% of sites with effective recognition score high on engagement surveys and have seen **YOY improvements in productivity, safety, and quality.**

Sources: Click each customer logo to view the related case study



If you already have a homegrown recognition program or are thinking about creating one, first ask yourself these eight smart questions:

ONE

How will you measure success?

Will the success of your program be based on the number of recognition moments you achieve? How will you track changes in culture drivers such as levels of trust, manager-employee relationships, and employee experience? If you're not sure why numbers matter or how you will measure cultural impact, a homegrown solution may not be your best option.

TWO

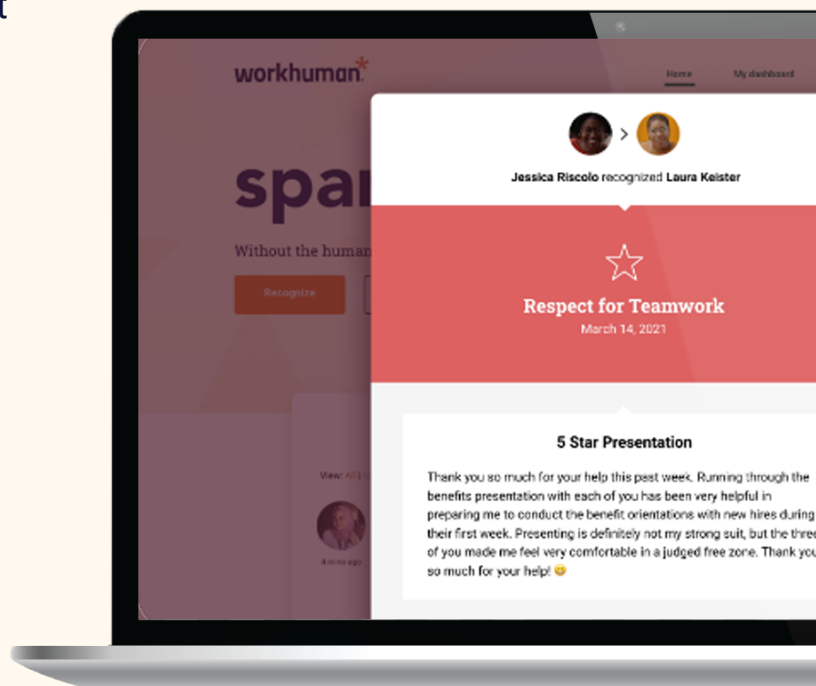
Who will guide you on motivating employees?

Recognition program design should factor in intrinsic and extrinsic motivation, the role of bias, and human psychology. Do you have an in-house industrial-organizational psychologist who knows the latest research on employee motivation? If you don't have a guide to industry best practices, your homegrown solution won't have measurable results.

THREE

Are you linking recognition to core values?

An effective recognition solution reinforces organizational goals and values and helps connect your culture to a shared, employee-driven purpose. An example of one such value is teamwork, as shown above. How will your solution inspire employees to embrace your organization's core values?





FOUR

How will you create consistency and prevent program abuse?

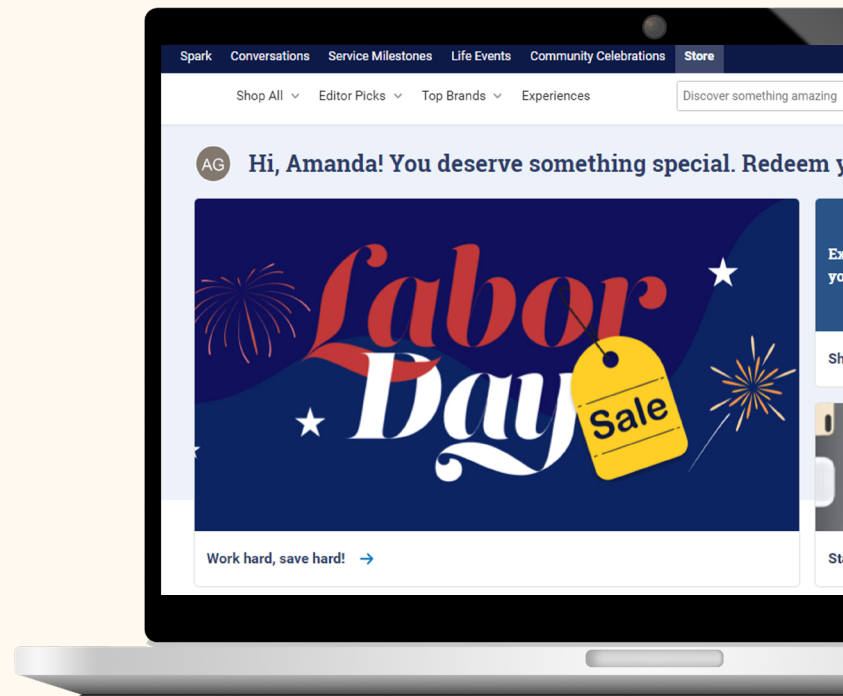
Think about how many office locations and departments your organization comprises. If you implement your own unproven recognition solution, you will have to ensure a consistent experience across each one, as well as establish safeguards to ensure the program cannot be manipulated by employees and/or leaders.

FIVE

Can you build a competitive in-house reward network?

A reward experience should be personal and memorable, and a program that only offers cash will not move the needle on culture change and employee engagement. Because of the fungible nature of cash, it is often lost in the monthly paycheck and goes toward gas, groceries, diapers, or other necessary expenses that are less than memorable.

Without lifting a finger, you can give your employees access to an expansive global rewards network with culturally appropriate options for merchandise and gift cards. Workhuman is committed to meeting your people where they are – we serve ~7 million employees in 180+ countries and 37 languages, and we recently added 300+ gift card options across North America, Europe, Asia Pacific, and Latin America.



SIX

How will you support the program, communicate change, and drive employee adoption?

For employees to truly embrace recognition, you need visible leadership support, internal marketing, launch planning, training, and executive sponsorship. If you use a homegrown program, you will need to hire or assign a dedicated person to monitor it and adjust the strategy to ensure it meets your organizational goals.

Also, consider that learning to recognize and be recognized is a new muscle. The most effective recognition programs leverage habit-formation tools such as nudges, internal ambassadors, and ongoing training. If employees fail to adopt and consistently use your DIY program, it will quickly be underused and forgotten during the natural flow of work.



SEVEN

Which department will administer this program?

Have you evaluated the administrative burden of a homegrown solution on your IT, accounting, HR, and/or operations teams? It doesn't stop at employee adoption – you will also need to manage merchandise and gift cards, including relationships with vendors.

EIGHT

Have you considered the global implications?

If your organization is global, your concerns don't stop at culturally appropriate redemption options. Some things to consider are:

- Translations
- Currency conversion
- How the date and time are displayed
- Cultural differences in motivation
- Accounting for recognition given and received across different countries
- Standard-of-living adjustments
- Domestic and worldwide award fulfillment

Why it's better to call in the experts

Even once you've considered all the questions above, measuring the success of a recognition program is an ongoing process. It has many benefits, but that doesn't make it a simple task.

After you implement your program, you will need to evaluate how well it meets your goals and update it as your workforce grows and develops. An effective, centralized recognition system will measure your workforce's data against other key performance data. It will provide relevant insights for line managers, leaders, HR, and executives. When built with an understanding of human motivation, best practices, and insight into organizational goals, an employee recognition program can give you a wealth of workforce data that a DIY solution can only dream of.

The results speak for themselves. Research by Gallup and Workhuman found that fulfilling recognition contributes to engagement, retention, and overall success.

Employees who **feel fulfilled** by recognition are:

4x

as likely to be engaged

less than 1/2

as likely to be looking or passively watching for job opportunities

44%

more likely to be "thriving" in their life overall

Employees who **don't feel fulfilled** by recognition are:

8x

as likely to be actively disengaged


4x

as likely to be actively looking for another job

62%

more likely to be "struggling" in their life overall

Source: "Unleashing the Human Element at Work: Transforming Workplaces Through Recognition," Gallup and Workhuman, 2022



Recognition is always cited in our surveys and by our employees as something that's so critical to our culture and what it means to drive our values forward.

CHRISTINE GRANT

Staff Compensation Analyst at GoTo

Source: [GoTo testimonial video](#), Workhuman, 2023

A well-designed program can also give visibility into larger organizational issues, such as:

- How employees are living your core values
- Turnover risk
- Implicit bias
- How work gets done
- Where collaboration is occurring
- Your most influential employees or “hidden gems”

When done well, recognition forges a workplace environment that fosters appreciation, empowers individuals, strengthens relationships, and provides a clear purpose aligned to achievable goals. To design this type of program takes insight, knowledge, and ongoing support, all of which come with a Workhuman partnership. The way we work is changing – and you don't have to do it alone.



Ready to optimize the human experience at work? Exceed your goals with an ROI-driven, end-to-end strategic partnership with Workhuman.

+1 888.743.6723 | workhuman.com
Or read more on our blog: workhuman.com/blog

Join HR's leading innovators and trailblazers at our next Workhuman Live conference.