

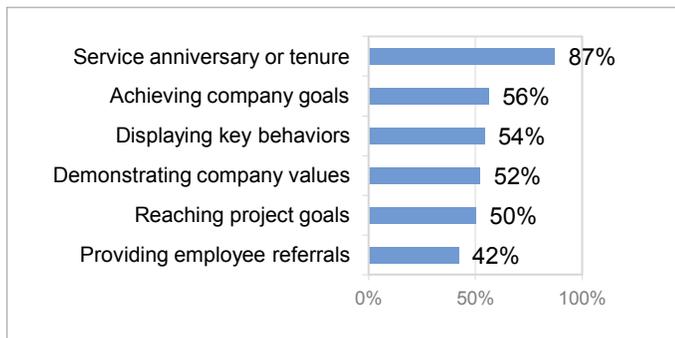
EXECUTIVE SUMMARY

Strategic Employee Recognition: A Hidden Secret at Your Fingertips

Gift cards. Thank you notes. Coffee mugs. Certificates. Each of these is a form of employee recognition in organizations today. But what do organizations get for the collective \$46 billion¹ they spend on recognition and rewards each year? Most of them do not know.

Two factors make recognition programs hard to quantify. First, recognition historically was a grassroots effort, with individual departments or business units making decisions about when, why and how to recognize employees. Second, the most common recognition program is one that acknowledges tenure (see Figure 1). These programs are often viewed by employees as an entitlement and, as such, many organizations are loath to abandon them. Given that HR leaders at these organizations believe they cannot get rid of tenure programs, many do not take the trouble to measure them. If they did measure these programs, our research shows they would, in fact, find that tenure awards have no impact on the outcomes which organizations care about most, such as employee engagement, productivity and turnover.

Figure 1: Frequency of Different Recognition Programs

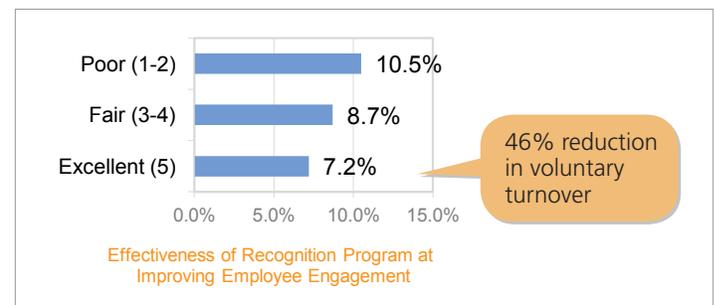


Source: Bersin & Associates, 2012.

¹ Source: Incentive Marketing Association, <http://www.incentivemarketing.org/>.

However, highly effective recognition programs can make a difference to metrics which organizations care about (see Figure 2). Specifically, our research found that those organizations with a recognition program which is highly effective at improving employee engagement had 46 percent lower voluntary turnover than did those organizations with ineffective recognition programs.

Figure 2: Impact of Highly Effective Recognition Programs on Turnover



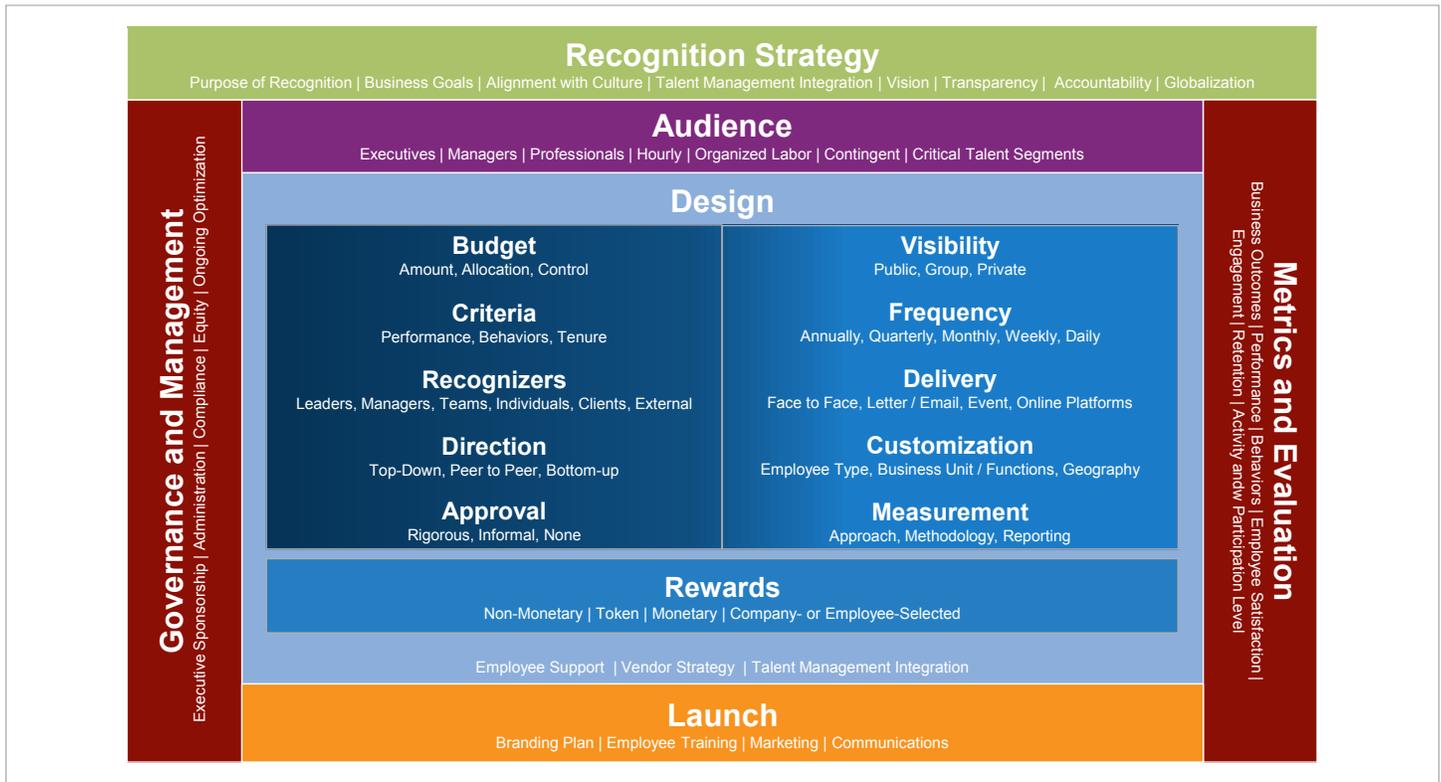
Source: Bersin & Associates, 2012.

The recognition programs that drive these types of results are not your father's recognition programs. Modern programs have evolved substantially, so that recognition now is all of the following:

- Strategically aligned to the organization's goals, values and mission;
- Specific and frequent, immediately reinforcing those goals, values and mission;
- Easy to do with fewer approvals required;
- Transparent, whereby more people can see who is getting recognized and for what; and,
- Focuses on behaviors, not just outcomes.

How do you develop a program like this? We have created the Bersin & Associates Employee Recognition Framework® to guide you through the process.

Figure 3: Bersin & Associates Employee Recognition Framework®



Source: Bersin & Associates, 2012.

Bersin & Associates Employee Recognition Framework

The Bersin & Associates Employee Recognition Framework is a roadmap to creating a comprehensive recognition initiative and the individual programs that support that initiative – with the goal of helping organizations capture as many of the potential benefits of recognition as possible. The Framework is neither a list of best practices nor a process-based overview of recognition. Instead, it is an at-a-glance image of all of the decision points that need to be considered when designing a recognition initiative and its supporting programs. In short, it is your guide to designing a high-impact recognition approach.

The Framework is meant to be read from the top down, in which organizations first focus on developing their recognition strategies and then identifying the relevant audiences. Organizations should then consider all of the elements within the design section when creating their programs.

After designing the program, organizations then launch it. Finally, they establish an approach for government and management, and for metrics and evaluation.

This type of comprehensive approach to recognition may be new to your organization. However, it is only by designing recognition programs purposefully that their potential benefits can be realized. For a full report on how to use the Bersin & Associates Employee Recognition Framework, as well as our research reports on employee recognition, please go to www.bersin.com.



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