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EMPLOYEE RECOGNITION AND AWARD PROGRAMS THAT WORK

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The purpose of employee recognition award programs is to say "thank you," "well done," "we value you as an employee." This purpose differs from the goals and objectives of other aspects of the total compensation. Salary is payment for doing the job; benefits are designed to protect the employee's well-being; short and long-term incentives direct and reward the achievement of specific performance goals. For an Employee Recognition Award program to work, it must be custom-made to fit your organization's culture.

Employee recognition awards can take many forms—thank you notes, pins, plaques, award ceremonies, company products, cash, company stock, employee photo in the company newsletter—to name just a few. The nice thing about employee recognition awards is that the number of ways to say thank you for doing the "right thing" is unlimited. And they are not necessarily expensive.

Companies often run several concurrent employee recognition award programs:

Length of service. One program may focus attention on tenure with the organization. This type of program recognizes service with the employer. Often these are in increments; for example, for each five years of accumulated company service. The recognition sometimes includes company-wide recognition in the newsletter or a letter from the head of the company. Sometimes the recognition may include a pin, certificate or being able to choose a gift from an approved catalogue.

Spot awards. Another program may be directed to those employees who have gone above and beyond the call of duty. This program may focus on one-time achievement, rather than sustained performance over a period of time. A common award for this type of program in an on-the-spot cash awards of \$25, \$50 or \$100. Other companies may offer

additional paid time off or another small gift award.

Noteworthy performance. Another program may focus on identifying a particular type of exemplary or noteworthy performance. Usually the performance to be recognized varies with the needs of the company. The company may change the type of performance rewarded from time to time. For example, identifying employees adding quality to the

work process or product may be important at one time; identifying and rewarding customer or client-centered employee performance may be appropriate at another. An inexpensive way to reward these employees could be to ask them to offer tips to new employees as part of the on-the-job training program. This technique also helps new employees to become more productive faster.

Peer recognition. Many employees consider this a very important reward. Department heads are critically important in this type of recognition program. Using part of their staff meetings to thank employees who have made outstanding efforts is both inexpensive and effective.

The point is to say "thank you" frequently to employees who deserve it.

If you are interested in starting an employee recognition program, the following information provides some tips:

1. *Think about your organization.* What is management's style in dealing with employees? Do they operate on an "open-door" philosophy or are they more closed and private? What kind of atmosphere is there, is it fun filled, very business like, customer-oriented, production driven? How trusting are employees of management? What is the current

mood of your grapevine?

2. *Determine the program's objectives.* Think through why and how this employee recognition program will benefit your

organization. Be clear about the types of performance and behaviors you are trying to encourage. Remember the behaviors you reward are likely to be repeated.

Get input from the right sources up front. Talk with management and employees about expectations for the recognition program. Gather examples of performance and behaviors that they would like to see rewarded. Analyze their ideas to develop the guidelines for identifying the performance to be recognized. Touch base with them to see if they think the guidelines or measures are reasonable and will be perceived as worthwhile.

3. *Define eligibility criteria.* Clearly define all those who will be eligible for each recognition award program. Do not leave any room for misinterpretation or misunderstanding. Should all employees be eligible or just certain segments of the workforce such as exempt or non-exempt employees, or just those employees in certain divisions or subsidiaries?

4. *Identify the decision-maker.* Specify who the decision-maker will be. The "best" decision-maker may vary with the objectives of each employee recognition program. Identifying those to receive five-year service awards is easy. Deciding if all supervisors or which supervisors should be allowed to give "on-the-spot" cash awards is much more difficult!

Ideally, distribute the *authority and responsibility* for the program as widely as possible in the organization. Provide criteria and show examples of the types of work behaviors that warrant the award. This will make it easier for all to understand how to judge the desired outcomes. This wide distribution of authority generally helps to ensure timely

recognition, which is extremely important to effectiveness. It is important to be prompt in saying thank you. Otherwise, the effectiveness of the program is diluted.

For your own information you may want to ask supervisors to let you know when they recognize an employee in any significant way. That way you can identify how the program is being used and any areas for improvement.

5. *Timing.* Determine the timing for the award. The purpose of the award should drive the timing. Attempt to encourage smaller awards more frequently and as qualified situations arise. Assign those awards of a competitive nature, e.g. employee of the month/ quarter/ year, to a schedule. The more significant the award, the more likely the timetable will be

drawn out for nominations, evaluation, final decisions and the ultimate reward. Calendars with due dates and deadlines need to be set up for this kind of program.

6. *Communicating the recognition.* Deciding how to communicate your recognition program will depend in large part upon the culture of your organization, including how comfortable your employees and managers are at being on display. In some corporate cultures, recognition by peer groups is important. In others, incorporating a written acknowledgment in the company newsletter will suffice. For some awards, such as one-time cash on-the-spot award, the award itself may be all that is necessary. Other types of employee recognition programs and cultures may require more elaborate ceremony by providing recognition at a company function in front of all employees. CEOs may present the winner(s) with plaques and other forms of recognition.

On an on-going basis, it is important to remind your managers and supervisors of the options available to them to recognize and reward various types of employee achievement. You can do this in a variety of ways: through your organization's policy and procedure manual, supervisory training seminars, staff meetings and in specific interoffice correspondence.

7. *Maintain flexibility.* Be prepared to change and modify the employee recognition program as circumstances warrant. New situations will occur that suggest the need to recognize employees in a different way. Be ready to suggest bringing in lunch on the spur of the moment to a group that is working hard to meet a tight deadline or to encourage supervisors to hold a car wash for employees as a year end bonus.

Listen to your organization's grapevine, employees and management to be ready to suggest alternatives and changes when they are necessary. Some organizations find that reviewing all programs periodically helps them to reduce those that are no longer needed and to revise others.

Do your part to help keep the doors to effective employee communication and reward systems open in your organization.

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