

Why Measures Matter:

Making the case for strategic recognition.

It's not uncommon for organizations to find their recognition programs disconnected from one another. Different departments, leadership, and management styles want to implement their own initiatives, creating more of a pop-up programmatic culture. However, these often end up being short lived and ineffective in developing long-term employee engagement.

The solution is to take a strategic approach to recognition with a supportive framework that is more than just a series of touchpoints here and there. Why? Because today's culture requires engaged employees who are more than just satisfied. And a recognition strategy will create consistency while aligning and integrating efforts across your entire system.

One of the most critical components of transforming a recognition program into a recognition strategy is around measurement – and being able to make decisions based on data rather than gut. The good news is that it's easy to put measures in place that allow you to test and learn, modify your plans accordingly, and use the insight to affect organizational change.



Qualitative & Quantitative Measures

To effectively build your recognition strategy using a measurement based, outcome-focused approach, start by identifying a mix of qualitative and quantitative measures. Examples of these include:

Qualitative Key Measures of Success

- **Leadership engagement:** Leadership endorsement and ongoing support of a program encourages increased overall engagement in the program.
- **Communications opportunities:** Create a mix of media – electronic, print, and environmental to promote your recognition strategy. Frequent and consistent messaging is key.
- **Training opportunities:** Leader training at program launch + ongoing education and reinforcement all support a recognition strategy.
- **Program review / Ongoing partnership:** Two to four formal program reviews yearly + monthly checkpoints allow for ongoing conversations around key measures, success stories, and program sustainability.





Quantitative Key Measures of Success

- **Touchpoints per employee per year:** The sweet spot for recognition touchpoints falls within eight to twelve annually per colleague.
- **Leader budget utilization discretionary recognition:** Target four to eight discretionary recognitions by leaders each month; dashboards monitor budget utilization quarterly. Fun fact: The Gallup Organization notes that 70% of the variance in engagement is tied to the manager.
- **Overall budget utilization:** This measure is a leading indicator that identifies if the targeted strategy is being executed to the fullest potential.
- **Program investment per employee per year:** According to the IRF's Industry Outlook for 2022: Merchandise, Gift Cards and Event Gifting, over half of respondents to their survey plan to spend more than \$250 per person on non-cash reward and recognition systems.

There are many reasons why measurements matter for a recognition strategy, but we believe these are the most important:

- 1) Measurement allows you to make informed decisions for continuous improvement.
- 2) Valid measures help you gain executive support and buy in with tangible data.
- 3) Standardized measures allow you to benchmark against industry best practices and correlate your program results to your employee engagement and retention rates.
- 4) Tracking measures allows you to understand where your investment is going and the return.

As Harvard Business Review recently stated, “the marketplace for talent has shifted. You need to think of your employees like customers and put thoughtful attention into retaining them.”¹ Recognition, founded on strategy and guided by measurement will support your employee engagement and retention efforts for the long term.

Look for our next topic on recognition ROO (return on objective) and ROI (return on investment) as we dive into the details supporting this business intelligence.

¹ <https://hbr.org/2021/10/with-so-many-people-quitting-dont-overlook-those-who-stay>