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PLANSOURCE

REWARDS, RECOGNITION AND RETENTION

How to Positively Influence Employee Narratives





Imagine if you could download your company's vision directly into the brain of each qualified job applicant.

Forget onboarding; we're talking programming.

Each new employee would have an instinctive knowledge of their specific job responsibilities, direct access to the proper resources, and instant company-wide communication. Wouldn't that make hiring and retaining the right people so easy?

For the time being, Human Resources is still just for humans, and they have something that robots could never match.

Each of your employees has a personal narrative, a story about his or her life and where it's headed. When this personal narrative aligns with your company's values and compensation, you get more than just an employee. You develop a dedicated partner in realizing your company's vision and success.

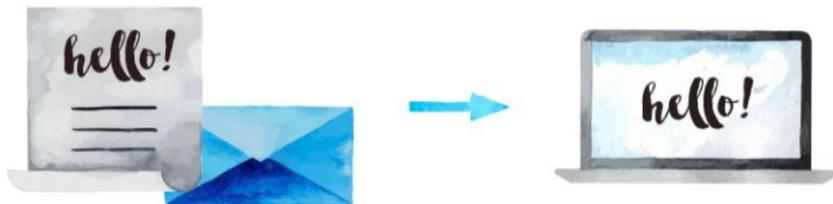
A New Narrative

Just a few decades ago, employee narratives were tied to location and communities. If you wanted to access or process information, you needed to be within walking distance of the file cabinet and stapler. Operators were standing by, waiting for calls from landlines to place orders from paper catalogs. And employees picked one of the companies in their town, put down roots, and settled in for a generation working at the same company.

Today, employees have more possible connections than ever before. With modern telecommuting, employees can fill positions from hundreds of miles away, increasing both the talent pool and the competition for it. With this newfound freedom, employees can craft their narratives in unprecedented ways, taking their careers across the nation and around the world.

If the world is so different today, why do many companies still use the same old HR strategies? One possible explanation: HR practices can only evolve as technology evolves. It's hard to conceive and implement innovative strategies when you're reading and recording paper time cards or typing everyone's PTO hours into a spreadsheet. Without technological advances, time-intensive processes limit HR's capacity for innovation and reduce management's ability to match company culture to employees' lifestyles.

Old habits are hard to break, especially when ingrained over decades. But to attract and keep talent in today's market, your company must go beyond the baseline of managing compensation and solving problems as they pop up. It's time to know your employees' individual stories and shape them into a [successful company culture](#).



Rewards: Incentives that Matter

There's a saying that there's no part of the human anatomy more sensitive than the pocketbook. Managing money flow between your organization and its employees is one of your most essential responsibilities.

That said, it can be all too easy to focus on money and forget what it represents. Money grants capacity. It lets us live, explore, invest, and give. When you're negotiating salary and benefits with your employees, you might be focused on the next year's projections. Meanwhile, your employees are drafting the next several years of their lives, including their future earning and spending power.

You don't know what the future holds. You might not be able to promise clockwork raises or cash bonuses. But [clear communication about your compensation package](#)—and what to expect going forward—is the first step to helping potential employees evaluate your company's place in their lives.



Personalizing Rewards for the Modern Workforce

Personalization is a huge part of our everyday lives; we can customize our daily cup of coffee, the vehicle we drive to work, the salad we order for lunch, and just about everything in between. So why should business initiatives be any different? Embracing this personalization for your rewards program will allow for incentives that resonate with a diverse workforce and will keep employees active and engaged within the company.

The most successful rewards programs embrace three key elements:

- Rewards are inclusive and open to all employees
- Rewards recognize behaviors that align with overall organizational goals and values
- Incentives are challenging but achievable

Plaques and certificates are nice, but what kind of rewards does the modern employee actually want? The most popular rewards fall into three categories: cash, gifts, and experiences.

Gift cards are great for smaller rewards and are simple and easy to execute. Other popular options include additional PTO, premium swag (like a company branded jacket), and cash bonuses—to name a few.

Feeling creative? Rewards are only limited by your imagination—ok, and your budget. But you don't have to spend a lot to make an impact. If you're seeking a few outside of the box ideas, consider office perks, like a standing-desk upgrade or soundproof headphones, a premium parking spot or office space, or a professional development stipend.

Do you want to really connect with employees? Give them a choice! Reward employees by letting them 'choose their own reward' adventure. For example, an employee could get a \$100 cash bonus, free VIP tickets to a local event, or an extra PTO day to use.

By embracing a custom approach to rewards, you will better connect with and meet the needs of your diverse workforce.



Recognition: Meaningful Interaction

While money is important, it's just [one of five different Wellness Dimensions](#) that play an essential role in keeping employees engaged and happy. When your policies help build social, financial, physical, community, and career health, they recognize your employees as individuals rather than cogs in a machine.

Another difference between human beings and robots: robots believe whatever you tell them. Humans don't just want any story as the story of their life. They want a true story.

That's why the best narratives are the most realistic and believable. It holds true for the page and the screen, and it's also true in your workplace. Sticking a gold star and an affirmation on an unfulfilling position won't change how your employees see it, not even for Millennials. A good narrative needs conflict, challenge, change, and variety. These factors are also what separate a career opportunity from a mere job.

When employees use their skills to overcome real challenges, earn monetary rewards, develop their skills, and still go home on time, they enjoy the reality of a balanced life. And this reality becomes the base for the story of their future—a future that includes their career with your company.

Creating a Culture of Recognition

Lack of appreciation or recognition is often reported as one of the top reasons employees seek other opportunities. And, as many HR teams are aware, turnover is a costly problem. Replacing a single employee can easily cost tens of thousands of dollars over the course of a few months.

Like many things in an organization, creating a culture that embraces and celebrates recognition starts at the top.

A few tips to create a recognition culture that sticks include:

- **Be specific:** Recognition is more meaningful when tied to a specific accomplishment or goal.
- **Be personal:** Steer clear of template-style recognition programs. Instead, make outreach authentic and personal.
- **Be timely:** Recognition given weeks or months after the fact loses meaning and authenticity.
- **Connect to the bigger picture:** Recognize behaviors and achievements that reflect and support overall organizational values and goals.
- **Make it easy to maintain and manage:** Recognition shouldn't be a chore; instead, make recognition fun and easy to implement and maintain long-term.

Recognition comes in many shapes and sizes. Public recognition during a company meeting or in a company-wide email is an easy way to recognize employees immediately. But it doesn't stop there—recognition can also be as small as taking the time to craft a handwritten note or to provide a LinkedIn recommendation.

The key to recognition success? Don't let initiatives become inauthentic or seem like a 'campaign' to keep employees happy. Rather, encourage managers to embrace a holistic and genuine approach to appreciation and recognition.

Employees are an organization's most valuable resource, and a well-executed culture of recognition will go a long way to increase loyalty and retention in the long run.

Retention: Meeting Individual Needs

As mentioned earlier, your employees aren't robots. They need more than monetary fuel and a six-month maintenance schedule. Their lives change, constantly. New relationships, meeting milestones in their hobbies, surprise medical bills, going from person to couple to family—every change forces your employees to evaluate whether their employment fits into their new life.

If you want to stay ahead of these changes, your organization needs to [develop consistent and frequent two-way communication](#). Rather than a traditional performance review model focused solely on meeting quarterly goals or external performance indicators, consider developing a culture of peer feedback.

Honest, constructive criticism in the moment does more to solve problems than tying performance to raises or promotions, and frees employees to bring up their concerns and voice their opinions.

Adding this practice to your company culture helps employees grow into better results, rather than focusing on showing better results without the performance to match.



Every employee has a unique narrative. Managing your rewards, recognition, and retention strategies to weave these life stories together will help your organization go from managing employees to building your vision together as a team.

Learn to really master these skills, and your corporate culture will go from stagnant sentences on a page to a living, lasting legacy that your employees will value and appreciate.

Retention: Strategies for Non-Robots

As we've already established, your employees are real breathing, thinking, working humans—and should be treated as such! A 'one-size-fits-all' approach to retention is not only antiquated, but also potentially detrimental to your organization.

Poor (or non-existent) employee retention programs can lead to a culture of gossip, complacency, and turnover—the exact opposite of what leaders should be trying to build. And turnover isn't just an internal problem.

Customers and clients notice when they're being handed off to new team members, and former employees will let out their frustrations across job boards and review sites, all of which can damage recruiting efforts and your brand overall.

On the opposite end of the spectrum, organizations that embrace rewards and recognition have drastically higher retention rates and an established sense of comradery across teams.

So, what are industry-leading companies doing to retain their coveted talent?

Rewards and recognition are certainly a large part of supporting retention. Acknowledging 'wins' and rewarding top performers will help employees feel heard and appreciated. But this is just the tip of the retention iceberg.

How else can HR teams and leaders support retention efforts?

First, be sure that retention is something HR is actively monitoring and tracking. Make sure company goals and expectations are crystal clear to all employees, create an open and honest work environment, and provide your employees with opportunities to learn and grow within the company.



Put It Together: Writing Your Narrative

Shaping company culture won't happen overnight. It will take time, patience, and practice to launch a truly successful rewards and recognition program.

But the long-term results will be well worth the effort, as you'll be able to watch your employees grow and flourish under your new narrative.

Make rewards personal and appropriate for the achievement. And, if possible, allow employees to pick their own reward.

Train managers and leaders to make an effort to recognize employees on a regular basis. Make sure that the recognition aligns with overall organizational goals and values and that the recognition is authentic and sincere.

Prioritize retention as an HR KPI and embrace rewards and recognition as an integral part of your overall retention strategy.

Additionally, make sure expectations are clear and give employees the support they need to grow and thrive.



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