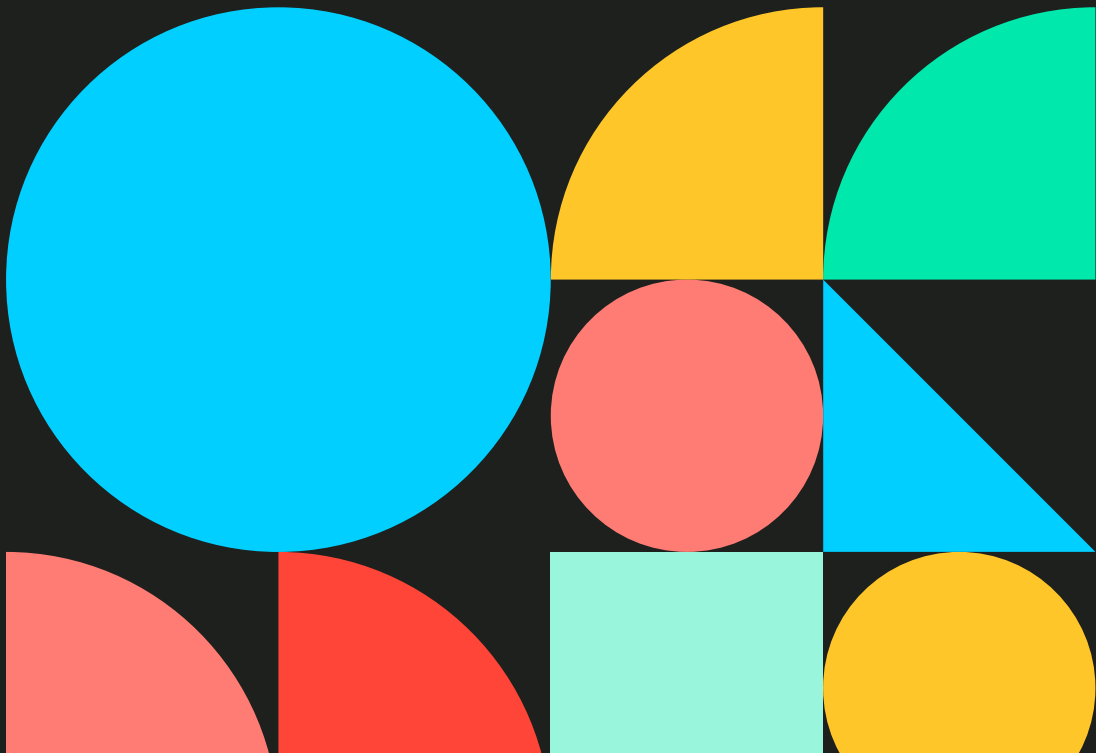


awardco

The Recognition Advantage

Bringing Happiness Back
to the Workplace



When you think of the words “work environment,” what comes to mind first? Maybe you think of Monday water cooler conversations where everyone scrambles to remember what they did over the weekend (ours is easy: stayed at home with a good book and a bag of Cheetos). Or perhaps you reminisce about effective brainstorm sessions, team lunches, or big projects you’ve completed.

Work is a big part of everyone’s lives, and everyone brings different thoughts and experiences to the table. The problem is, lately many employees’ thoughts on their work environment are preceded by words like “toxic,” “stressful,” or “unrewarding.” And they’re responding to those thoughts by leaving their jobs for greener pastures.

Our work environment today is constantly in flux, and it’s facing a time of unprecedented change and upheaval. Two correlated events have been the catalyst for all of this change:

- The COVID-19 pandemic
- The Great Resignation

The pandemic forced a huge portion of the workforce to spend more time at home, and that’s allowed these individuals to re-evaluate what’s important to them. Things like flexible hours, good health benefits, and comfortable working conditions are now front-of-mind for employees. In other words, **employees want to be happy at their jobs.** They want to feel valued and fulfilled, and they want their work to contribute to something meaningful.



And with the sheer number of job openings created by the initial pandemic layoffs, people have dozens of options to choose from. Why stay at a job where they’re not engaged or happy when they can choose from 10 similar jobs with better benefits and a better culture?

This brings up an important point that we need to emphasize: **compensation and benefits are not enough to keep people around.** A **toxic work culture** is by far the most common reason employees quit. To hit this point home even more, **feeling special**, feeling like a valued individual instead of just another worker, is much more important to employees than compensation.

So what can businesses and organizations do to focus on employee happiness and satisfaction? The answer is simple: treat employees more like people and less like a replaceable asset. And one of the best ways to do that is with employee recognition. However, many organizations still don’t know how to recognize in an effective way.

Employee Recognition: A Tale as Old as Time

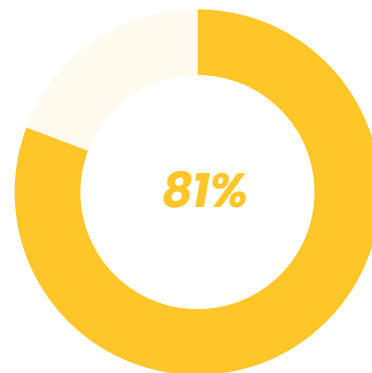
Employee rewards and recognition have been around for nearly a century. For almost 100 years, companies have been rewarding their employees for the hard work they do, which is amazing! But the problem with this is that employee recognition tools and methods haven't evolved as quickly as the work environment has.

Just think of service awards. While fancy watches, acrylic trophies, and company swag (the industry standard for recognition rewards) may seem like good rewards, do employees actually want them? Some companies are expanding with catalogs, but these offer limited reward options that can disappoint employees too.

Here's an analogy for you: in the past 100 years, the engine has evolved a lot. From steam-powered to gas-powered and now to electric-powered, innovation has made engines more efficient and powerful than ever. For employee recognition, however, many companies still use metaphorical steam or gas-powered systems that are outdated and ineffective. Innovation in recent years has given us better ways to recognize—we just need to take advantage of the changes.

Yes, traditional recognition is better than nothing, and recognition of any kind has an important place in any organization's employee rewards strategy. But only the most modern, employee-centric recognition provides the happiness that is necessary for a culture of engagement, satisfaction, and joy. Only modern recognition provides the retention companies are seeking.

HR leaders said it best in a study we conducted with HR.com: despite the fact that almost every organization has some kind of recognition program, **81% of HR leaders don't think it's very effective.**



And if your HR team doesn't believe in your recognition program, why would your employees?

The Recognition Disconnect: What's Not Working?

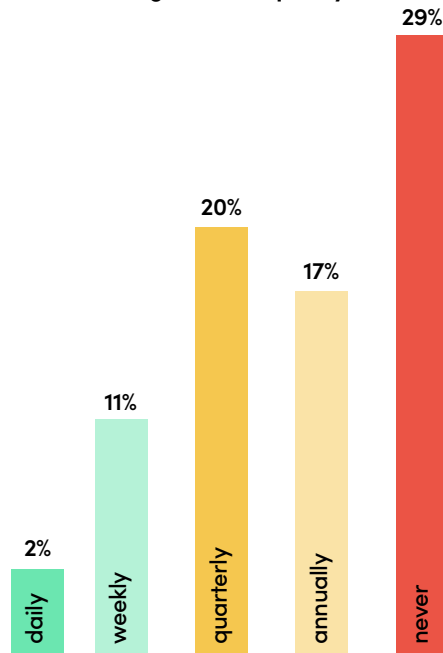
Some of the nitty gritty details about widespread employee recognition may surprise you. Like the fact that 2% of employees receive recognition daily, 11% receive it weekly, 20% receive it quarterly, and 17% receive it annually. That leaves 29% of employees who don't receive recognition of any kind!

In direct contrast to those statistics, 80% of senior leaders believe that their employees are recognized at least monthly. That's one of the biggest disconnects fueling the steam-powered recognition methods still around today.

Another is that 77% of HR leaders say that their employees told them the lack of rewards choice was the number one reason their recognition programs were ineffective. So even with a robust recognition program, if you don't offer the right rewards, employees still won't be happy.

(It's the same with office perks: while ping-pong tables and nap rooms may be great for some employees, others couldn't care less about them. Perks and rewards are similar in that they're only effective if employees can choose what means the most to them.)

Recognition Frequency



What Can We Do to Improve?

The solution to all of these problems, from toxic cultures to disappointing rewards networks, is deceptively simple. We have to foster an environment of positive experiences. Or, in other words, we need to focus on making employees happy.

The Science of Happiness



We're going to nip complaints in the bud right here. Some people may say "Happiness doesn't matter in the workplace," or "We're not paying people to be happy." These types of thoughts are shockingly common, and they're also patently false.

According to the book "The Happiness Advantage," happiness, or positive experienc-

es, leads to success. Yep, you read that right. Success DOES NOT lead to happiness. In fact, our brains are literally hardwired to perform best when they are in a positive space, not negative or even neutral.

The word "Happiness" is often used to describe a wide variety of positive experiences. Things like:



These types of positive emotions actually broaden the amount of possibilities and information we process, making us more creative and thoughtful.

Examples of Happiness in the Workplace

Here's an awesome example of the power of happiness. One study gave doctors a lollipop (that they didn't even eat) before an appointment. The other group of doctors didn't get anything. The group with the lollipops were put in a positive mood, and they showed nearly 3X more intelligence in making diagnoses and were 19% faster making accurate diagnoses. This shows that even **something as small as a piece of candy can have a big impact on performance.**

Several other studies have confirmed the positive effects of happiness. Optimistic salespeople outsell their pessimistic coworkers by 56%. Students primed to feel happy before taking a test far outperform their neutral or sad peers. Business professionals who viewed a happy/funny video before a presentation were in a better mood, which undid the physiological effects of stress.



The lesson we need to learn from this is that even small efforts to share happiness can have big effects on the people around us—and that includes recognition in the workplace. Now all we need to do is learn how to focus on employee happiness by providing a regular (and rewarding) recognition experience.

Employee Recognition Reimagined

Blazing new trails in the frontier of employee recognition isn't easy, but it can be done. Making work a happy, gratifying, and fun place to be is possible, and we want to help you spread those positive experiences to everyone you work with. Here are some tips for reimagining how you use recognition in your organization to transform your culture:

Celebrate Everyone

Every single person at your company deserves to be celebrated. We're all human, we're all unique, and we all bring our special talents, skills, and personalities to the table. That's why we recommend AT LEAST three celebration programs to make everyone feel valued:

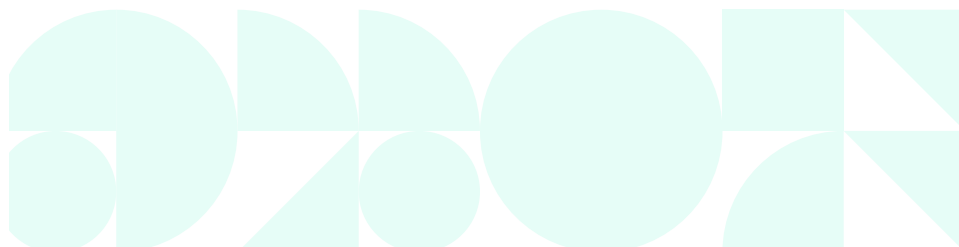
Birthdays. Birthdays are the perfect time to give each employee a gift, thank them for their efforts, and make them feel good.

If you're stressed about the time this might take, especially if you have hundreds or thousands of employees, consider automating reminders so that you never miss a birthday.

Service anniversaries. Every employee also has a workiversary that you can and should celebrate with them, and it doesn't have to take a ton of your time as the admin, either. Remember that automation can be a huge time saver!

Holidays. Holidays are perfect for celebrating everyone in the company. And did you know that the first Friday in March each year is Employee Appreciation Day? There's another great opportunity to celebrate your employees!

These are just three opportunities for celebrating the good in each of your employees. However you choose to celebrate, make these occasions special, and people will be all the happier for it.



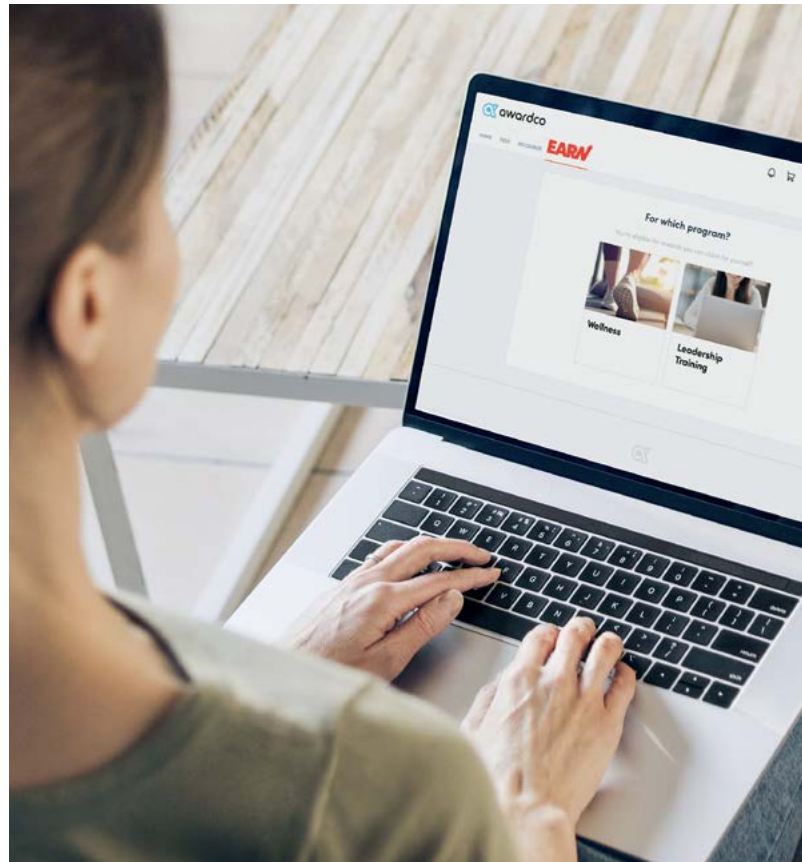
Recognize High Performance

With a foundation of far-reaching celebrations at your business, you can then move on to the next level: recognizing high performers. And this is the perfect time to mention value-driven recognition. When you recognize employees who embody the values and behaviors that you want in your company you encourage those values and behaviors in your culture. It's a great self-propelling cycle.

To recognize high performers consider creating all sorts of different recognition programs (we recommend at least two), such as sales incentives, wellness programs, value spotlights, referral programs, and work from home programs. Then, when someone knocks it out of the park in one way or another, simply recognize them for it. Include the capability for both peer-to-peer and manager-to-report recognition to bring everyone in on the celebration train!

Remember, just like we talked about with service awards, when you recognize someone for their extra effort, you should offer them a choice when it comes to their **rewards**. The power to choose their own rewards can be a powerful and highly motivating tool.

Keep in mind that recognition doesn't have to be partnered with rewards to be effective. A simple "thank you" or handwritten note from a manager can be some of the most powerful recognition for both the giver and receiver—they both receive the emotional highs of showing and receiving gratitude.



Earn Programs

In addition to traditional recognition programs, consider offering **Earn** programs. These are ways to incentivize behaviors with points and rewards. Whether you want to encourage employees to take a survey or push them to hit their personal wellness goals, Earn programs are the perfect, customizable tool for your ever-changing workplace.



Reward Your MVPs

Every company has employees who truly go above and beyond, and these superstars deserve to be recognized for what they do. These rewards should be top-of-the-line to accurately reward the top-tier talent you're toting. And if you're apprehensive about offering big gifts, keep in mind, the cost of rewarding these employees far outweighs the costs of replacing them. And remember that you don't need a lot of these types of programs. In many cases just one reward program of this type works wonders.



Whether you have a program with a large cash bonus for employees who perform the best, or you host a public ceremony to recognize employees who are nominated by their peers, rewarding these MVPs should be a no-brainer.

Utilize the Largest Reward Network on the Planet

Whether you're rewarding your MVPs or simply gifting an employee something small for their birthday, the power of choice is vital. Remember, 77% of HR leaders said that the lack of choice was the top reason their recognition program wasn't effective. To combat this, consider what Awardco can help you give your employees:

- Zero markups
- Fast shipping
- Free shipping options
- A hands-off, automated experience for administrators

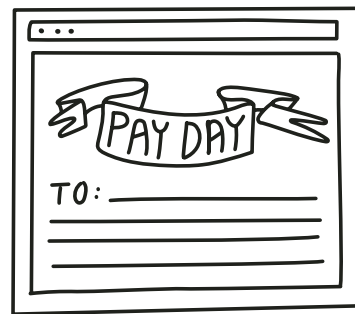


Don't Forget About Reward Compensation

Reward Compensation is compensation employees get on top of their regular paycheck. We've pioneered it, and so we like to call it [Awardco Pay](#). With this kind of program you can re-allocate your existing rewards budget and automate it to go out to every single employee at the beginning of each month.

Think of it this way. You wouldn't only show love to your partner one day every year and spend the rest of the year barely acknowledging their existence, right? That's what yearly bonuses can be like for employees (which is why you may see voluntary resignations more in January). Why not recognize and reward them throughout the year, and use your existing bonus or service award budget to do it?

You can use Awardco Pay in whatever way you see fit, from an extra payday each month to a travel stipend to encourage people to take vacations. Whatever you choose, instead of a regular, expected paycheck, employees are rewarded even more for their



hard work—plus, you can even choose to limit what this reward compensation can be used on. That way you can encourage employees to use it on themselves rather than just the necessities.

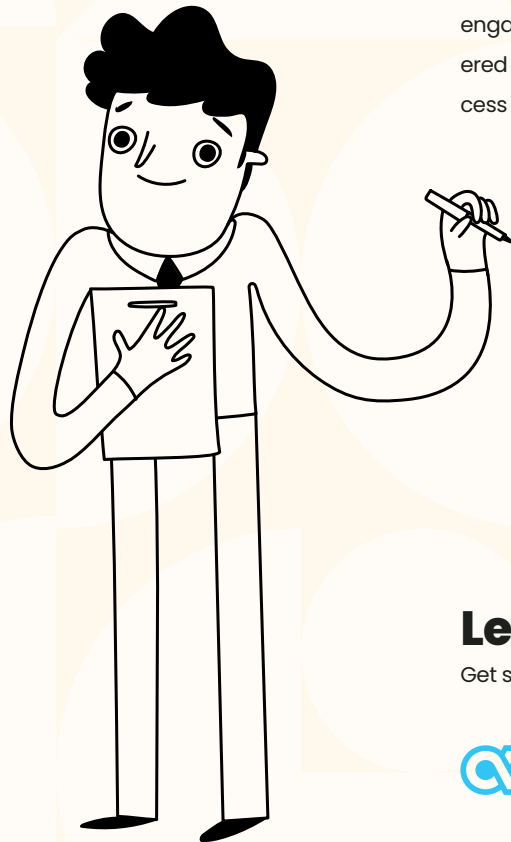
As we mentioned in the beginning, competitive pay isn't enough to retain employees any longer, and traditional employee recognition doesn't cut it either. That's why we're not just thinking outside of the recognition box—we've moved outside the box, crumpled it up, and tossed it in the trash. It's not just about giving money or choosing gifts anymore—it's about changing the dynamic between employee and employer to build loyalty, trust, and happiness that goes both ways.

Employee Happiness and Recognition: *A Match Made in Heaven*

Employee recognition is all about creating a culture of rewarding work, feelings of appreciation, and happy people. We have the incredible opportunity of reversing the “success=happiness” mindset and really putting the focus on happiness first. And this isn’t just some feel-good suggestion that will waste your time. No, employee recognition has

awesome ROI as well, and we have a [calculator](#) you can use to see that for yourself.

However, we can’t embrace happiness or see the benefits with stale recognition practices and outdated reward catalogs. But with small and simple changes to the established industry, Awardco helps you bring the focus back to employees and what makes them happy. And with greater happiness comes greater retention, productivity, and engagement. Upgrading from steam-powered averageness to electric-propelled success really is just that simple.



Let's talk!

Get started at awardco.co/start

 awardco