

Private Sector Recognition and Rewards:

A Collection of Examples

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HOW PRIVATE SECTOR REWARDS AND RECOGNIZES: A COLLECTION OF EXAMPLES¹

COMPENSATORY TIME OFF

#1 Nike

Many companies, small and large, are scrambling to recoup the damages from not including employee mental health in their employee recognition or wellness strategies during and after the COVID-19 pandemic. The number of mental health diagnoses has doubled in the last year and it now accounts for almost half of long- or short-term disability claims. Mental health is an investment for companies now - if you want to talk return on investment, think <u>300-500%</u>.

Not long ago, **Nike closed their corporate offices for a week to allow their employees to rest**, **relax and recharge**. The response to this employee recognition move was varied, with many people criticizing the fact that the week off only applied to corporate workers. Other people viewed it as a galvanizing force in a corporate working revolution.

#2 Cisco

Ranked 18th on the 2020 Forbes list of the World's Best Employers, tech giant **Cisco gave its nearly 76,000 global employees a day off for mental health** in May 2020, followed by another day out in August to 'unplug.'

The company also implemented a global peer-to-peer reward and recognition program called 'Connected Recognition' funded at 1% of the payroll, a paid day off on birthdays and discount programs to all employees.

#3 Apple

After being named among the top 10 employers to work for by LinkedIn and in the top 20 by Indeed in the last 4 years, people are wondering what makes Apple so special to work for. While the award from Indeed was based on employee feedback and reviews, the award Apple received from LinkedIn was calculated based on some key metrics: job demand, engagement with the company, interest in employees and retention.

Since the famous <u>email from Tim Cook to his employees in 2011</u> announcing 3 extra days of paid time-off, Apple has been recognized as a galvanizing force in the realm of employee recognition and rewards.

At Apple, employees can benefit from comprehensive medical care, large bonuses and even pet-sitting services. <u>Apple also provides mental and wellbeing support, along with personal and professional</u> <u>development and an extra \$25 for every hour employees spend engaging in charitable</u> <u>activities.</u>

¹Sources of these examples have included: <u>Rewards and Recognition Network; Medium; Lifehack; Workhuman; Spiceworks; Forbes;</u> <u>Employeebenefits.co.uk; humanresourcesonline.net; piggy.eu; emuls.io; the companies' websites and others.</u>

REDEEMABLE POINTS

#4 Zappos (subsidiary of Amazon)

Incorporating peer-to-peer employee recognition and rewards is a great way of fostering a strong working culture and team spirit within your company. It's all in the numbers, and research shows that peer-to-peer employee recognition is <u>36% more likely</u> to have a positive financial impact in comparison to managerial recognition.

Zappos, the footwear subsidiary of Amazon, has a multi-layered employee rewards and recognition program. Employees can nominate and reward each other through submitting their reasons for nomination. <u>Rewards</u> <u>come in different forms</u>, with employees able to nominate each other for the best parking spots, give each other \$50 "Zollar" bonuses every month, or nominate each other for HERO awards.

Furthermore, <u>employees can receive nominations for Zappos dollars ("Zollars") for completing</u> <u>training, answering questions or giving a helping hand. "Zollars" can then be redeemed in</u> <u>the Zollar store, redeemed against movie tickets, or donated to charity.</u>

This is a great example of an employee rewards and recognition program that contributes to your strategy and vision as a company.

#5 Southwest Airlines

Ready for some SWAG? That's right - Southwest Airlines Gratitude. Southwest Airlines look after their own, even going as far as to say that gratitude is a way of life for them.

The company is a prime example of how to tie employee recognition and rewards program to organizational goals. Within their program, they coined the tagline <u>"We Came. We Saw. We Kicked Tail."</u> - also known as the 'Triple Crown' for customer service.

Southwest has their own university and reimburses employees up to \$5,000/year for undergraduate and postgraduate studies. They also offer a 401K plan, profit-sharing schemes, stock options, interdepartmental days to try out new jobs and rewards for partaking in charitable outreach programs organized by the company. Every time an employee receives a Kick Tail, they get a chance to win some SWAG points during that month. Employees can nominate peers for inclusion in exclusive points programs, recognition from senior management or even the CEO, and also send each other more personal cards.

With SWAG points, employees have the choice. The points act as somewhat of a flexible currency, with employees being able to exchange points for vouchers, flying member points, film or event tickets, or even merchandise.

#6 Unilever

Unilever was featured in the Forbes 2021 list of America's Best Employers for its approach to motivating, recognizing and rewarding employees for their hard work.

Its bespoke, global digital reward system, <u>uFlexReward (developed in-house and rolled out in 2015)</u> analyzes individual preferences to offer personalized benefits tailored to employees' needs.

The company also organizes 'The Unilever Heroes Awards' annually to celebrate, honor and recognize employees who make a difference and show great initiative and commitment.

#7 Siemens (health-tech)

Siemens has paid nearly £3.8 million in employee rewards since May 2009. It has revamped its generic e-card gifting program to the new 'Champions' and 'You Answered' programs which allow both leaders and co-workers to reward and recognize good performance in colleagues with thank you e-cards and redeemable points.

In recent news, the company rewarded its 300,000 global employees (senior managers were excluded) with a one-time bonus of €1,000.

LOW-COST RECOGNITION AND REWARD PRACTICES

#8 E.On

Nobody said that recognizing or rewarding employees had to break the bank. Sometimes all people want is a simple word of thanks. After all, <u>82% of employees</u> said that they would be happier if they were recognized at work.

Can it really be as simple as writing a note? Well, yes. This example shows how a simple "buzz" in the form of a physical or digital recognition card can bring your workforce back to life. E.On identified this and **incorporated personalized thank-you notes that can be written by peers or managers alike**. The results? You guessed it: when surveyed, the number of employees feeling valued had increased by 1/3, staff motivation had increased by 8 points to 69% and employees' understanding of the business decision process also increased by almost 1/3, growing from 57% to 75%.

#9 Typeform

Taking a varied approach to rewards and recognition programs always helps. This keeps motivation among employees high, as there is always a reward to chase. Making sure that rewards and recognition are given regularly is key to success.

A rewards program should be aligned with the greater strategy and culture of a company and employees should be given <u>recognition and/or rewards at least once a month</u>.

Typeform has identified a cost-free way to boost employee morale and motivation - employees are encouraged to **show recognition and appreciation to their colleagues who have completed top class work by starting a** spontaneous round of applause. Employees can also earn "Typecoins" that can be redeemed when employees feel like giving themselves a little gift.

#10 GE Healthcare

GE realized that continued engagement would be key to sustaining the impact of organizational change. The company doubled down on its engagement and recognition efforts after restructuring its manufacturing site between 2010 and 2014. It created an Employee Forum where employees could communicate, collaborate and give recognition to each other.

The company also started weekly meetings that took a creative spin on regular employee-manager check-ins. A **<u>wall-mounted dashboard highlighted performance and achievements</u>**. Friday meetings were held at the manufacturing site's restaurant in a comfortable environment for employees.

Finally, employee recognition was formalized as part of monthly team briefs, and six-word success stories of employees were publicly presented in poster format.

GE's strategic employee recognition schemes were part of its holistic change management plan to help employees feel secure after a major organizational shift.

COMBINED RECOGNITION AND REWARD TACTICS

#11 Google

According to Forbes, studies have shown that a top reason employees leave their jobs is lack of recognition. As many as 66% would leave if they did not feel appreciated — and that number jumps to 76% among Millennials. That's as many as three-quarters of today's workers.

Google set out to address this issue with a multi-faceted approach. The company offered rewards that reflect what matters to employees. It gave them a choice. They made the reward experience something employees truly wanted and not something determined by a few people. Furthermore, Google made recognition and rewards part of its culture.

See the underlying principles of Google's strategy below.

(i) Give experiences not money

Google learned that non-monetary awards motivate people better than cash. The company tested a program to generously reward the people who performed exceptionally in their accomplishments, offering huge sums of money – up to \$1 million – for its best performers. The program was a dismal failure. They discovered that it resulted to jealousy and resentment.

They phased out the cash rewards program and rolled out a new rewards program that offered experiences — everything from dinners out to new tech gadgets to international travel. Employees said they found the new program more fun, more memorable and more meaningful than the cash award.

According to Google's former HR head Laszlo Bock, cash prizes are evaluated on a cognitive level, and seen through practical eyes. Meanwhile, a non-cash prize conjures up a different feeling, triggering an emotional response.

Bock stated that "employees will end up happier if you give them an experience—something personal and nonfinancial".

(ii) Awards need not be expensive

The most important thing is that a company rewards and recognizes its employees. The amount of money invested in an awards programme does not have to be significant to make a difference.

(iii) Allow both managers and their peers to recognize/reward employees

Google uses a spot bonus programme for rewarding outstanding one-time achievements. Managers are allowed to reward employees who worked on their projects or team initiatives.

Employees can recognize and reward their peers using a peer bonus. Any employee can recognize exemplary work of peers that may not be readily visible to managers.

(iv) Recognize team achievements

As the Society for Human Resource Management points out, "successful organizations are highly innovative, and innovation requires teamwork for the development of new ideas. Team-based incentives create, as well as emphasize, the need for collaboration across the company."

Google has a program to allow executives to reward groups or big teams for exemplary performance. Not only does this program provide a unique reward for all team members but it also promotes teamwork and bonding.

(v) Give lots of thanks

Google employees are encouraged to recognize their co-workers by sending simple thank you notes. With their peer-to-peer recognition program, employees can publicly demonstrate their appreciation of the work and contribution of their peers.