



Implementing A Reward & Recognition Program: An HR Guide



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Introduction

The organisations' expectations of HR have shifted - from it being transactional to having critical strategic capabilities. Modern-day HR are increasingly being asked to support their wider organisations on a range of key business priorities, from talent optimisation to staff motivation. Technology enables HRs to diminish their tasks and take help of data for more strategic HR decision making - probably why workforce analytics as a discipline is expected to be worth £1.44 billion by 2025.

Managing motivation across the organisational levels and matrices became another tedious transaction for HR. Modern rewards and recognition platforms stepped right in to fill that gap. Even though these dedicated rewards and recognition technology tools are a relatively recent addition to the HCM technology landscape and they have rapidly advanced in terms of usability, capability and manageability.

While the technical implementation of recognition and rewards platforms is easier today due to advancements like cloud deployment, mobile enablement and leveraging of social technologies, significant effort is needed to put processes that support the technology solution implementation. The most successful use cases of this RnR technology implementations are in organizations who exhibit ardent top-down efforts to drive culture, transparency and collaboration.

Examples of such organisations amongst high-performers are many. Even amidst the supplier ban that the US imposed on them that choked their supply chain in July 2019, Huawei is said to have rewarded their staff for boosting revenue over the first-half despite difficulties. About the same time even General Motors announced the deployment of employee recognition and engagement software globally to its 160,000 employees. Unilever unveiled their home-grown employee total rewards software uFlexReward in August 2019, after a year-long of development efforts.

2. Choosing a Rewards and Recognition software vendor

HR professionals can only achieve their strategic ambitions if the rewarding basics are taken care of – and the solution providers can speed this up preferably with fit-for-purpose assistance and great usability. Fortunately, today’s RnR systems are capable of so much more than basic reward allocation tasks; they have the potential to boost employee engagement, empower employees, improve cross-company communication, integrate with business systems to eliminate duplicate data entry and deliver sophisticated reports and management information.

A modern RnR software provider needs to have adopted the advances in technology such as growing mobility, cloud-based software provision, and the increased security considerations that come with managing sensitive personal data digitally. Each of the following groups’ needs should be carefully considered, and they should be consulted with and involved in the decision-making process:



2.1 Priorities of CXOs



Live Info On Employee Sentiments & Issues



BI And Actionable Insights



Tools For Inclusion And Diversity



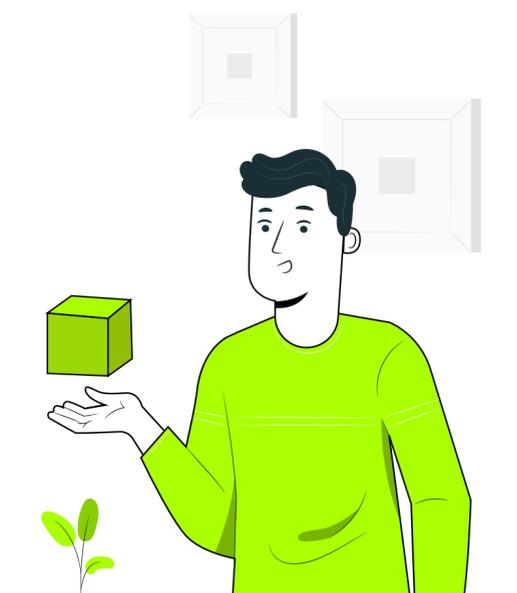
Access To Real-Time Engagement Gaps



Set Organizational Tone, Culture and Values



Reinforce Organisational Values



Most chief executives have a more hands-on role in their organisations today than they did 10 or 20 years ago. In the knowledge and service economies, organisations are only as good as their people – so the chief executive will want to have a strong handle on the mood, and calibre of their workforce at all times. These busy people will want to get a quick snapshot of the engagement levels as and when they need it.

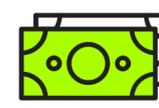
It's also up to the chief executive to set the tone, culture and values of their organisation, and encourage line managers and employees to buy into the organisation's identity. One, often overlooked, way to do this is through the look and feel of the company's RnR portal: an inclusive system can act as a hub for news, updates and recognition.

2.2 Priorities of the Chief Financial officer

For the chief financial officer (CFO), the accuracy and currency of data, and the quality and flexibility of reporting, will be top priorities. As well as being able to understand the financial impact of reward programs, the CFO will find it useful if HR software can help to identify scope for efficiency savings and cost reduction.



Accuracy And
Currency Of Data



Scope For Efficiency
Savings And Cost Reduction



Quality And
Flexibility Of Reporting



Detection Of Fraudulent
Use Of Reward Funds

The CFO will also be acutely aware of the risk associated with having a self-service monetary reward system - like fraudulent use of reward funds. A good RnR system will mitigate such risks through strong workflows. They'll also be concerned about the risk of employee data breaches. The EU General Data Protection Regulation (GDPR) is designed to address many of these issues. It demands that employers take these measures very seriously, too: penalties of up to €20 million or 4% of annual worldwide turnover (whichever is greater) may be due if sensitive personal information is breached and the employer is found to have been negligent.

2.3 Priorities of the IT team

Experts in the IT department will naturally want to examine any RnR software you might be considering implementing closely. If the goal is to make this a platform for enhanced company communication and employee self-service, a browser-based portal approach will be preferable, because it is easy to administer centrally, while at the same time offering employees maximum flexibility to use the software from anywhere, on any device. Cloud-based systems are preferred and by 2020 more than half of all enterprises will rely on cloud-based or hybrid cloud/on-premise solutions.



A Browser-Based Portal



Cloud-Based Or Hybrid Cloud/ On Premise Solution



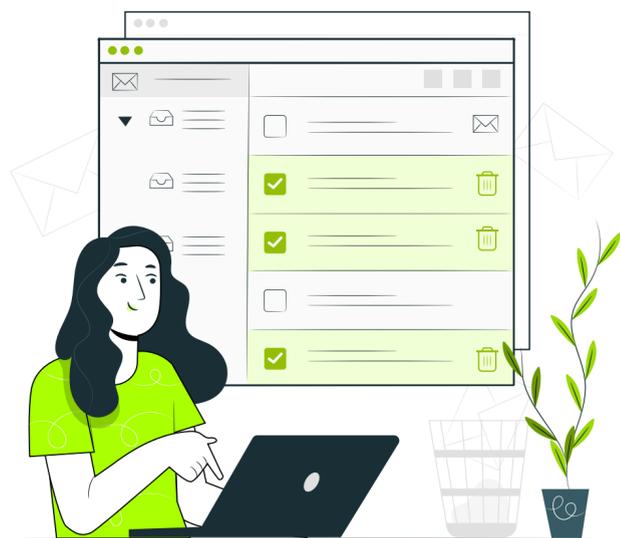
Data Encryption And Security



Ease To Administer Centrally

2.4 Priorities of the Employees

Employee experience is at the forefront of HR professionals' minds today. To attract and hold on to the best talent, organisations need to be as attentive to their own people as they are to their customers. A good work-life balance and a welcoming workplace atmosphere are among the top traits that candidates are seeking in employers, so organisations are having to invest in those areas.



enhanced employee experience



collaborate and feel connected



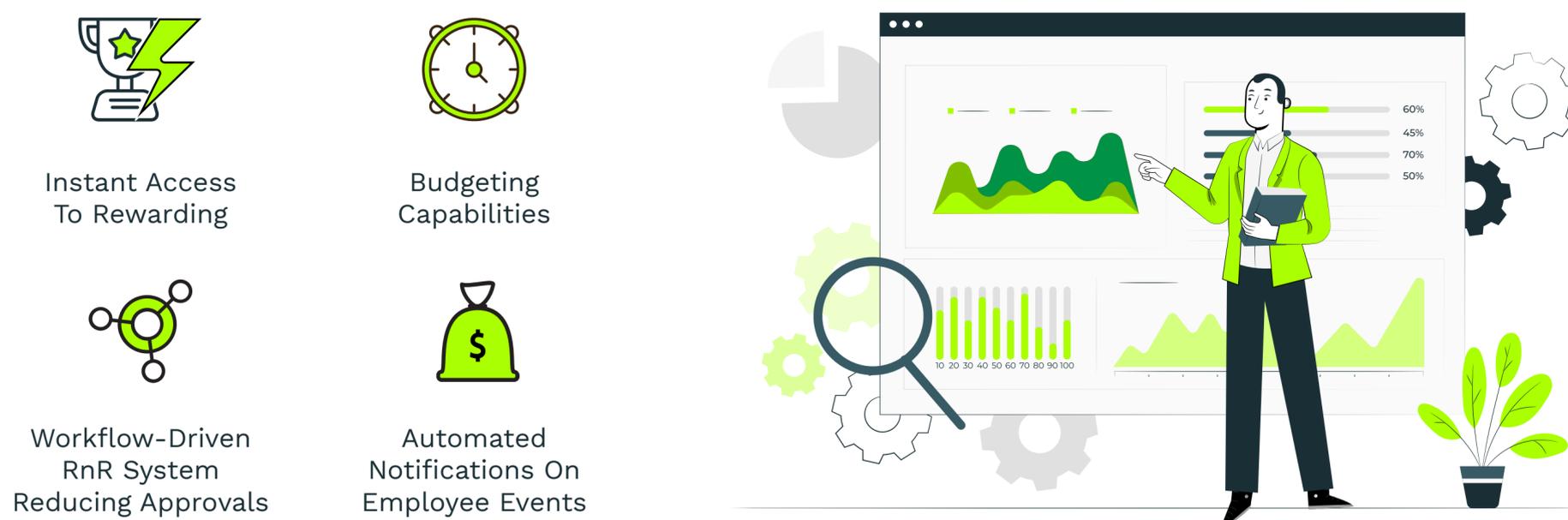
understand protocol or interpret what's going on



peer to peer recognition

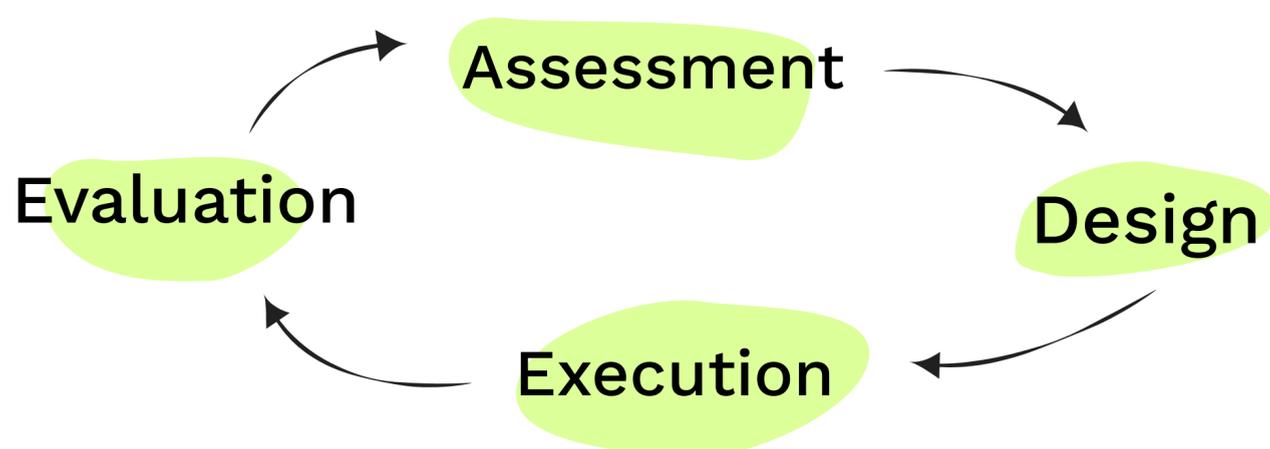
Simple things, such as being able to quickly find out who the people are around you if you're a new joiner, understand company protocol, or interpret what's going on, make it much easier to settle in. Meanwhile, online company directories, look-up tools, and collaboration and communication facilities make it easier for dispersed teams to collaborate and feel connected. Self Service capabilities and ability to look back through past rewards and recognition, discovering important information online can add further value for employees.

2.5 Priorities of the Line managers



Having instant access to rewarding and budgeting are of critical priority for line managers to instantly recognise their team members. Automated notifications can be an important aid to ensuring that an important employee event does not go unnoticed and this removes the need for managers to set up reminders for themselves. Rather than become involved in deciding individual rewards, a workflow-driven RnR system could reduce their involvement in approvals.

3. The four phases of implementing a Rewards and Recognition software

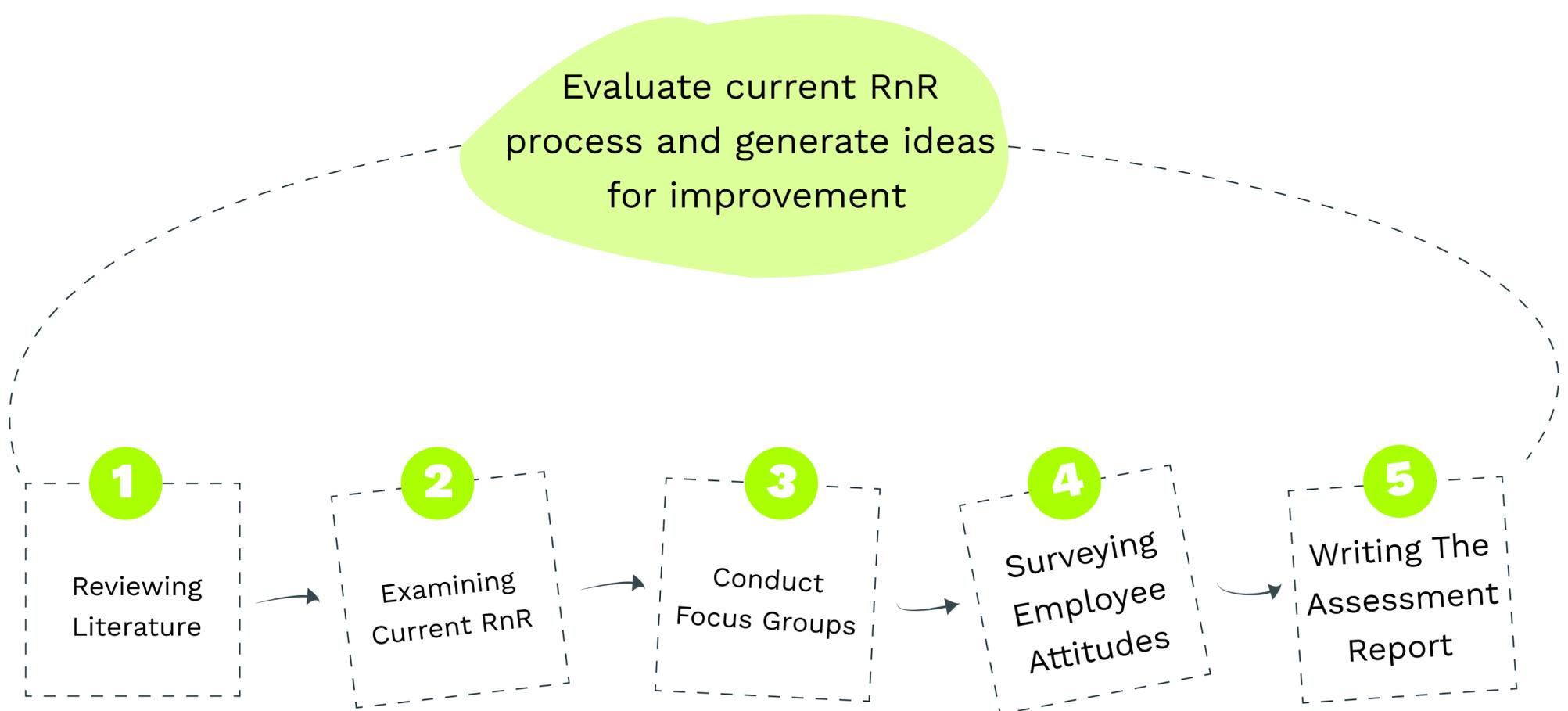


To implement total rewards strategies successfully, high performing organizations follow a disciplined process that consist of 4 phases : assessment, design, execution and evaluation. In the assessment phase, the project team gathers data to evaluate the effectiveness of the organization's current RnR system. This data is used to guide the design phase, during which

the team identifies and analyzes potential reward strategies. In the execution phase, the newly identified reward strategies are put into operation. Last, the team evaluates the effectiveness of the strategies that have been executed.

For instance, a 12-plant manufacturing division of a multibillion-dollar food-products firm assessed, designed, implemented, and evaluated changes in their RnR systems based on this cycle that led to transformations in supervisory participation, employee motivation, productivity, and other positive outcomes. The following sections take a closer look at these four phases in the implementation process.

3.1 Phase One: Assessment



- The Process -

During the assessment phase, the project team evaluates the company's current total rewards system and generates ideas for improving it. To carry out this phase effectively, your project team must take responsibility for a lengthy series of tasks. These tasks include conducting focus groups and industry benchmark surveys, examining current reward strategies and employee attitudes toward them, reviewing reward related literature, and creating a report documenting the team's findings and recommendations.

3.1.1 Conducting Focus Groups

- ✓ 'How To' Online Articles
- ✓ Case Studies
- ✓ Industry Best Practices
- ✓ Industry Bench Marks
- ✓ Latest On RnR Platforms
- ✓ HR Tech Events
- ✓ Research Articles And Books



The project team can use focus groups to begin gathering data on the effectiveness of the company's current rewards system and generating ideas for ways to enhance the system. These groups can raise team members' awareness of all issues the team must address during the implementation process. To get the most useful information from focus groups, assemble one for management and one for employees. Encourage participants to voice concerns and questions about the current total rewards system. Focus groups can also help to generate survey items and test pilot surveys. Ensure that focus-group participants truly represent the members who will be impacted by changes in the RnR program.

3.1.2 Examining Current RnR



The current records can shed valuable light on an employer's stance toward RnR priorities.. Strategic and operational records may show how current reward programs fit into the enterprise's larger business goals—such as lowering turnover or attracting workers. Previous associate surveys may show employee attitudes toward total rewards. And HR databases should contain information on how rewards were given for employees.

3.1.3. Surveying Employee Attitudes



Surveying employees' attitudes towards existing reward programs can generate additional valuable information for the project team during the assessment phase. The survey needs to be designed with high reliability and a systematic procedure should be developed to collect back the survey results with confidentiality. Employees need to know that their input was carefully considered; otherwise you may lose valuable support for the project.

3.1.4. Reviewing the Literature

1. Collect qualitative data from step 2 and step 3

2. Use survey to validate this data

- Develop survey questionnaire
- Pre-test with a pilot group
- Ensure confidentiality
- Administer the questionnaire

The total rewards project team can gain additional insight during the assessment phase by reviewing the many “how to” articles and case studies published on the subject. WorldatWork (www.waw.org) and the Society for Human Resource Management (www.shrm.org) are great sources for such literature.

3.1.5. Writing the Assessment Report

First step of concluding the assessment is to verify the consistency of data across the different sources. At an event of discrepancy, conduct further investigation to help resolve. Second the data needs to be presented to the senior management and their insights on what part of the current system needs to be changed (on priority) needs to be taken. Third is to create a rewards reports that should address questions such as:

- How will the new rewards system be funded?
- What level will the employees be involved during implementation?
- What is the estimated time frame for implementation?
- What approvals are necessary to implement the system?



3.2 Phase Two: Design

During the design phase, the project team identifies which employee and organizational attributes to reward Employees. Most employee recognition systems provide rewards that are relatively inexpensive compared to compensation, benefits, and personal and professional growth. Given heightened employer competition for talent and the need to minimize labor costs, employers today are placing as much emphasis on recognition as financial incentives—sometimes even more.

The design phase needs to bring out stark details on the following:

Who should be eligible for rewards and recognition?

What kind of employee behaviors and values should be rewarded and recognised?

What types of rewards and recognition would work best for different employee cohorts?

3.3 Phase Three: Execution



The execution phase of the implementation process deals with putting the new system in place in the organization. During this phase, the team must address a range of conditions that were defined in the design phase, such as:



Eligibility

Follow The
Recognition Eligibility
That Was Designed



Top Management Support

Get Leadership
Buy In



Measurement

Measure Employee
Performance That
Can Be Rewarded



Project Management

Communication,
Personalization,
Training

3.3.1 Eligibility

Based on the design guidelines, the execution phase should adopt the eligibility criteria for rewards. Newer rewarding mechanisms ensure the entire spectrum of employees are rewarded - not just the front end staff, that helps to drive inclusion and eliminates any form of discrimination that could be built into these programs. Teams need to withhold all these conditions during execution.

3.3.2 Top Management Support

Since implementing a RnR program is a large-scale organizational intervention, ensuring top management buy-in where they show visible support for the intervention, is important. Executives must not only verbally advocate the plan but also should be active participants to the program.

3.3.3 Measurement

In deciding which rewards to offer to which employees, organizations must determine whether employees have met the criteria defined for receiving each reward. Those criteria may include aspects of performance such as individual productivity, customer service, and group or company profitability. To determine whether employees have met these criteria—and therefore deserve a particular reward—employers must measure (gather data on) these aspects of performance.

3.3.4 Project Management

Successfully executing a total rewards plan requires strong project management skills. The implementation team needs to have clarity on the following questions:

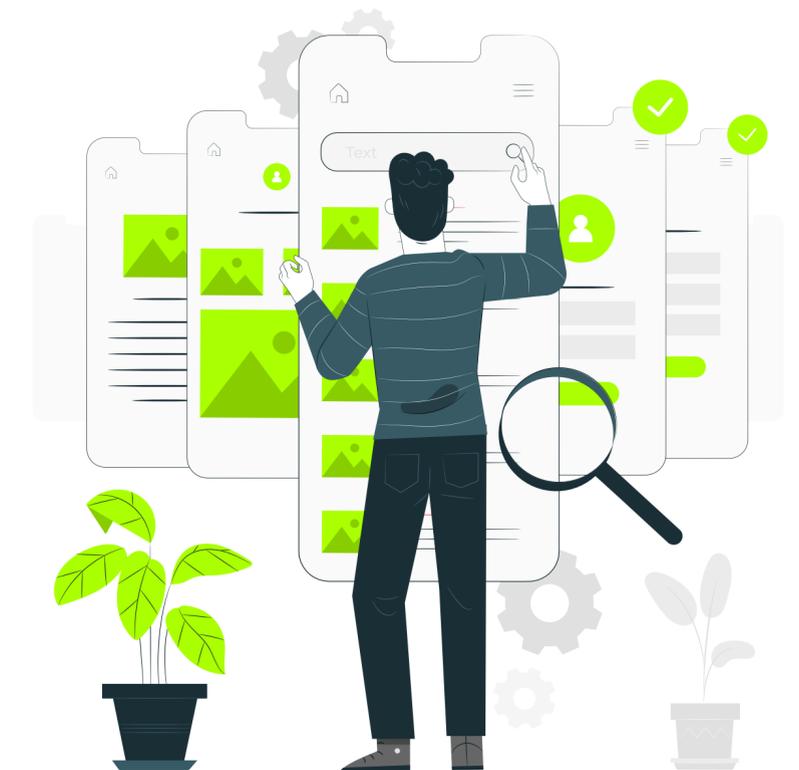
1. When is the new program project to become operational ?
2. How will you explain the new total rewards program to your workforce ?
 - Make more information about the rewards system freely available to employees
 - Personalization of the rewards program
 - Use of socio-technological communication vehicles
 - Encourage supervisors to educate employees about the new reward program
3. How will you train different users in the new system?
4. How will you handle employees' concerns about the system?
5. How will you handle cross-border cultural differences?

3.4 Evaluation

Probably the most often overlooked phase of total rewards implementation is evaluation. In this phase, the project team compares the actual results of the executed total rewards strategies against the desired results.

The following practices can help in the evaluation phase:

- Compare measurements of important criteria taken before and after execution.
- Consider whether any other variables not studied may have influenced the outcomes
- Compare with industry benchmarks and best practices
- Measure outcomes over time in several time periods after execution.



Compare Measurements
Of Before And After



Compare Results With
Industry Benchmarks



Measure Outcomes
Over Time



Detect Any Other Factor
That Needs To Be Considered

4. Rewards and recognition implementation best practices

Organisations today have employees from varied demographics belonging to 5 generational segments and their reward programs need to keep up with times. A great way to personalise these programs is by integrating various HR systems with the reward systems, which sadly is reported to be the next biggest challenge for organisations - satisfaction with vendors' integration capabilities is in steady decline. Below given are a few best practices that if followed, will help you address the challenges from an RnR program implementation beforehand.

4.1 Aligning your Rewards and Recognition Strategy With Workforce Demographics



“Align Rewards With Relevant Workforce Demographics Of Region, Age, Interests and Digital Dexterity”

Age demographic of the workplace is rapidly evolving and currently encompasses up to five generations and is growing becoming more culturally diverse. In this context a top-down approach to rewards and recognition deems highly inefficient. There are even other factors like digital dexterity that lets you assess the modes of rewarding and recognition that would be the most impactful. Modern RnR providers offer a wide variety of these modes like redeemable points, experiences, time off or monetary rewards and also allows to choose between highly public vs. private acknowledgment of praise. Rewarding needs to also take into consideration the regional aspects of the office - like demography, culture, regulations and economy. For instance, RnR mechanisms like gamification and leaderboards may be applicable for an individualistic culture, while not so much in a collectivistic one.

4.2 Get absolute clarity on your requirements before drafting an RFP

Though RFPs provide you a tabular, effective format to compare vendor attributes so as to quickly decide and shortlist on a best match, having any list of requirements does not make the cut. These RFPs need to be reflections of the exact need of the hour and needs to be prioritised based on the organisational needs. Vendors will tend to say ‘yes’ to even moderately compliant items and only say ‘No’ to completely unviable features - making it tough to figure the differences in their offerings. It is important to categorise RFP requirements into

'must-haves' (needs) and 'good to have' (wants) so that the vendor has absolute clarity on your priority. It would also be ideal to internally allocate different weights to each of these requirements depending on their criticality. These weighted scoring methods can help you score vendors and differentiate their value offerings. It is also advised to include use-case-based questions rather than single lined requirements to further obtain vendor solution details during the RFP process.

- What are the business and workforce strategies you are looking to support?
- What are top business use cases that need to be addressed?
- What are the conditions for recognition-related rewards?
- How are you to measure the success of the program?
- What are the future requirements that the system needs to address?
- How does the system address global or multicountry deployments?

Get Clarity On Requirements Before RFP



4.3 Through User Experience, Drive platform Utilization and Engagement

Getting employee engagement on the platform is essential to the success of a program. A lot of how the platform is used is a factor of user experience it offers. Since recognition now can be given and received by any organisational users, their user experience is paramount.

“User Experience To Drive Utilization And Engagement”



- Ongoing Recognition Events
- Social Portal



- Mobile Experience
- Gamification

Use Experience Prerequisites:

- A consumer-grade user experience that provides an intuitive navigation with minimum number of user actions and streamlined user flows.
- Custom labelling of the app helps with employee branding
- The user flow in creating the recognition event (one of the most basic operations) needs to be intuitive and straightforward.
- Irrespective of the different approaches of mobile delivery — whether through native apps or a responsive page - it needs to bring in ease to the end users.
- Personalised landing pages for different users, incorporating social web best practices
- Use of rich media like video and images helps employees easily share information and learn with high-impact imagery.
- Gamification capabilities that encourage and sustain participation like leader boards and badges

4.4. Evaluate the Integration Strategy and Architecture

Another best practice to be followed while implementing an RnR software is to ensure there are mechanisms of synchronising employee data from the HRMS system. These DB updates need to be regular frequency (if not real time). These can either be achieved through a flat file upload, or APIs/Web services — synchronous or asynchronous. The frequency of these updates need to be decided and the mode - manual or automatic- also needs to be considered.

“ Integration Strategy And Architecture”



If There Are No Diverse HRIS Solutions:

Deploy Stand-Alone RnR



If PMS Is Present:

Ask For Integrate With Your Recognition Vendor



If RnR Is Siloed:

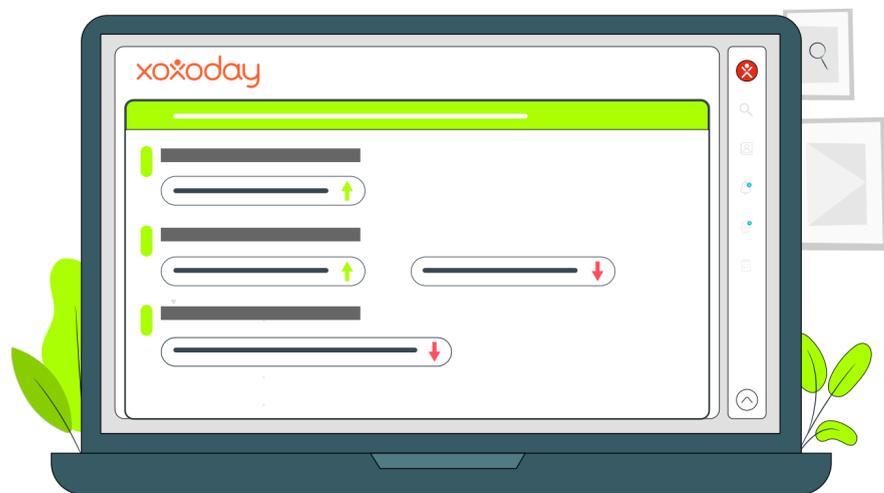
Have A Fully Updated Employee DB

A Few Rules Of Thumb

- If you don't have a diverse landscape of HRIS solutions and you don't have a global master, then the recognition technology can be deployed as a stand-alone solution that takes feeds from one or more core workforce recordkeeping solutions.
- If you have a talent management application in place, then evaluate the pre-built integrations of your recognition vendor with your talent management provider : specifically for performance management, succession planning or compensation and incentive planning.
- If it is inevitable that the RnR needs to be deployed in a silo despite the complex IT landscape is complex then ensure that the updated employee data are in quickly synchronisable forms and regular mechanism are built for integration

4.5 Requirement to provide Workforce Insights and Business Impact

“ Look For Workforce Insights And Business Impact”



- Measures Of Culture And Talent
- Alert Managers To Potential Flight Risks



- Customizable Dashboards
- Alerts and Notifications

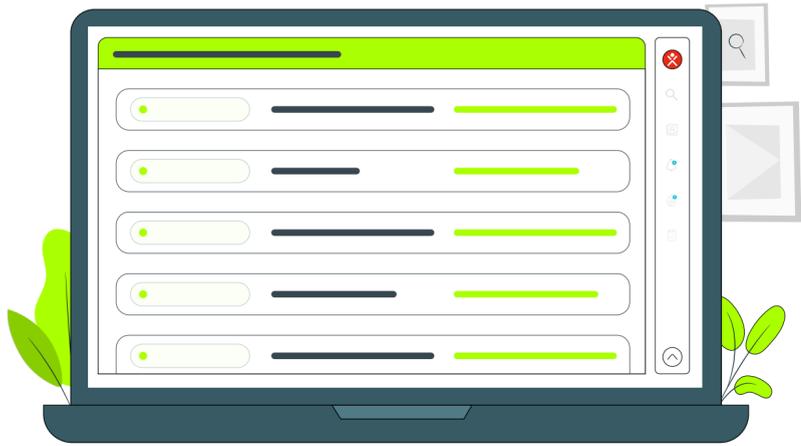
In addition to driving adoption the system should also generate actionable insights and analytics of the workforce that relate to employee engagement, turnover, workplace satisfaction and productivity. There should be a comprehensive set of reports for administrators and managers to track use and compliance. These reports or dashboards, needs give insights into program use, reward redemption tracking, and benchmarking. Alerts and notifications regarding changes in utilization levels should also be sent to the admins and managers. Best practices in reporting would also include measures of culture that provide rich insights. Analytics offering may also alert managers to potential flight risks.

4.6 Sustaining Program Participation

Discussing the targeted marketing support in the form of campaigns, messaging and communications that are offered by the provider to stimulate adoption -at least the early or re-ignite stages of deployment. Enquire with the vendor on what marketing, graphic design and campaign management services it offers, and their pricing.

HRs and program admins need to work with vendors for communication that segment the workforce to create a series of highly targeted, personalized and contextual messages. Post marketing efforts, its effectiveness needs to be evaluated using usage analytics the platform offers.

“ Plan With The Vendor To Sustain Program Participation ”



Campaign Management Services



Communication Collaterals

4.7 Options to build Agility to Adapt as Your Business Changes

It is nearly impossible to create a timeless RnR program. Employee aspiration and more importantly, business priorities evolve with time. A major reason why programs run out of steam is because it loses relevance with time. HR needs to ensure that a particular offering has the ease and flexibility to be reconfigured based on changing business needs. Cloud delivery helps organisations receive the content and functionality upgrades from vendors instantly but importantly, admins require platforms that can be easily tweaked without depending on professional support.

“ Build Agility To Match Your Business ”



Internal Resources
To Monitor And
Evolve RnR



Cloud
Delivery



Multiple Options
For reward
Redemption



Manager Training
On Tool And Best
practices

Checklist To Evaluate Agility

- Controls/configuration: Evaluate the extent to which admins can create and modify workflows for various levels of approvals.
 - Can you modify the award workflows?
 - Can you modify the amounts of different awards?
 - Does the solution contain privacy settings that control the audience of announcements?
- Rewards fulfilment: Ensure that the vendor provides multiple options for reward fulfilment Does the vendor offer different modes of fulfilment such as merchandise, compensation, time off, social recognition, experiences and perks?
 - How easy is it to upgrade, downgrade or extend the types of rewards available over time?
- Training: Understand the manager training offered by the vendor to ensure overall program success.
 - What training programs are offered by your prospective vendor?
 - Are tool utilization training provided?
 - Does the training also include best practices around cultural transformation, communication essentials and other impacts/cautions/ leading approaches?
 - Do they support evaluating the effectiveness of employee recognition programs?
 - Are "train the trainer" programs offered?
 - What level of change management support do they offer?



If you'd like to learn more about how Xoxoday can align, motivate, empower and engage your folks,

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