Getting the Buy-In You Need to Ditch Your Recognition or Incentives Provider and Switch to a Stronger Recognition and Incentive Platform

Recognition is but one method of rewarding workers. Others include pay, benefits, incentives, development and career opportunities and various forms of life-work arrangements. Each reward is part of a total incentive program that should, for optimum results, be integrated with an organization's talent management and business strategies. Recent studies show that the different aspects of a total reward package may affect individual performance, retention and business success in different ways. This is partially due to whether a worker views the reward as an entitlement (i.e., part of their compensation) or as something special - aligned to and rewarded for actions beyond the ordinary.

Convincing internal stakeholders that it's time to switch to a new Recognition and Incentive platform can seem daunting. Leadership can be apprehensive about the impact of switching providers and technologies, especially when it involves adopting new processes, migrating data and exposing the lack of Value and ROI you have been achieving.

That's why it's important to have a strong buy-in strategy. This requires demonstrating to executives that whether you're operating from a large recognition platform or subpar recognition or incentive suite, neither is supporting your company success the way you know a strong comprehensive Recognition and Incentive platform will. If you're hindered by the limited functionality offered by a provider with a start-up feel, or frustrated by a traditional/legacy provider with a niche focus on recognition and incentives, a strategic business case can help showcase the value of pursuing a better option.

Let's Get Started

Recognition acknowledges or gives special attention to employee actions, efforts, behavior or performance. It meets an intrinsic psychological need for appreciation of one's efforts and can support business strategy by reinforcing certain behaviors (e.g., extraordinary accomplishments) that contribute to organizational success. Whether formal or informal, recognition programs acknowledge employee contributions immediately after the fact, usually with predetermined goals or performance levels that the employee is expected to achieve. Awards can be cash or noncash (e.g., verbal recognition, merchandise, trophies, certificates, plaques, dinners, tickets, etc.).

As part of the approval process, you'll likely need to present proposals to your company's internal stakeholders and executives. During this part of the buying process, a potential recognition and incentive provider should be your partner – they should be actively involved in preparing for a proposal presentation.

Key strategies for an effective business case include:

Strategy

A key to the success of the recognition component of the total rewards package is whether it motivates workers in ways that increase the level of engagement with their job and their employer. From the organization's viewpoint, engaged workers will increase their level of discretionary effort (if the goal is performance) or desire to stay on the job when increased retention is the goal. These principles, which should result in the behavioral changes most often linked to heightened employee engagement, improved job performance and, ultimately, increased business value include:

- Using both formal and informal recognition to build a "culture of recognition" in the organization.
- Providing a wide variety of recognition rewards—realizing that a reward for one person may not be for another.
- Emphasize the recognition of increased quality in performance, instead of simply quantity of effort.
- Recognize workers frequently—sporadic recognition may, in some cases, be worse than no recognition.
- Reward activities that are linked to specific business objectives and/or desired cultural values.
- Measure the cost of the recognition reward system and the benefits gained–whether through ROI or other methods.

Identify Pain Points

Begin with the reasons your organization needs to move from its current recognition solution. What about the tools you're using today within the entire organization? Broadening pain points that impact your focus to organizational impact—rather than just HR impact—can be an effective way to sell value from the start.

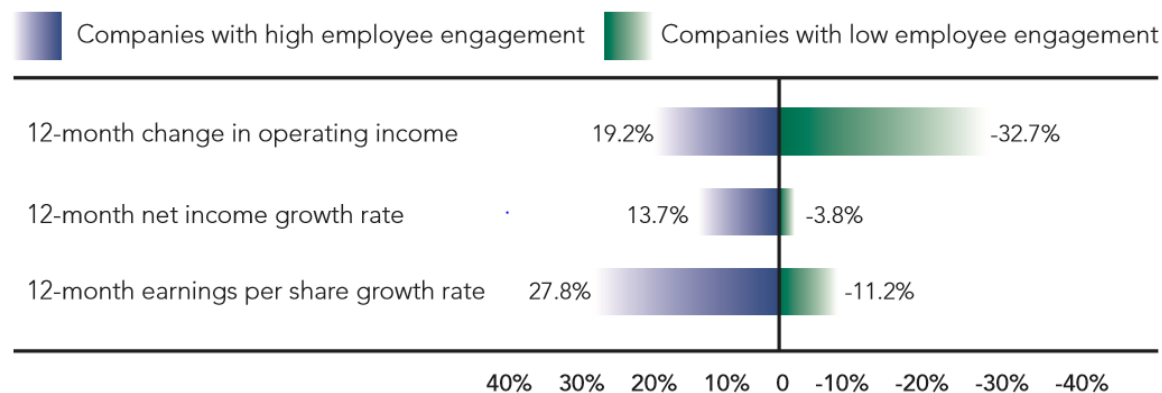## Legacy or Traditional Pain Points

If you're using a Legacy or Traditional provider, you might be struggling with a system built on Legacy technology that doesn't provide the recognition and incentive features you need to competitively excite, engage and empower the people your company needs to achieve its business goals and objectives. In this case, it's important to underscore the impact of using a solution that touts to do it all, but usually falls very short.

Financial: Measuring the Value of Recognition

Whether motivation is intrinsic or extrinsic, there is little doubt that rewards can be used to increase motivation and improve engagement between workers and their jobs. In turn, the organization benefits from increased value. Towers Perrin's Global Workforce Study, which surveyed 90,000 employees in 18 countries on a range of topics, including the factors that drive their engagement with their work, confirms this point.

When researchers compared survey results with financial data of the surveyed organizations, they found that companies with high employee engagement had a 19% increase in operating income and a 28% increase in earnings per share. In contrast, companies with poor employee engagement scores had declining operating incomes and an 11% drop in earnings per share. Most important for this report, the Towers Perrin study also showed that workers in organizations with higher business value were significantly more likely (68%, versus 49% for underachieving organizations) to agree that their "immediate manager recognizes and appreciates good work."

How Engagement Affects Financial Performance—One-Year Study

Companies with high employee engagement   Companies with low employee engagement

	High engagement	Low engagement
12-month change in operating income	19.2%	-32.7%
12-month net income growth rate	13.7%	-3.8%
12-month earnings per share growth rate	27.8%	-11.2%

40%   30%   20%   10%   0   -10%   -20%   -30%   -40%

—Towers Perrin Global Workforce Study