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INCENTIVES AND REWARDS

Recognition on a Budget

Keeping talent feeling valued in a climate of austerity

by Wendy Helfenbaum

Budgets may be shrinking but fostering positive employee sentiment is more important than ever. Recognition can stabilize company culture during uncertain times, and it doesn't have to break the bank. Here's what to consider.

EMPLOYEE RECOGNITION IS NO LONGER A NICE-TO-HAVE

"When we're in a tight economy, recognition matters more, not less," says Toronto-based Sherri Griffin, president of Bi Worldwide Canada, which specializes in employee engagement. "Recognition is a performance engine, not a perk. Retaining your employees is cheaper than recruitment, and engaged employees produce more, innovate more and stay longer."

Sarah McVanel, chief recognition officer at Greatness Magnified in Niagara, suggests viewing recognition as a savings.

"We think about how to build business— increase membership, get conference attendees and sponsorships—but we don't think about what we're saving," explains McVanel. "Recognition builds relationship currency and strong brand alignment. So, look at what those

relationships can bring to the business: great ideas, innovation and discretionary effort that comes from feeling seen, heard and valued."

MANAGE NEGATIVE OPTICS BY BOOSTING ROI

Getting buy-in from the C-suite is easier when you anchor programs to the bottom line, notes McVanel, who gives clients defending their recognition or reward budgets her 'ROI calculator.'

"The cost of disengagement is your savings, so calculate how expensive this problem is or may become. Evaluate it with pulse checks: ask questions, see what the current level of disengagement is and compare it to industry benchmarks," she suggests.

"In North America, we have about 21% high engagement, which means we're not a highly motivated or productive workforce. It's going to get worse if we don't have connective, meaningful experiences."

Griffin advises focusing on organization-wide impact that makes people feel valued, connected and committed rather than one-offs that feel performative and short-lived. →



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“When you can align recognition with company strategy and have measurable outcomes, that outpaces the cost,” she says.

COMMUNICATE CHANGES CLEARLY

If reward programs are scaled back, be transparent about why, advises Griffin.

“Shift the thinking from ‘We had to make some cuts’ to ‘We need to refocus on what works’ and give employees a voice; allow them to be involved in shaping the new approaches,” she says. “The more we share how the business is doing, the more we create a sense of shared ownership.”

McVanel suggests conducting ‘stay’ interviews to find out what employees want if future budgets allow and introducing ‘in the meantime’ initiatives.

“Say, ‘We’re thinking about pausing work early once a week and having optional Friendship Fridays or Wellness Wednesdays to spend this challenging economic year on intentional recognition and reconnection. Then, we’ll know better how to reinstate rewards in a way that is most meaningful to you.’”

Don’t forget to emphasize what’s not changing: the company’s commitment to valuing its people, adds Griffin.

IMPLEMENT CREATIVE, COST-EFFECTIVE IDEAS

The most expensive recognition program is the one that doesn’t work, notes Griffin, who suggests conducting an audit of current practices. She often sees organizations offering sporadic \$5 gift cards or random pizza lunches. “There’s a better way to optimize your budget in a more intentional way,” she says.

For example, embrace influential experience-based recognition: If your team is interested in charitable works, offer a monthly afternoon off to volunteer wherever they want.

“They get the power of choice, and you’re giving your leaders flexibility because a small sliver of time off isn’t going to hit your budget in an overwhelming way; it’s a high impact way to recognize without feeling cheap,” says Griffin.

Know what you’re giving and why, adds McVanel.

“If you’re going to spend money, make sure it’s what the person wants. And if you have reduced budget, this may be your best opportunity to re-evaluate the right fit,” she says, “Ask yourself: how valuable were the things you were spending on? Recognition is relational currency. We assume people want shiny, glossy things—trips, swag, gift cards—but have we asked them?” she says.

Leaders may be surprised to learn employees prefer to go on a mission trip to build homes rather than lie on a beach at a resort, she adds.

Often, the most powerful forms of recognition are free, and every organization can incorporate them, says Griffin.

“Micro recognition that’s timely, specific and personal can be done in a meeting you’re already having,” she explains.

“Talk about weekly wins, do shout-outs and create a culture where you share good things. Recognition is ultimately about creating a human connection. Tight budgets don’t reduce the need for that human connection; they increase the importance of being intentional.” 🌱