Employee Recognition

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Purpose: To ensure that National Apartment Association (NAA) members understand the importance of employee recognition on workforce morale, culture and performance, and how to best strategize these efforts at their organizations.

Applies to: All NAA members who are involved in organizational strategy, and employee performance, recognition and retention, especially C-suite leadership, human resources professionals, and mid-to-senior-level managers.

Overview:

Employee recognition is an essential component for achieving employee engagement and a positive workplace culture. In its 2021 Global Culture Report, the O.C. Tanner Institute says, "employee recognition, at its core, exists to help people feel more attached to their peers, their work, and their organization." Indeed, this explanation of purpose closely mirrors that for employee engagement.

Employee recognition programs likewise may be designed to motivate and reward employees across a range of positive behaviors, such as performance, innovation, collaboration, safety, and service—all in alignment with organizational goals and values. These programs directly contribute to the organization's bottom line with recruitment, retention of high-achievers, productivity and other critical measures of success.

The COVID-19 pandemic, which led to a major increase in remote work, heightened the need for organizations to recognize their employees. The O.C. Tanner Institute shared its findings from research studies involving 40,000 employees and leaders:

"At the height of the pandemic, employees that were recognized were 103% more likely to feel supported by the organization and 59% more likely to trust their leader. There was also a 47% increase in employee engagement and innovation…

"But when formal employee recognition is not present (whether it was never offered or was put on hold during the pandemic) employees were 23% less likely to feel supported by the organization and were twice as fearful of COVID-19. Organizations without a formal recognition program also had a 48% decrease in engagement and 20% higher intent to leave."

Traditional forms of employee recognition included employee-of-the-month programs, awards, gifts, events, and so forth—typically administered and delivered manually within an office environment. But employee recognition has evolved with modern technology to meet the challenges of the COVID-19 pandemic. Employees now may login to software platforms to accumulate electronic points, awarded by supervisors and peers, for redemption through online storefronts. They may also receive ecards, certificates, badges and other expressions of appreciation and performance, while simultaneously receiving social recognition online across the organization.

Whether traditional or electronic, employee recognition programs are most successful when they are strategically designed and implemented, not as intermittent one-offs, but integrated within organization culture and normal workflows. The business case for this strategic approach and commitment is compelling. Writing in Propmodo, Dru Armstrong, then CEO of Grace Hill, advises:

"The multifamily housing industry is facing a talent crisis. The annual turnover rate for multifamily property management staff is unsustainably high, around 33% to be exact. The average national rate is just 22%. Leaders in multifamily housing know the bleeding is expensive. Replacing a lower-paid employee can cost 16% of their wages. Finding new, higher-paid professionals can cost six to nine months of their salaries.

"…Almost 60% of property management employees we surveyed told us that employee recognition was a key tool to improving retention…Technology on its own is not enough. Attracting the brightest new talent requires recalibrating an organization to focus on the people inside it, each individual one. Only then can employees find both the monetary and physiological benefits that they need to create a fulfilling, long-lasting career."

Case Study:

Recognition Professionals International (RPI) convenes industry professionals dedicated to "recognition innovations and education as a systematic method for improvements in the workplace." RPI provides its members with a breadth of resources, including certification, events, a conference, awards, courses, webinars, videos, articles, trends, etc. Among RPI's public resources are seven RPI Best Practice Standards®, to be implemented through four phases: Assessment, Strategy, Implementation and Review. Each phase involves taking measurements, with the Review phase yielding measurements for overall program results and return-on-investment (ROI).

Below are summary excerpts from RPI's recognition standards for organizations. Full descriptions may be viewed below via "Related Links and/or Forms." Consulting services are also available through RPI to assist organizations with their development and implementation.

Standard 1: Recognition Strategy

The organization has a written recognition strategy that articulates the philosophy and objectives for all recognition practices. The recognition strategy provides purpose and direction for how employee recognition encourages and rewards specific employee behaviors that advance the organization's goals and objectives.

Recognition activities are categorized as:

- Day-to-Day Recognition, on a frequent basis, where all employees (80-100%) may participate. Examples may include "thank you notes, certificates that employees give to one another, or verbal praise."

- Informal Recognition, on a monthly or quarterly basis, where fewer employees (30%-50%) may participate. Examples may include "low-cost awards, refreshments, point-value incentives, gift cards, and certificates."

- Formal Recognition, typically on an annual basis, where even fewer employees (1%-10%) may participate. Examples may include "awards for individuals, teams, or departments on a company-wide level for achieving specific business targets, exemplifying specific organizational values, or performing actions that go above and beyond normal work expectations." Career milestones and service awards may also be included.

A successful recognition strategy would include all three categories above.

Standard 2: Management Responsibility

Senior leaders and management actively endorse and participate in the recognition programs. They are also held accountable for all program elements, including:

- Recognition strategy.

- Recognition policy, procedures and documentation.

- Recognition program administration, including staff and committee assignments, reporting and reviews.

- Empowerment of program administrators with sufficient authority, budget and resources.

Standard 3: Recognition Program Measurement

The organization evaluates the effectiveness of its formal and informal programs using measures that are statistically reliable and valid and substantive in nature. Categories of measurement include:

- Implementation. Examples could include "percent of supervisors trained, nominations per employee or per dollar spent, number of times a website was accessed, number of spot awards distributed, and number of individuals recognized in department meetings."

- Participation. Examples could include "number of nominations submitted, number of citations per employee, number of visits to a website, or number of employees attending a recognition event."

- Employee Satisfaction. Examples could include "changes in measures of employee satisfaction, employee surveys, focus groups, and employee engagement."

- Productivity. Examples could include "changes in absenteeism, turnover, productivity, profitability, or other organizational metrics."

Standard 4: Recognition Program Communication Plan

The organization establishes and maintains a strategic communication plan that communicates all aspects of the recognition strategy, including program objectives, recognition processes, events, celebrations, tools, and a contact person for program information. Examples of communications may include "bulletin boards, posters, videos, intranet, internet, email, letters, manager toolkits, and employee handbooks."

Standard 5: Recognition Training

The organization documents how training is designed and administered for managers and employees at all levels, including the training objectives, methods, and curriculum. Elements of a successful training strategy may include "individual learning, web-based learning modules, e-learning, train-the-trainer instruction, manager tool kits, printed materials, video presentations on how to reward and recognize others, and new-employee orientation training."

Standard 6: Recognition Events and Celebrations

The organization demonstrates how celebrations and award ceremonies are effectively used to recognize its employees. The organization devotes adequate resources (funding and staff) to the planning, execution, tracking and documenting of periodic celebrations and special events.

Standard 7: Program Change and Flexibility

As changes arise, the organization demonstrates its ability to review its recognition programs and adjust to changing goals and objectives and the diverse recognition needs of its employees through feedback and employee survey programs. Accountability, review, and continuous improvement processes are practiced on a regular basis to advance the quality and effectiveness of all recognition programs and to ensure that

each employee receives "a consistent, authentic, and meaningful recognition experience when such recognition is given."

Guidance:

1. **Employer Goals:**

   Employers must begin employee recognition strategies by identifying their ultimate goals. Do they wish to foster innovation and creativity, increase productivity, prioritize health and safety, show compassion and care, create connection, and/or promote company values? They need to define recognition within their organizations toward these goals, as well as what success would look like. Ideally, these employee recognition efforts and measures would be aligned with the strategic mission, goals, and KPIs of the organization.

2. **Recognition Ideas:**

   Ideas for recognizing employees are many and bounded only by imagination and budget. They may be readily identified through internet search, with one sample article, "33 Amazing Employee Appreciation Ideas for 2021" (VantageCircle). Organizations should pay special attention to including remote workers in all recognition programs. One sample article for these ideas is "15 Remote Employee Recognition Ideas to Build a Culture of Appreciation" (TINYPulse).

   These ideas often can be low-cost or no cost, where thoughtfulness and sincerity are the key drivers. Writing in MultfamilyInsiders, Brittany Worrell Boyce offers five ideas for property-management companies: Offering flexible schedules; providing free breakfast meals/beverages; writing personalized notes for achievements, followed by company-wide announcements; establishing an Employee Appreciation Day, providing personalized merchandise; subsidizing employee attendance at valued professional events.

3. **Recognition Delivery: Personalized, Authentic and Timely**

   The best practice is for employers to establish recognition programs with the most appropriate delivery features for the employees. Awards and gifts should be personalized in delivering what employees want and how they want to receive them—allowing employees their preferences wherever possible. For example, some employees may prefer receiving recognition in public, others in private. Recognition should be authentic, genuine, and specific in detailing the employee behavior and performance, as well as tied to how it supported the company's goals and values. Finally, recognition should be timely, delivered as close to the employee behavior and performance as possible. The longer the lag, the less effective the recognition becomes.

   For further best practice, the Society for Human Resource Management has prepared an online toolkit, "Managing Employee Recognition Programs."

4. **Manager Commitment**

    Kylie Tanner of RewardGateway observed that a key element for employee-recognition programs to succeed among their clients is for managers to personally commit themselves to participating. Tanner advises five managerial commitments: Setting quantified goals for their departments; setting personal goals for themselves; making goals achievable, often by breaking them down into manageable pieces; putting time into their calendars for recognition tasks; and recognizing interim progress, not just end-of-year completions.

5. **Software Solutions:**

    To execute their employee recognition programs, and to accumulate and analyze their results, many employers opt to use software solutions. Such software can integrate with existing human-resources software platforms, or act as a standalone package. Typical features include: Integration with Slack, Microsoft Teams, and Single Sign On (SSO); points-based recognition, peer-to-peer recognition, and social recognition; work-anniversary and service awards; customized and personalized gift catalogs with fulfillment; personalized certificates, e-gift cards, badges, etc.; alerts and reminders; analytics and dashboards; budget management; and mobile app. Employee recognition software suppliers may be identified readily via internet search.

Related Links and/or Forms:

"RPI Best Practice Standards® Overview," Recognition Professionals International, <<https://www.recognition.org/page/best_practice>>

Acknowledgements:

"2021 Global Culture Report," O.C. Tanner Institute, report

"4 ways to evolve your employee recognition program after challenging times," O.C. Tanner, <<https://www.octanner.com/insights/articles/2020/10/28/_4_ways_to_evolve_yo.html>>

"The Multifamily Industry Has a Talent Problem, Tech Can Help," by Dru Armstrong, CEO, Grace Hill, Propmodo, Feb. 6, 2021, <<https://www.propmodo.com/the-multifamily-industry-has-a-talent-problem-tech-can-help>>

"Managing Employee Recognition Programs," Society for Human Resource Management, toolkit.

"5 ways to make sure you hit your New Year's Goals this year," by Kylie Terrell, Employee Engagement Consultant, RewardGateway, <<https://www.rewardgateway.com/blog/setting-employee-engagement-goals>>

"33 Amazing Employee Appreciation Ideas for 2021," by Barasha Medhi, VantageCircle, Apr. 7, 2021, <<https://blog.vantagecircle.com/employee-appreciation-ideas>>

"15 Remote Employee Recognition Ideas to Build a Culture of Appreciation," by Lori Li, TINYPulse, Dec. 3, 2020, <<https://www.tinypulse.com/blog/15-remote-employee-recognition-ideas-to-build-a-culture-of-appreciation>>

"5 Simple Ways to Show Employee Appreciation," by Brittany Worrell Boyce, MultifamilyInsiders, Aug. 27, 2013, <<https://www.multifamilyinsiders.com/multifamily-blogs/5-simple-ways-to-show-employee-appreciation>>

"SHRM's Guide to Employee Recognition Vendors," Society for Human Resource Management, <<https://www.shrm.org/resourcesandtools/hr-topics/technology/pages/employeerecognitionvendorstool.aspx>>

About NAA:

The National Apartment Association (NAA) serves as the leading voice and preeminent resource through advocacy, education, and collaboration on behalf of the rental housing industry. As a federation of 149 state and local affiliates, NAA encompasses over 93,000 members representing more than 10.5 million apartment homes globally. NAA believes that rental housing is a valuable partner in every community that emphasizes integrity, accountability, collaboration, community responsibility, inclusivity, and innovation. To learn more, visit www.naahq.org. NAA thanks its strategic partners Lowe's Pro Supply and Yardi.

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