

The 2021 thank you and beyond

How to reward employees this year-end and plan a long term recognition strategy for a hybrid world





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Because they're worth it

The summer holidays are over, the kids are back at school and it's the traditional time for businesses to start thinking about end-of-year celebrations and rewards for employees.

This year, of course, it's different. Despite restrictions being lifted, uncertainty remains and we're by no means out of the woods with the pandemic. The big Christmas parties are still unlikely to take place, pay rises are minimal or off the table, and many people are still working at home for at least part of the week, if not all – making it much more difficult to thank people in person.

At the same time, employees deserve recognition and reward at the end of this year more than ever before for the way they've continued to adapt to hybrid working, for the extra hours they worked, and for generally keeping the wheels of business turning over the last 18 months.

In this guide we look at how you can deliver the right, practical level of recognition in this unique context. Just as importantly, we look at why the current environment means you should also spend the rest of this year planning a more robust employee recognition strategy that is focused on long-term wellbeing, meets rising expectations – and is not just for Christmas.

Working in a new world

85% of adults currently home working want a hybrid approach that combines home and office working in the future.

Figures from Office of National Statistics, May 2021





Get end-of-year right

First things first – what to do for end-of-year? While you will find plenty of venues and organisers offering their services for parties this year, it's likely that many organisations will still be cautious and forego a big celebration and, unfortunately, the company-wide feel-good factor that goes with it.

This means that the end-of-year reward or gift is coming into sharper focus. This is a good thing, because the impact can be so high. When we've looked at this issue before, our research has shown what a positive effect a simple end-of-year thank can have.

The case for end-of-year rewards right now is clear. The big question is – what do people really want from a reward, and what is the most practical and effective way to deliver it in these hybrid working times?



61%

said receiving end-of-year recognition makes them feel appreciated



39%

Felt more positive towards their employer



33%

said an end-of-year reward is a small price to pay for their hard work throughout the year*

Make it engaging, make it digital

The most important thing to bear in mind is that the end-of-year scheme you put in place needs to be engaging, flexible and adaptable.

Our past research has also shown that it's not necessarily the value of what you provide as a reward that counts. The majority of employees say they would be happy with an end-of-year reward worth between £21-50. However, a simple cash gift will often not cut it and fall flat. What really matters is that you provide an engaging experience, coupled with choice and evidence of thought. 70% of employees say they'd like to choose their own reward by receiving vouchers or gift cards, for example, and more than half (58%) of employees say they'd like to receive something other than cash at year-end.

The other point to consider is that the scheme needs to be easy for you to deliver – particularly with a full return to physical workplaces delayed as the impact of the pandemic rumbles on, or due to the introduction of permanent hybrid working models.

Put these factors together and it's easy to see that the solution this year and for the long-term has to be digital.



Armed with an easy-to-use digital platform, employees can receive and redeem their reward with the simplicity and speed they are used to.

For a number of years now, digital reward and recognition has been developing into the new standard – with simplicity, speed, and choice at the heart, recipients have become accustomed to a more engaging and personalised experience.

Digital reward schemes also ensure that you can deliver, and recipients can redeem with optimum efficiency. In today's mobile driven world, with adoption of online services accelerating even faster during lockdowns, people have high expectations of their daily online interactions. They also have very little patience for bad user experiences.

Armed with an easy-to-use digital platform, employees can receive and redeem their reward with the simplicity and speed they are used to.

Of course, a one-off reward at year-end can't make up for a lack of a pay rise, bad feeling over redundancies, or replace a party with all the bells and whistles. But it is a great way to thank staff for their efforts and get 2022 off on the right foot.

In the current environment, with many employees rethinking their relationship with the workplace, the key is then to follow through with a consistent strategy that keeps employees engaged and motivated throughout the year.



The need for sustained reward and recognition

Anyone who doubts the need for more regular rewards that don't just pop up at Christmas only need to look at the impact the pandemic has had on employees.

We did just that in 2021, asking 2000 employees what they think, and their responses showed that people feel they deserve more reward for their efforts.

The headline finding was that 84% said they aren't fully motivated at work. A significant 29% also said they are actively unhappy at work. Many are also working longer hours, with the top reasons being lack of people in their team, new demands from employers, concerns over job security, pressure from managers and juggling childcare.

Sadly, this has not resulted in greater recognition from employers though. In our survey, only 32% said they feel they have been rewarded for the efforts they have made during testing times, and only 21% said they have had due recognition for work done.

This is a real warning sign – and one that employers need to address urgently if they want to maintain productivity, keep employees engaged, reduce staff turnover and create an innovative and winning culture.



84%

of employees aren't fully motivated at work



29%

are unhappy at work



32%

feel that have been rewarded



21%

say they have had recognition for the work they have done



Planning your long term strategy

The simple fact is that when employees feel valued and understand how their role contributes to the business, their motivation to do their best work increases. Whether you are aiming to improve collaborative teamwork, or achieve great customer service, a sustained recognition strategy allows you as an employer to encourage employee behaviour that drives these business outcomes.

In our experience, this means creating a reward and recognition strategy that engages employees and maintains their motivation throughout the year, and is clearly aligned to those outcomes. It also means listening to employees and putting in place a clear structure for managing your scheme to make sure it stays optimised.

Creating an employee recognition scheme that has long-term value hasn't always been easy for some organisations though. Many have experienced problems with delivering schemes that last because of poor communication, lack of leadership involvement, inconsistent recognition and poor engagement from employees.

It doesn't have to be that way though. These challenges are easily surmountable, just so long as you are prepared to put in the right level of preparation.

Here's our take on the groundwork you need to do to create a programme that will help meet your employees' needs now, and for many years to come.

Your 7-point action plan

Identify a business lead

Firstly, you'll need to identify one person who will lead and own the implementation of your scheme. You need to outline their responsibilities, outcomes they need to achieve throughout the year, and when and to whom they will report. This is key to creating a line of communication to leadership and garnering high-level support.

Spread responsibility

Recognition is a powerful motivational tool that improves and sustains employee engagement. That means you should also be making every effort to ensure all relevant managers understand the role of recognition in supporting the people and business outcomes you want to improve as an organisation. Explain how and when you expect them to use the scheme through the year.

Do a recognition audit

If you have attempted to implement a recognition strategy before there's no point repeating the mistakes of the past, so you also need to fully understand what those mistakes might have been. Establish how you are using recognition currently – even if it is only ad hoc or once a year – and what you are doing well and what needs to change.

Involve your employees

Two-way communication with your most important audience – your employees – is critical, so you also need to set up a team that represents different employee groups from across the business. Explain what your plans are to them and listen to their feedback. Their ideas will be key to the success of your scheme, and will help you to avoid it being seen as a management initiative simply designed to make them work harder with no increase in salary.

Create a vision for your recognition strategy

It's also critical to clarify what you want to achieve, what business outcomes will be delivered, and how this aligns to your existing values and behaviours. As part of your vision you should also set success measures and outline the specific return on investment you expect to achieve, aligned to specific business targets. Again, this will help you get critical buy-in from leadership.

Also consider appointing a dedicated person or team who frequently reviews what's working and what isn't. This will enable you to identify best practice, pinpoint areas for improvement and fully understand the business impact of your scheme.

Confirm a target budget

Recognition budgets can vary significantly from company to company depending on culture, size and revenue, so you also need to think about how you're going to price your scheme. While there's no right answer to how much budget you should allocate, there are two common approaches.

Firstly, you can calculate budget as a percentage of company payroll. We recommend 1% to cover all costs including licence fees, reward budget, communications and reward events. Alternatively, you can set a fixed value per employee per year, then deduct platform set-up and licence fee costs from this amount. The remainder is your annual reward budget.





Promote your vision

Finally, remember your recognition scheme should always be core to the employee experience in your organisation, so you'll also need a marketing and communication plan that doesn't just cover the launch of a scheme but promotes it throughout the year. The most effective way to do this is by getting support and advice from specialists in your marketing, PR and digital teams. This will help you build a programme that reinforces your employer brand - and encourages employees and managers to engage with the scheme for the duration.

The most important thing to remember throughout your planning is that your scheme should not just be a short-term reaction to current circumstances. Your aim should be to make reward and recognition part of your organisation's DNA – fully aligned to what your business is trying to achieve long term, and fully focussed on ensuring that employees buy into that vision by providing all the motivation and support they need.

It's time to make sure your employees don't just get the reward and recognition they deserve this Christmas – but throughout 2022 and beyond.

Two words, eight letters

Say **thank you** for going above and beyond during this difficult year with our range of reward solutions - fast, simple and effective ways to show your appreciation.

Select reward eCodes

Select enables you to send a personalised digital reward eCode of any value, to any recipient, in any location in minutes. It's the fastest, most personalised reward around.

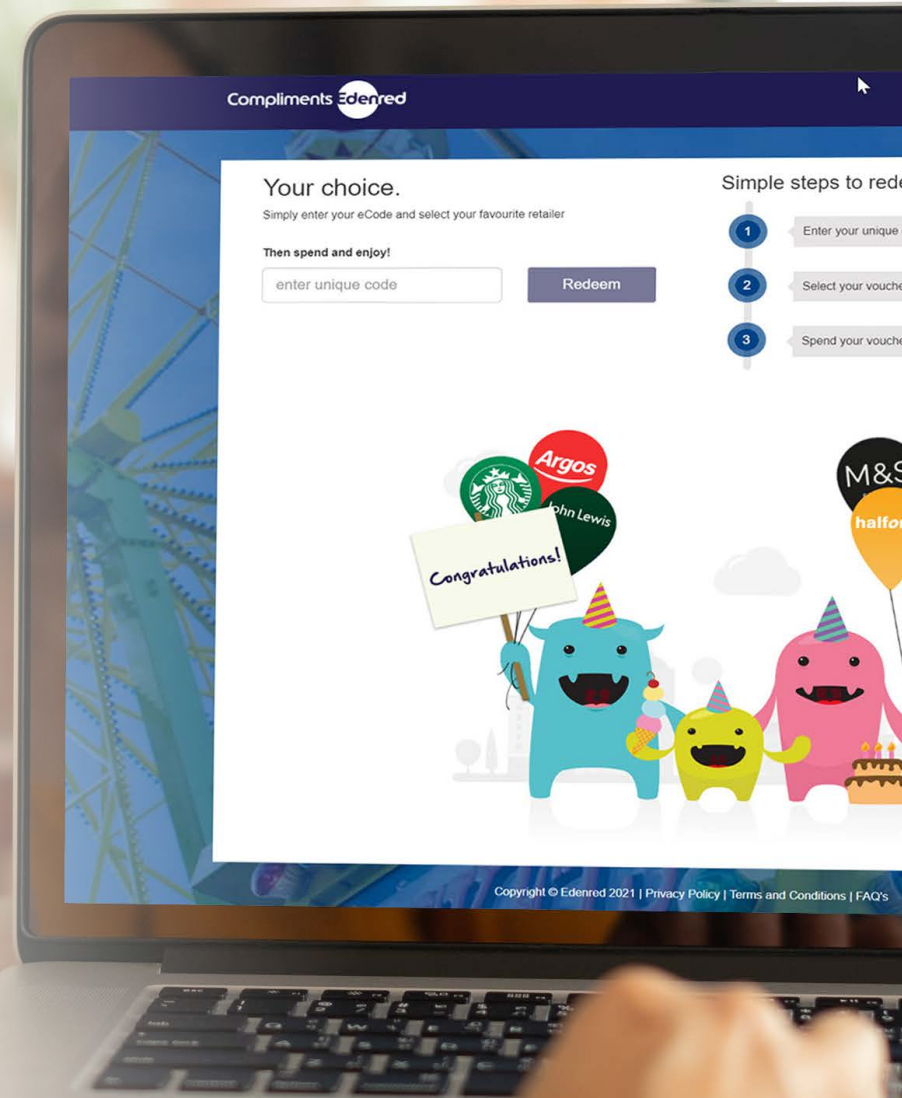
Recipients then redeem their reward eCode against a huge range of reward options including John Lewis, Currys PC World, M&S, and many more.

With customisable festive email templates, you can send a message of thanks in your own words, and in your own brand too.

Our new range of distribution options and catalogues give you the flexibility to deliver impactful year-end reward and recognition in the most suitable way for your organisation.

Print to voucher - new for 2021!

Keep the tradition of giving a physical gift by ordering bulk deliveries of eCodes printed onto a voucher for you to self-distribute.



Prepaid cards

A fully personalised and brandable range of Mastercard® prepaid cards for a safe and secure Christmas gift that offers recipients a huge choice of redemption options.

Our prepaid cards come with a handy app for users and are compatible with Apple and Google Pay for safe and fast digital wallet payments.

Incentive Award card – spend at the millions of retailers within the entire Mastercard® network

Compliments card – a multi-store shopping card that can be spent within a huge range of retailers

Ticket Restaurant – a tasty treat that can be spent in restaurants and food outlets across the UK

Single store gift card – for something simple and straightforward, choose from our range of gift cards from some of the UK's favourite brands



 Ready to
connect? 

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