

Building the Business Case for Rewards & Recognition

Business Builder



2020

Table of Contents

Executive Summary	3
Current State	4
Complexities	4
Consequences.....	5
Critical Strategic Questions	5
Building the Business Case for Change	6
Getting Started	7
Rewards and Recognition Strategy	9
Rewards and Recognition Technology Selection	13
Winning Stakeholder Support.....	15
Practical Considerations	17
Building Your Business Case.....	21
Conclusion	22
Authors and Contributors	24
About Brandon Hall Group	25

Executive Summary

It's a simple, undeniable fact: Humans crave recognition. We love to get badges, medals and trophies. Praise, for everything from major milestones to everyday tasks, is greeted with smiles and appreciation.

In the world of work, recognition of employees at all levels of the organization is critical to increasing employee engagement, talent retention, and individual and organizational performance, according to the latest Brandon Hall Group research. Whether it is simple praise from a colleague or supervisor or a bonus, badge or points to be used for subsequent purchases, employees thrive when people acknowledge effort and accomplishment.

Most Important Drivers of Rewards and Recognition



Source: 2019 Brandon Hall Group Rewards and Recognition Study

While employees readily provide recognition to each other, it does not come as naturally between managers and employees. This problem is exacerbated by the lack of training on recognition and feedback in most organizations.

In this era of business transformation — and the 2020 coronavirus pandemic — change is rampant across organizations. Recognition can be a powerful driver and reinforcer of behavior change that is essential for future success. Lack of recognition can suppress change.



This Business Builder serves as a blueprint for building the business case for increasing and improving the use of rewards and recognition to drive performance, engagement and talent retention.

Current State

Employee engagement is an essential driver of talent retention and business success. Recognition of employees at all levels of the organization is seen as critical to increasing engagement, individual performance and organizational performance, according to the latest Brandon Hall Group research. It is also regarded as necessary for enhancing the culture, increasing employee retention and improving team performance.

For recognition to be effective, it must be:

- Performance-based
- Timely
- Inclusive
- Frequent

But our research data shows that organizations are not effective at most of these, particularly frequency.

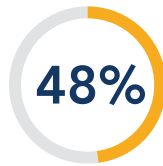
Effectiveness in Providing Recognition



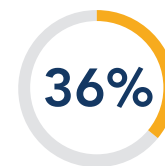
Recognition is performance-based



Recognition is timely



Recognition is inclusive



Recognition is frequent

Source: 2019 Brandon Hall Group Rewards and Recognition Study

Complexities

Building a culture of recognition and appreciation is critical to driving the trust and engagement needed to succeed in the current environment of disruption and change. But positive recognition does not come naturally to most organizations. A majority splits positive and negative feedback evenly or provides positive feedback slightly more often than negative.

Training on recognition and feedback is lacking in most organizations. Rewards and recognition budgets are modest. Most organizations say spending more would increase the effectiveness of rewards and recognition, but additional funding faces many competing priorities, plus a lack of support from top management, absence of technology and several other impediments, our research shows.

How Organizations Disperse Performance-Based Recognition

81% Individuals

53% Teams

28% Functions/departments

14% Business units

16% We don't give performance-based recognition

Source: 2019 Brandon Hall Group Rewards and Recognition Study

Managers need a strong understanding of the importance of recognition, how to link it to performance and use it to reinforce behaviors important to business goals and priorities. Recognition must also be personalized. Some employees thrive on public recognition; others are embarrassed by it and prefer privacy. There are also many ways to recognize employees, and managers should have a strong understanding of which methods are best in each situation.

Most organizations recognize individual contributions at some level, but far fewer extend praise across the enterprise. Recognition must go beyond individuals to drive engagement and performance. It has to be extended to teams, departments and business units.



Consequences

If organizations can't improve the quality, timeliness and frequency of rewards and recognition, they lose a critical tool in driving engagement at the individual, team and organizational levels.

Human beings thrive on positive feedback and acknowledgment of meaningful contributions. Recognition improves the company culture and contributes to a powerful employer brand. Lack of recognition or ineffective recognition leads to talent attrition and difficulty in recruiting top talent.

In addition, employers face a challenging competitive environment that demands continual change and requires employees to gain new skills and change behaviors. Recognition can be a powerful driver of behavior change; lack of recognition can impede change.

Critical Strategic Questions

Organizations must build a culture of recognition that drives engagement and performance. Begin with these questions:

How should rewards and recognition align with other talent strategies?

What barriers to recognition are most important to address?

What are the best ways to encourage 360-degree recognition across the enterprise?

To what degree will additional investment in rewards and recognition help?

How can technology help?

Would Your Rewards and Recognition Program Improve If Your Organization Spent More Per Employee?


63%
Yes


37%
No

Source: 2019 Brandon Hall Group Rewards and Recognition Study

Building the Business Case for Change

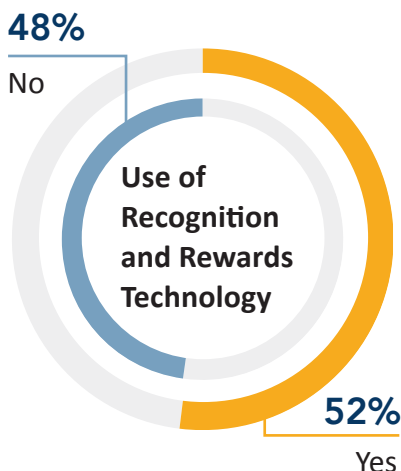


The key to success is to establish a culture of recognition, where praise, support and rewards commensurate with the level and impact of performance become the norm. This is a big change for many organizations and the business case must be made on two fronts: building a strategy to change the culture and then investing in the training and technology that drives impact in the most cost-effective way.

This Business Builder tool is designed to help organizations build a strong business case for recognition by answering critical questions, understanding what success looks like, winning stakeholder support and managing change.

Rewards and recognition are powerful tools that must be fully aligned with an organization's talent strategy. Each organization should establish values and growth behaviors tied to business objectives. When employees demonstrate those values and behaviors, rewards and recognition reinforce their actions. Over time, these new behaviors become the norm and enable an organization to evolve.

The power of recognition does not take hold unless it is timely, frequent, inclusive and linked to performance. This requires a sustained connection between employees that drives them to recognize and support each other within the context of organizational values. There are barriers to these connections. Hierarchy is one; for example, recognition does not always come naturally between managers and their employees. Training managers how to mentor, coach and give feedback helps break down barriers, but organizations struggle to do this consistently. Technology can be a strong enabler, but only about half of organizations have some form of rewards and recognition or engagement technology.



Source: 2019 Brandon Hall Group Rewards and Recognition Study

Getting Started

Change is complex. But articulating the need for change is more effective if you can frame it in simple, strategic terms. Answering the following fundamental questions will help you articulate the business need for rewards and recognition.



Does Your Current Approach to Rewards and Recognition Drive Better Business Outcomes?

Our research reveals that most organizations believe rewards and recognition (R&R) is important. At least 80% of organizations think R&R is critical or important for improving:

- Organizational performance
- Individual performance
- Team performance
- Employee engagement
- Quality of work
- Corporate culture
- Employee retention

But the business case has not been made strongly enough for substantial investment. About two-thirds of organizations spend less than \$100 per employee on rewards and recognition, and 64% say more money is needed to improve R&R. The biggest barrier to increased funding — by almost a two-to-one margin — is competing spending priorities. That's code for top leaders don't see it as a true business driver.



WHAT TO DO

Start by looking at your recognition culture. In other words, is recognizing and appreciating people part of your organization's values? Our research shows that after conflicting spending priorities, lack of a recognition culture is the biggest barrier to greater investment. So start by building the culture. Especially during the coronavirus crisis, recognizing and appreciating employees for their efforts will benefit the company. You can build from there.



What are the Barriers Impeding Reward and Recognition from Having More Business Impact?

Even organizations that believe recognition is important often struggle to deliver. That is because recognition — especially performance-driven recognition — does not come naturally to most leaders and managers.

WHAT TO DO

A good first investment in recognition is training leaders and managers on how to do it well — performance-based, timely, inclusive and frequent. Even if your organization chooses to do nothing further, you will have created a better workplace climate that can lead to greater engagement and collaboration.



Do You Have the Right Technology to Enable Better Rewards and Recognition?

R&R technology users are

72% more likely

to rate their culture of recognition highly than non-users.



Source: 2020 Culture of Recognition Pulse Survey (High rating = 4 or 5 on 5-point scale)

Technology is a great enabler. Especially in dispersed workforces, technology makes giving rewards and recognition — manager to employee and peer to peer — much easier. Brandon Hall Group’s 2020 Culture of Recognition Pulse Survey found that this technology can make it easy for anyone in the organization to recognize anyone else — direct reports, peers, supervisors — at any time, in any place and on any device. The solutions are meant to give leaders the ability to track the quality, frequency and breadth of recognition as they work to improve their recognition culture.

WHAT TO DO

Reflect on whether your current technology enables you to meet your recognition-improvement goals. If not, consider adding rewards and recognition technology to your business plan.



How Will Your Business be Impacted If you Decide to Stay the Course and Do Nothing?

Almost two-thirds of organizations believe their rewards and recognition program would improve if they spent more per employee, according to our research. Therefore, you should seriously consider the impact of doing nothing around rewards and recognition.

When you reflect, keep this in mind: The No. 1 concern of business and HCM leaders heading into 2020 was retaining the best people. Companies that rate their culture of recognition highly (4 or 5 on a 5-point scale) are far more likely to see increases in employee retention, employee engagement and employer brand than other organizations, our research shows.

Your willingness to tackle significant changes in rewards and recognition might be influenced by the difficulty of making the business case and winning stakeholder support. That is what this Business Builder is designed to do: help you demonstrate the need for change in ways that will influence stakeholders who control the purse strings.

We will do this in two parts: rewards and recognition strategy and technology selection.

Organizations that Rate Their Culture of Recognition Highly are:

3x more likely

to see increased employee retention

2.5x more likely

to see increased employee engagement

79% more likely

to give their employer brand a high rating

Source: 2020 Culture of Recognition Pulse Survey (High rating = 4 or 5 on 5-point scale)

Rewards and Recognition Strategy

ACTION PLAN

Keeping in mind your reflections on the “Getting Started” questions above, use the questions below to frame an action plan to improve your approach to rewards and recognition.

1. What are the business pain points that could be relieved by a more effective and efficient approach to rewards and recognition?

Examples: talent retention, employee engagement, employer brand, individual, team and organizational performance, workplace culture, customer retention and satisfaction, etc.

Intense Pain	Moderate Pain	Low Pain

2. What initiatives related to improving or restructuring R&R are in place now? Do any of your initiatives/plans need to change? How can you make them more effective or garner more stakeholder support?

Current Initiative	What’s Working	What Needs Adjustment

3. What initiatives or actions would improve rewards that do not exist now? What positive impact would they bring? What resources would you need?

New Action	Potential Impact	Resources Needed

4. Do you have the right technology to enable your goals?

If the answer is no, see page 13.

5. How will you measure success?

Examples: Employee engagement, performance improvement, talent retention, employer brand.

Category	Specific Metric

6. What are the best ways to hold leaders, managers and employees accountable for ensuring the recognition process achieves a positive business impact?

(Hint: focus on positive accountability — incentives, rewards, opportunity — more than punitive accountability. Example: how can managers who regularly recognize employees for meaningful contributions and behaviors that reinforce organizational values be recognized, rewarded or presented with new opportunities?)

Employee Type	Targeted Actions	Accountability
Leaders		
Managers/supervisors		
Individual contributors		

7. How will you get buy-in for an enhanced approach to rewards and recognition from leaders, managers and individual contributors?

Employee Type	Targeted Actions
Leaders	
Managers/supervisors	
Individual contributors	

STAKEHOLDER ANALYSIS

Different stakeholders have different roles and points of view on rewards and recognition. Organizations that are highly supportive will have buy-in across the organization, but it must be driven by the CEO and senior leadership, then cascaded throughout all levels.

Here is a list of key players, their interests and applicable metrics where applicable.

Stakeholder	Interests	Metrics
CEO	Innovation; organizational growth; customer experience; market competitiveness; organizational culture; employee engagement; cutting expense	Revenue/profit gain; market-share increase; voluntary-turnover decrease; customer retention rate; customer satisfaction rate
CHRO, other senior leaders	Alignment of business goals and employee engagement, talent retention, employer brand, talent mobility and workforce planning	Employee engagement; talent retention; internal promotion rates; quality of hire
Talent-management leaders	Improving employee performance, competency and skill development, coaching, manager-to-employee feedback, frequency and quality of 1:1 check-ins	Employee engagement; new-hire retention; experienced employee retention; manager retention; individual contributor retention; internal promotion rate; lateral talent mobility
Talent-acquisition leaders, professionals	Aligning recruiting targets to organizational need; improving employer brand	Quality of hire; new-hire engagement; first-year retention
Learning professionals	Aligning learning to business goals; adoption of new learning modalities to drive learning in the flow of work	Use of learning modalities, application of learning; behavior change
Managers, supervisors	Improving team member performance; coaching; feedback; balancing employee development with other management duties	Performance improvement; employee engagement; talent retention; internal mobility
Individual contributors	Career development; meaningful work; job satisfaction; everyday experiences at work	New opportunities; growth in current role; career growth

Rewards and Recognition Technology Selection

DELIVERING ROI

When business stakeholders think of ROI, it is often purely in financial terms, which many HCM leaders struggle to do. But times are changing. The C-Suite is more focused on the business impact of talent issues than ever before. Talent retention, employee engagement, employee experience and customer experience all sit toward the top of the business priority list for 2020.

Here are our recommendations on metrics to focus on and how to influence key stakeholders.

Metrics	Benefits	How to Calculate ROI	Key Stakeholder Groups
Employee engagement	Companies can improve employee engagement by improving the quality and frequency of recognition for improved performance, meaningful contributions and behaviors that drive or reinforce organizational values (such as teamwork, collaboration, innovation, inclusion, customer service).	Measure engagement at different intervals after technology implementation and compare to engagement scores before implementation. If you don't have questions specifically designed around rewards and recognition technology and other HCM solutions in current engagement surveys, add them before new technology implementation so you can compare before and after.	CEO, CHRO, talent leaders, business leaders, managers/supervisors
Talent retention	Employees, particularly Millennials and Gen Z, covet recognition, feedback and coaching, partially because it helps to grow in their jobs and careers, which is a top priority. Technology drives more recognition, which in turn can give employees reason to stay.	Calculate voluntary turnover at several employee levels before technology implementation, then calculate at various intervals after implementation. Change won't happen immediately and will be impacted by your change-management and technology-adoption strategies.	CEO, CFO, CHRO, talent leaders, business unit leaders, managers

Metrics	Benefits	How to Calculate ROI	Key Stakeholder Groups
Skill and competency development	Improving and adding skills and competencies are as much about reinforcing and applying learning as the actual learning itself. Therefore, recognition for applying learning and improving skills and competencies, enabled by technology, is important.	You must have metrics established for skill and competency development before technology implementation. This includes assessments, competency proficiency levels linked to career paths, certifications, etc. Once established, you can compare the state before those metrics to metrics after technology is adopted to see how the technology impacted competency and skill development. Learning technology obviously will also impact skill and competency development and these metrics can be used to measure ROI for both types of technology.	CEO, C-Suite, CHRO, CLO, talent leaders, business leaders, managers, supervisors
High-potential employee identification and development	High-potentials need to develop that potential in ways that benefit themselves and the organization. This involves learning new skills and competencies and changing behaviors. Recognizing, appreciating and rewarding effort and results create reinforcement and support that drives continuous development.	Track development milestones before rewards and recognition technology implementation and after to see if performance-based, timely, inclusive and frequent recognition makes a difference in the speed and quality of development.	C-Suite, talent leaders, business leaders

Metrics	Benefits	How to Calculate ROI	Key Stakeholder Groups
Time savings	<p>Recognition is important for many reasons, as previously stated. Without technology, sending emails, making phone calls or connecting person-to-person with all team members are time-consuming and logistically challenging, especially in dispersed organizations.</p> <p>Rewards and recognition technology makes performance-based, timely, inclusive and frequent recognition easier and faster, and drives adoption.</p>	<p>It's tricky to actually track the time savings from this technology. The best metric is comparing frequency of recognition between managers and employees and peer to peer before and after technology implementation. The time spent on recognition might actually go up, but the efficiency is greater.</p>	<p>HR and talent leaders, business leaders, managers, supervisors, employees</p>
Cost Reduction	<p>Benefits are similar to time savings (above).</p>	<p>Increase in engagement and talent retention metrics can reflect cost savings by reducing cost of turnover and hiring.</p>	<p>CEO, CFO, CHRO, business leaders</p>

Winning Stakeholder Support

Rewards and recognition, and the technology that enables it, has many stakeholders across the enterprise. They evaluate the impact in different ways. Communicating with them requires a focus on multiple metrics. The following is a list of key, non-C-Suite stakeholders. Their support and understanding of a technology initiative, from their own frames of reference, are critical to building a winning business case.

Stakeholders	Interests	Metrics	Translating Metrics
HR/Talent/Learning Leaders	Integration, analytics	Manager behavior change (more/better recognition and interaction; employee behavior change (more/better recognition, interaction, collaboration)	HCM leaders and practitioners know recognition is important, but it is integrated into many talent processes. Integration of rewards and recognition technology is key because all talent functions are interrelated.

Stakeholders	Interests	Metrics	Translating Metrics
Business Leaders	Integration, analytics, individual and organizational performance	Skill and competency improvement, performance improvement, employee engagement, talent retention, talent mobility	Innovation, customer experience and market share are (by far) the top priorities of business leaders. Recognition itself does not drive those behaviors, but it reinforces and motivates continuation of the behaviors. The key is to make leaders understand the business benefits that rewards and recognition drives.
IT Leaders	Integration	Adoption rates	IT departments are often responsible for training users on adopting these systems and must plan accordingly. Additionally, they will need to know how to support the system, particularly if the system is hosted or SaaS.
Managers	Integration, analytics, ease of use, mobile	Performance improvement, promotion rates, employee engagement, talent retention, time savings, check-in frequency, team member feedback	Recognition that is performance-based, timely, inclusive and frequent helps to drive all the relevant metrics. Technology makes recognition easier. Managers will also want a system that is mobile accessible, easy to use, integrates with other technologies they use and saves them time.
Individual contributors	User experience, integration, mobile, coaching, feedback, recognition, growth in current job, career growth	Goal attainment, performance rating, check-in frequency, promotion rates	Individual contributors — whether they are employees, contractors or gig workers — are facing an environment of continuous upskilling and change in the workplace in the digital age. The coronavirus pandemic is an extreme example of the types of challenges employees face on an ongoing basis. Everything is changing. Stress is skyrocketing. Recognition — both giving and receiving — can ease the stress and help them understand and appreciate the dividends of their efforts. The technology makes timeliness, inclusivity and frequency easier for everyone but must deliver a consumer-grade experience that enables employees to leverage the technology anytime and anywhere.

Practical Considerations

With an investment in next-gen R&R technology, organizations must consider these questions related to resources.

Category	Key Questions	Answer
Employee Experience	<ul style="list-style-type: none"> • How will this solution improve the employee experience? • Is the technology intuitive and engaging? 	<p>Organizations of all sizes seek ways to engage with employees daily. Technology solutions should provide a simple experience that encourages better communication and engagement between employer and employee.</p>
Talent Development	<ul style="list-style-type: none"> • How will this solution help build the capabilities and capacity of the workforce? • How will this solution help improve internal talent mobility? • How can the technology help link rewards and recognition to learning, performance improvement, career development, competency and skill development, and workforce planning? 	<p>Recognition should be part of all talent processes. The technology needs to integrate with other systems or suite modules to create a complete talent development experience for employees, managers and HR.</p>
Budget	<ul style="list-style-type: none"> • What is our R&R technology budget? • What do we currently invest in and what are we planning to invest in for the future? 	<p>Determining the budget is critical before moving forward with selection. When companies invest in SaaS or cloud solutions, HR/Talent Management/L&D becomes responsible for the budget. When thinking about the budget, consider what you spent in the past and what is realistic in the future. Make sure you are accounting for future needs, as well as present needs. Assume that further investment may be needed for add-ons or additional modules in future years.</p>

Category	Key Questions	Answer
User Experience	<ul style="list-style-type: none"> • How will this solution improve the employee experience, particularly around employee engagement and talent retention? • Is the technology intuitive and engaging? 	<p>Interaction between managers and their team members, and individual contributors and their peers, is a significant factor in improving performance, talent retention and employee engagement. R&R technology has the potential to transform daily interactions between employees that improve business results. Technology solutions should provide a simple experience that encourages performance-based, timely, inclusive and frequent recognition between peers, and manager and employee.</p>
Implementation	<ul style="list-style-type: none"> • Do we need third-party support for implementation? • What is a realistic implementation timeframe? • Will HR or IT own implementation? • Do we need post-implementation training? • Do we need a global implementation strategy? 	<p>Planning for implementation is an extension of your budget process. This is where the biggest problems occur for most companies because they often fail to plan for contingencies. More companies use third-party support to take pressure off tightly staffed IT and HCM teams. But that also is an additional cost. Companies must develop plans for rolling out their technology by region or business unit, be patient if implementation does not go smoothly and plan accordingly with additional resources, if needed.</p>
Change Management	<ul style="list-style-type: none"> • How do we communicate our plan for new technology to employees? • How do we manage change to optimize adoption of the new technology? 	<p>Change management is part of budgeting and implementation but is so important — and often overlooked — that it deserves separate consideration. You should have a comprehensive change-management plan involving key stakeholder — including users and superusers.</p>

Category	Key Questions	Answer
Pricing	<ul style="list-style-type: none"> • What is the cost of a next-generation system and what pricing model is available to us (pay-per-user, subscription, licensing, implementation fees, etc.)? • What happens if the price increases after the first year? 	<p>Pricing is another piece of budgeting. Because many factors influence pricing, it is nearly impossible to compare pricing models for these systems. The most important thing to understand is the cost for each aspect of product capability, implementation and update. Companies can combat this by creating a very specific pricing questionnaire for each provider to complete. Make sure to ask about additional costs such as implementation services, training, change orders and additional users.</p>
Timeframe	<ul style="list-style-type: none"> • When do we need to revisit our existing contracts with technology providers? • When do we need to upgrade our HRMS or ERP technology? 	<p>Companies often think about replacing incumbent systems when it is time to upgrade existing ERP or HRMS technology. They consider available options and whether a new system can meet its needs. A timeline depends on the company's existing technology and readiness for change.</p>
Delivery Model	<ul style="list-style-type: none"> • What is our preferred delivery model? • If we currently use on-premises solutions, what internal resources do we need to support SaaS or cloud-based systems? 	<p>Next-generation technology providers offer mostly cloud-based solutions. Enhanced security in cloud-based solutions should satisfy most companies with high-security needs. If you currently have an on-premise or hosted solution, you should seriously study the pros and cons of moving to the cloud.</p>
Metrics	<ul style="list-style-type: none"> • How do you measure the real impact for your organization? • What metrics do we need to measure the effectiveness of our R&R technology? • How will this system enable competency and skills progression, as well as employee engagement, talent retention, productivity and performance? 	<p>For a better understanding of metrics to consider and how to convey them to business leaders, please see the "Delivering ROI" section of this report starting on page 13.</p>

Category	Key Questions	Answer
Pricing	<ul style="list-style-type: none"> • What is the cost of a next-generation system and what pricing model is available to us (pay-per-user, subscription, licensing, implementation fees, etc.)? • What happens if the price increases after the first year? 	<p>Pricing is another piece of budgeting. Because many factors influence pricing, it is nearly impossible to compare pricing models for these systems. The most important thing to understand is the cost for each aspect of product capability, implementation and update. Companies can combat this by creating a very specific pricing questionnaire for each provider to complete. Make sure to ask about additional costs such as implementation services, training, change orders and additional users.</p>
Timeframe	<ul style="list-style-type: none"> • When do we need to revisit our existing contracts with technology providers? • When do we need to upgrade our HRMS or ERP technology? 	<p>Companies often think about replacing incumbent systems when it is time to upgrade existing ERP or HRMS technology. They consider available options and whether a new system can meet its needs. A timeline depends on the company's existing technology and readiness for change.</p>
Delivery Model	<ul style="list-style-type: none"> • What is our preferred delivery model? • If we currently use on-premises solutions, what internal resources do we need to support SaaS or cloud-based systems? 	<p>Next-generation technology providers offer mostly cloud-based solutions. Enhanced security in cloud-based solutions should satisfy most companies with high-security needs. If you currently have an on-premise or hosted solution, you should seriously study the pros and cons of moving to the cloud.</p>
Metrics	<ul style="list-style-type: none"> • How do you measure the real impact for your organization? • What metrics do we need to measure the effectiveness of our R&R technology? • How will this system enable competency and skills progression, as well as employee engagement, talent retention, productivity and performance? 	<p>For a better understanding of metrics to consider and how to convey them to business leaders, please see the "Delivering ROI" section of this report starting on page 13.</p>
Integration	<ul style="list-style-type: none"> • How will we handle integration? • What existing solutions need to be integrated with and how will this integrate with our ERP or HRMS? 	<p>To maximize investment, organizations must consider long-term implications of an integrated strategy and begin communications and change management to support the strategy before investing in the system.</p>

Building Your Business Case

After taking stock of stakeholder needs, practical strategies and how to measure ROI, you will have the tools you need to build the business case. Here is a description of what a step-by-step process might look like.

1 IDENTIFY A CHAMPION

Organizations struggle to articulate and quantifying the value they will receive from the investment and should consider including a senior business leader to champion the initiative and funding request to bridge the gap between the business and HR/Talent Management.

2 BUILD YOUR INTERNAL TEAM

To evaluate and select a technology solution, organizations must identify a “selection committee” responsible for creating RFPs, scheduling demos and evaluating providers. For many organizations, IT professionals, procurement professionals, HR professionals and business leaders are often included in these meetings. We also suggest including users or super-users who are likely to be heavy consumers of the system.

3 TIMEFRAME FOR SELECTION

Ensure the selection process has a realistic timeframe that fits with overall organizational projects and objectives. If IT has several other projects in place, you may need to adjust the timeframe. Always build extra time into your planning to account for unexpected delays. Better to set a longer timeframe and beat your deadlines than be too aggressive and miss deadlines. One client built eight extra weeks into the timeframe and ended up barely meeting the timeframe.

4 IDENTIFY A LIST OF ‘MUST-HAVES’

Organizations must consider their unique needs before investing and determine their “must-haves” and “nice-to-haves” when selecting a system. Organizations will typically identify “must-haves” in terms of functionality, technical requirements and

solution-provider viability. This is not meant to serve as a list of requirements but rather a general overview of priorities depending on their line of business, size and geography. When preparing your list, go beyond current needs and anticipate needs — and usage — two to five years out.

5 MEASURE THE EFFECTIVENESS

Although most organizations will be able to determine the effectiveness shortly after going live with their system, companies must define the metrics as part of the business plan. This is a traditional area of weakness for HR/Talent Management/L&D, so make sure your team includes people — perhaps from Finance or Procurement — who can help you determine applicable metrics. The most common metrics employed for a learning system include time savings, cost savings and compliance. For a more complete list and how to calculate ROI, see page 13.

6 DEVELOP A CHANGE- MANAGEMENT STRATEGY

Any technology change typically requires a level of change management. It provides a transition to the future state. For some organizations, this can involve moving from a paper-based process and for others, from a legacy system. In most cases, change management begins at the leadership level and requires strong communication to employees expected to use the system and everyone impacted by it. A successful change-management program will have a tremendous impact on adoption rates.

7 STRATEGIC COMMUNICATION

A communication strategy should be developed to articulate the need for the technology investment with key stakeholders and senior business leaders. This communication strategy should be revisited regularly through the selection and implementation phases.



Conclusion

Building or enhancing a culture of recognition to drive business results can be a complex journey. It is not always top-of-mind-for top decision-makers. But recognition is part of high-performance management. Employers have always struggled to scale great management; it is more critical today in the era of digital transformation, especially during the coronavirus crisis (and recovery period).

The key to positive change is to make stakeholders understand that recognition,

whether it includes rewards, is fundamental to driving performance, engagement, talent mobility and talent retention. It has significant potential business impact.

But if it has not been a significant part of your workplace culture, creating a culture of recognition is difficult to do on a large scale. That is because recognition needs to be performance-driven, timely, inclusive and frequent. Less than half of organizations do any one of those things well, our research shows.

That is why R&R technology is a big part of the equation. It enables organizations to scale recognition that undoubtedly exists in pockets of the organization but has not been institutionalized for maximum business impact. Technology providers — powered by AI, Machine Learning and myriad lessons learned — have advanced dramatically and offer potential dividends not even imaginable just a few years ago.

In the end, though, the rewards and recognition technology is only as good as its fit with the goals of the buyer. Most corporate technology-selection methodologies are deeply flawed. It's up to you to build a technology strategy, acquisition and adoption plan that enable you to find the technology that meets your needs — current and future.

The strategies and processes in this report are your roadmap to making a winning business case for transforming rewards and recognition from an after-thought to an effective strategy that drives employee engagement, talent retention and business success.



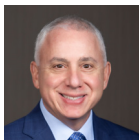
Authors and Contributors



Claude Werder (claude.werder@brandonhall.com) co-wrote this report. He is Senior Vice President and Principal HCM Analyst at Brandon Hall Group. He leads the Talent Management research and advisory practice, specializing in leadership development, performance development, learning, career development and talent retention. He also contributes to the talent acquisition and workforce management practices and produces Brandon Hall Group's HCM Excellence Conference.



Mike Cooke (mike.cooke@brandonhall.com) contributed to this report. He is CEO and Principal HCM Analyst at Brandon Hall Group. Mike has more than 20 years' experience in human capital management and the research, software and technology industries. Before running Brandon Hall Group, Mike was co-founder of AC Growth, a research and consulting firm, and VP and General Manager of Field Operations at Bersin & Associates, a global analyst and consulting services firm in all areas of HCM.



Michael Rochelle (michael.rochelle@brandonhall.com) contributed to this report. He is Chief Strategy Officer and Principal HCM Analyst at Brandon Hall Group. Michael leads a wide range of advisory support and strategic engagements for Fortune 1000 and small-to medium-sized organizations as well as leading and emerging solution providers across the HCM industry. Michael has more than 30 years' experience in HR, IT, sales, marketing, business development, and strategic and financial planning in Fortune 500 and venture-backed start-up organizations.



Richard Pachter (richard.pachter@brandonhall.com) edited this report. He is the Content Manager at Brandon Hall Group, responsible for editing research assets and other content. He has experience as a journalist, copywriter, editor and marketer, and served as the Miami Herald's internationally syndicated business books columnist for more than a decade.



Emma Bui (emma.bui@brandonhall.com) is the Graphic Design Associate at Brandon Hall Group. She created the layout and graphics for this report.

About Brandon Hall Group

With more than 10,000 clients globally and 25 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

Some ways the we can help...



MEMBERSHIP PACKAGE

Includes research library access, events, advisory support, a client success plan and more.



STRATEGIC CONSULTING

Custom Research Projects, including surveys and focus groups interviews. Organization Needs Assessment for Transformation, Technology Selection and Strategy.



EXCELLENCE AWARDS

Global recognition showcasing leading programs and practices with a library of case studies.



PROFESSIONAL DEVELOPMENT

Virtual and on-site certification programs, workshops and webinars supplemented with research-driven assessments and tools.



ORGANIZATIONAL EXCELLENCE CERTIFICATION PROGRAM

recognizes world-class HCM programs that transform their organization and achieve breakthrough results. This designation is the next step beyond the HCM Excellence Awards, which focus on a single program, and looks at the department as a whole.



SMARTCHOICE PREFERRED PROVIDER PROGRAM

uniquely places HCM service and technology companies at the top of organizations' consideration list of vendors. It adds an unmatched level of credibility based on BHG's quarter of a century's experience in evaluating and selecting the best solution providers for leading organizations around the world.