Getting the Most from Peer Recognition

Learn more about peer recognition at bonus.ly
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Introduction

What can I expect from this guide?

This guide covers the knowledge you'll need to successfully understand and get the most from peer recognition. We'll start by looking at employee recognition from a high level. Then, we'll get into some tactics for recognition programs at your own organization, discuss the importance of tying recognition to your company's values, look at how peer recognition has a unique way of helping with employee engagement, and check out some of the insights your organization can glean from peer recognition programs.

How should I use this guide?

You can start with any section you find interesting or useful, but we recommend beginning with the fundamentals and building up from there. If you're already familiar with the fundamentals, this is a great opportunity to brush up on current best practices and gain new insight.

Let's get started!
1. Employee Recognition Matters!

But you already knew that, right? Well, let's start with some of the basics. Even if you've been thinking a lot about employee recognition, it's always good to refresh your memory about what it really is—and why it's so important.

And while we're doing that, we also want to look at the two main types of recognition programs—top-down and peer-to-peer—to see why both are crucial for your organization. Top-down programs tend to be more common. In fact, you may already have some ways in which you do them. So in this eBook, we're also going to explore peer-to-peer programs—including the way Bonusly can help.

Employee recognition is much more than a box to check on a Best Practices worksheet—it is the way you can acknowledge and appreciate your employees’ contributions to your organization.

Although commonly given by managers or supervisors, delivering recognition is not exclusively management territory. Recognition can also be given by peers, clients, and customers.

While organizations across the world agree about the need to improve engagement, they don't have a consensus on how to do this most effectively. As they attempt to overcome poor engagement, they expend resources on tools and tactics that fail to make much of an impact.

The result? Now there's waste in addition to disengaged employees. Not a good combination.

On the other hand, there are highly effective and proven strategies for improving employee engagement. One of them is a well implemented employee appreciation
program. This is important now more than ever, as remote work or hybrid workforces continue to become more and more prevalent.

**Recognition can improve morale, productivity, and even retention.** A non-existent, poorly-designed, or poorly implemented employee recognition program can have the opposite effect.

One significant cost is turnover. Employee turnover is a costly business expense that is often underestimated and underrepresented—especially during the days of the Great Resignation. Even if you try to calculate an employee's turnover cost, there are such a vast number of variables that the cost is almost always larger than you'd expect.

**Try it Yourself with Bonusly's Cost of Employee Turnover Calculator**

In addition to these issues, employee morale is a crucial element of any operation. With low morale, nearly every aspect of an employee's contributions will suffer. High morale, on the other hand, tends to inspire greater productivity, creativity, and overall satisfaction. Showing appreciation for an employee's valuable contributions is a great way to boost morale. This employee morale boosting effect is intensified in a group setting.

Recognizing great work doesn't only provide motivation to produce more. It also provides employees with constructive feedback they need to know which of their efforts are most appreciated, and where they should direct their focus and motivation.
So now, let’s dive into the two main forms of employee recognition: top-down and peer-to-peer.

**Top-down employee recognition techniques**

In a top-down employee recognition system, an employee’s manager witnesses and recognizes their contributions. It’s like the good version of “If you see something, say something.” There are several types of top-down recognition. Some examples are:

**Years of service award**

In recognition of an employee’s continued contributions to an organization over a number of years, a Years of Service award can be given at specific intervals or milestones.

Years of Service awards can, but often do not involve financial compensation. Commonly offered awards include: plaques, engraved pens, or group greeting cards.

**Employee appreciation day**

Employee Appreciation Day is a semi-formal holiday founded by Bob Nelson, a founding board member of Recognition Professional International. Over the past 20 years, other companies have embraced the unofficial holiday, paying homage to their employees on the first Friday of March.

You can easily celebrate Employee Appreciation Day with a small, company-funded event like a barbecue or small office party. Now, many organizations are finding creative ways to do virtual events. Additional financial compensation is not often an element of Employee Appreciation Day.

**Annual bonuses**

An annual bonus is financial compensation given to employees in addition to their base pay. Annual bonuses are given once per year, usually at the end of the fourth business
quarter. Annual bonuses can be given for a multitude of reasons, but are nearly always performance-based.

For example, if Jeannette, a salesperson, exceeds her quota for four consecutive business quarters, you could give her recognition for that overachievement in the form of an annual bonus in addition to base salary and commissions.

**Quarterly bonuses**

Quarterly bonuses are similar to annual bonuses, but are given out on a more frequent basis, usually as part of a heavily performance-based compensation model. Sales organizations are common adopters of the quarterly bonus structure.

For example, for whichever salesperson lands the largest new customer in a quarter, you might give them a bonus at the end of that quarter.

**Spot bonuses**

Many organizations choose to thank workers “on the spot” for achievements that merit particular notice. These bonuses are generally given in recognition of an employee exhibiting exceptional productivity. You’d likely give these out to call attention to something immediately.

Spot bonuses are normally $50 or more, and they’re most often given by a direct manager, an indirect manager, or senior coworker in the organization. That said, they also can be part of a peer-to-peer recognition program.

Unlike annual and quarterly bonuses, on-the-spot bonuses are given at an irregular cadence, which is why they might be best for specific events or achievements. For example, when a team creates a great pitch that brings in new work, you could give them all a bonus as a way to show recognition while the news is still fresh.
Peer-to-peer employee recognition techniques

Top-down recognition is valuable, but it’s often not enough. In fact, sometimes peer-to-peer recognition can be better.

In a peer-to-peer recognition system, managers and co-workers are all empowered to recognize and reward the contributions of their colleagues. Some of the most common forms of peer recognition are:

**Gold stars**

Some organizations encourage employees to recognize one another’s contributions through the giving of small mementos. Gold stars are a good example of this type of recognition. These stars are sometimes given a tangible value, and can be exchanged for real-life items.

For example, if Javier decides to help out his colleague Patrik in the marketing department having trouble implementing a new tool, Patrik could give Javier a gold star in return for the assistance.

**Verbal praise**

Verbal praise is perhaps the oldest and longest-standing form of peer-to-peer recognition in the workplace. Verbal praise is given by colleagues, generally in an ad-hoc fashion, in recognition of a staff member’s valuable contribution.

Although nearly always informal in nature, verbal praise is occasionally solicited as part of a formal staff recognition program, or it can be a regular part of recurring meetings.

For example, if Ekaterina regularly demonstrates exceptional timeliness and attention to detail, her colleagues might all share a bit about how much they appreciate her efforts.
Small bonuses

Small bonuses are small monetary rewards given frequently by one colleague to another in recognition of a valuable contribution. Although small bonuses can be given by managers to their direct reports, they can also be given by other colleagues, and even from a direct report to a manager.

Like spot bonuses, staff recognition in the form of small bonuses can be given at the very moment a valuable contribution is made by an employee. Employee recognition given in the moment has the greatest potential for impact, because the action is rewarded almost immediately. Kind of like if you see some litter, decide to pick it up as a good deed, and find a $10 bill while you’re at it.

Because small bonuses are small by nature, they can be given often, providing multiple positive instances of employee recognition without dramatically altering an employee’s compensation.

For example, if Jeremy updates the company’s landing page and brings in three new signups in one day, his colleague Bhavika could give him a small bonus because those new signups became part of her sales pipeline.
Okay. So those are some of the basic ways to give employee recognition. But which are the most effective ways? At a high level, giving recognition needs to be frequent, genuine, and organic—not only between leaders and their team, but also between peers.

In *The 10 Best Practices for Enhanced Employee Engagement*, Henry Miller states, “Rewarding the right people for the right reasons—both formally, ‘in the moment,’ and ‘peer to peer’ when employees achieve important milestones and objectives—both large and small—goes a long way to enhance employee engagement.”

Miller touches on several points that are crucial to understanding how to give recognition effectively.

1. Peer-to-peer recognition is just as powerful, and in some cases more powerful than the recognition employees receive from their managers.
2. Both large and small contributions to an organization are valuable and should be recognized.
3. Timing is everything. Recognition needs to happen in the moment when it has the most potential impact, which will fade quickly over time.

An article on Great Places to Work, “Creating a Culture of Recognition,” offers some other tips, such as:

**Make it specific and personal**

It’s important not just for an employee or coworker to know you’re pleased with the work they’ve done, but also why you’re pleased. Communicate the specific value their contribution provided to you, and to the organization as a whole.

If you want the recognition you give to have a significant impact, think beyond “Nice work,” or even “Nice work on the new app.” Show the value their contribution is providing, and why you appreciate it: “Nice work on the new app. The UI is excellent, and it’s going to change the way people use our platform.”

**Tied to the bigger picture**

Money can be a nice gesture, but it isn’t always the most effective means of showing your appreciation. Make sure the recognition you give coincides with your company values.

We’ll get into that in more depth later. The TL;DR version is this: When you recognize people for upholding the core values your company actually exhibits and is aligned on, you show them how they’re appreciated for things that are truly important for the company. As a bonus, you simultaneously communicate those values and reinforce their importance.

Okay. But how do you actually do that? Employee rewards are an essential component of an effective engagement strategy, but many leaders still struggle to implement rewards successfully.

Companies commonly make the mistake of failing to put enough thought and creativity into the program. Aligning rewards with things your team truly values will make a significant difference in how they’re received.
Frequency is key

Employee rewards don't have to be large or costly. In many cases, small rewards are more effective because they can be given more frequently, and frequency is a crucial element of a successful rewards program.

Now, we're about to toot our own horn a bit, but there's a reason for that. We built Bonusly to capture a lot of these principles. What is Bonusly, exactly? It's a platform for peer-to-peer recognition. In short, users can give each other real recognition, tied to real company values, that can be converted into real rewards of their choosing.

In other words, it's specific and personal. It's tied to the bigger picture. And it can be done frequently.

If you want to know how it works, check out our tour.

And guess what! It's not just about effective recognition for your employees. It can also give you a clearer picture of your workforce. So let's talk a bit more about how you can be sure your recognition program is working.
3. Challenging The Skeptics

You might be skeptical about employees having control over recognition and bonuses. And why not? No one likes to give up control.

In fact, that skepticism can exist even when peer recognition is already in place. If you see high engagement numbers (like 90% of employees giving bonuses each month, which is what we often see on Bonusly), you might think it’s just a lot of quid pro quo giving, not authentic recognition.

Sure. When two users give each other bonuses within a short period of time, it may look like reciprocity: the practice of exchanging things with others for mutual benefit. You don’t want that. You want bonuses to be given as a real celebration of great work.

Skeptics often assume that if a lot of employees are giving and receiving bonuses, then the only possible explanation is reciprocal giving. After analyzing the behavior of our entire user base, it turns out that this fear is not supported by the data. In fact, you can definitely trust employees with peer-to-peer bonuses, as they actually avoid giving bonuses to those who recently gave them one.

Moreover, the assumption of reciprocal giving is incorrect. It is possible to have high participation without excessive reciprocity:
Here, 100% of employees both gave and received a bonus without any reciprocation at all.

Plus, sometimes it might look like reciprocity is happening, when it’s really just coworkers giving each other recognition because of the way their roles naturally overlap.
Let’s say your colleague Jane writes a popular whitepaper that results in a huge jump in inbound leads. So, you give her a bonus.

A few days later, you help her work some key data into a blog post. Then, she gives you a bonus. In this case, A has given to B and B has given to A, but the recognitions were specific, honest, timely, and appropriate.

In other words, the real question isn’t about who’s giving to whom. It’s whether or not the giving meets the criteria of effective recognition.

As a manager or CEO, you want this kind of thing to happen. The behavior being recognized is generating significant value for the organization. And it’s motivating to employees to know that their work is recognized. The goal isn’t zero reciprocity—you just don’t want excessive reciprocity, which could be an indication of abuse or cheating.

So, if employees can, in fact, be trusted to give rewards responsibly, maybe there are opportunities to rethink other assumptions about employees—and fears about their judgment. Like:

- “Peer bonuses will never work.”
- “Transparency will never work.”
- “Distributed teams will never work.”
- “Flexible hours will never work.”
- “Flat teams will never work.”

Since the first one doesn’t have to play out, maybe the others should be questioned, too. Especially now that remote work is becoming more and more prevalent, if not downright necessary.

But the real thing you want to know is if it works. So let’s talk a bit more about how you can use data to be sure your program is working.
4. Getting Effective Insights

You've probably seen how everyone wants numbers and data nowadays. Analytic tools have changed everything, and that's just as true for leadership practices. Where you used to go with gut feelings, now you need to at least supplement those intuitions with data.

Here's the problem. Talent analytics tools are still a relatively new development, and a large number of leaders aren't using them to their full potential.

“Only 6% of organizations rate their data analytics skills highly. Yet ‘Big Data’ drives critical business decisions.”

–Bersin and Associates research

Although these new tools are being adopted at a growing rate, their application isn't always (or often) sophisticated, and as a result, they're not being used to their full potential.

Just like any other powerful tool, the impact of talent analytics is dependent on its application.
Talent analytics isn't exclusive to enterprise or tech firms. Any business can benefit from them.

There's no lack of consensus that analytics are a crucial tool for modern business.

In the article, “Talent analytics in practice,” the authors explain: “Companies that successfully leverage analytics and big data will be positioned to outperform their peers in executing their talent strategies.”

Here are some easy ways you can use talent analytics to improve your understanding of the people you work with and inspire greater levels of engagement in your organization.

**Capitalize on performance insights**

It's hard to calculate the value you gain from better understanding employee performance on both a granular and holistic level. Talent analytics can provide that data. The key to success? How you use that data to inform your decisions as a leader.

In her article, “Talent Analytics: A Crystal Ball for Your Workforce?” Meghan Biro points out how valuable this knowledge can be in informing your hiring decisions: “By analyzing the skills and attributes of high performers in the present, it enables organizations to build a template for future hires.”

Even more, you can expand the use of that New Hire Template to provide present staff with a valuable High Performer template to emulate.

An employee's greatest anxiety is often the question of what it takes to succeed in an organization—and most do want to succeed. By providing this template you're giving everyone the opportunity to eliminate that anxiety, and that's worth its weight in gold.

Oh, and it should also help improve their performance, too. Not bad!

**Understand contributions**

Are you fully aware of the contributions each member of your team is making?
In any great organization, each member is making countless valuable contributions on a daily basis. As a member of that organization yourself, you might find it difficult, if not impossible, to keep track of those contributions.

But guess what. You don’t have to. **While you may not have personally witnessed a valuable employee contribution, someone likely did.**

If you have a system in place to track and quantify those contributions, it’s much easier to grasp the impact of your colleagues’ myriad of contributions.

How do you use this information to improve employee engagement? Recognition has time and time again been proven to have a positive impact on employee engagement. Using talent analytics data to better recognize your colleagues’ contributions is a valuable step toward improvement.

**Gauge and improve cultural alignment**

You may have a list of core values that your company supposedly upholds, but ask yourself honestly: do you know how aligned you and your team are to those values?

Core values are meaningless without alignment. Without it, they’re like a bullet list on one of those Terms and Conditions pages that we never read. But when the entire team shares and believes in a common goal, engagement naturally skyrockets.

“**Employee engagement is the emotional commitment the employee has to the organization and its goals.**”

–Kevin Kruse
So how do you use talent analytics to gauge and improve cultural alignment? Well, naturally we want to mention the way Bonusly can help. It’s easy to see just which core values your team really upholds in their day-to-day work.

Thanks to Bonusly’s Company Value Hashtags, which users can add to every recognition post, you can quickly assess which values get recognized most.

You may find that some core values, while they sounded good on paper, weren’t actually a fit for your organization. This is crucial information to have, as it can help you determine where you have alignment on core values actually and where you may need some adjustment.

**Benchmark your programs and policies**

Benchmarking may be one of the most important assets that talent analytics brings to the table. Measuring the effectiveness and performance of your programs and policies is just as important as measuring the performance of the employees they impact.

Now, nearly every policy you have was built with good intentions, but good intentions don’t always produce good results. There could be one—or many—policies holding your team back or damaging employee engagement. How can you know? Gotta measure them.

In their seminal HBR article, “Competition on Talent Analytics,” Thomas H. Davenport, Jeanne Harris, and Jeremy Shapiro categorize this type of analysis under what they call
the Talent Value Model: “The talent value model addresses questions like ‘Why do employees choose to stay with our company?’ A company can use analytics to calculate what employees value most and then create a model that will boost retention rates.”

There are a number of tools you can use to take those measurements, and most importantly, make sense of them. At Bonusly, we created a simple, quick survey tool called Signals as an easy way for you to gather information anonymously, painlessly, and most importantly, in an actionable format.

**Putting It all together**

These are all just snapshots. You want the full picture, right?

That’s why you want to combine and cross-reference the results of active data gathering tools (surveys, for example) with passively-gathered data. From this, you can get some truly priceless insights into your team. Those insights can be instrumental in the development of successful employee engagement initiatives, and a stronger team.

As HR tech tools continue to evolve and mature, those data points will become easier and easier to integrate into an increasingly broad and complete picture of your organization.

But don’t wait! It’s simple to start now with these first steps, and gain the experience with talent analytics that you’ll need to stay ahead of the competition—and perhaps more importantly—start each day one step ahead of the last.
5. Organizational Values

We’ve touched on core values earlier, but let’s take some more time to think about them—especially in regard to recognition programs.

Your company’s core values are like the north star, guiding your company through calm and stormy seas. Many organizations have them, yet few use these core values to their full potential. Employee recognition—especially peer-to-peer—is a very effective way to reinforce a company’s values. Here are a few easy ways to make sure that you are:

**Keep it real(istic)**

It’s not surprising that such a large number of companies want to associate with values like strength, integrity, respect, and excellence. But are those really the most accurate words you could use to describe your organizational values and goals?

*Really?*

No doubt those are generally good things to aspire towards. However, that’s the problem: They’re general, and not particular to your organization. Effective core values are specific enough that you can see them in your work on a regular basis.

And if they’re only aspirational, not actual, people won’t really believe in them. You can attempt to force an association with particular values all you want, but if you’re not really living them, you won’t have much success. It may even do more harm than good to your company culture.

Think about it. If you’re parading core values that don’t match your practices, it creates a signal and sense of discord. Core values, by their very nature, must be in harmony with your goals, philosophy, culture, and team.
Choose core values that are specific and realistic for your organization to uphold on a daily basis.

Alignment

Core values are a lot like pants: it's important to have them, but it's just as important to make sure they fit reasonably well or you're going to look and feel silly with them on.

Patrick M. Lencioni shared a perfect example of this in his article, “Make Your Values Mean Something.”

It's good to stretch yourself and your team towards positive goals, but it's important to choose core values that aren't such a stretch as to be unattainable or completely off-base. Remember, it's not just one person adhering to these values.

It's crucial to understand your team well enough to know how they fit into the picture. Holding them to an idealized image that only a small handful reflect will only be an exercise in frustration for the rest.

Choose core values that are aligned with the values of your team. Better yet, get their input.

Communication

Clearly communicating organizational values internally, as well as publicly, are crucial aspects of getting it right. If you already have a set of core values, consider this next question carefully.

How many of your employees can recite your core values without cheating and looking at your About Us page?

What's the point of having core values if you don't communicate them?
Make sure you’re effectively and consistently communicating the values you’re expecting others to uphold. If they don’t know what they are, how can they work to exhibit them? Publicly recognize the contributions team members make that exemplify a certain value. It refreshes everyone on the importance of that value in their own work, and gives them a reference for how to exemplify it themselves.

**Reinforcement**

It’s not enough to send out a company-wide email, or to list the values on your company’s About Us page. Find ways to constantly reinforce your company’s core values, or they’ll never be more than a few lines of text on an email, buried beneath thousands of others.

There are countless ways you can reinforce your values. But the most important thing is to remain consistent, and to do it often. By making your company’s core values a regular and inseparable part of your work experience, they will transcend simple lines of text and become the north star they’re meant to be.

And we want you to be able to do that. That’s why each piece of recognition given through Bonusly is tied to a hashtag. You can provide your own suggestions for employees, based on your company’s values. This helps reinforce the importance of those values to the entire team, and also shows how their everyday work aligns with them.

You can also add your own hashtags. The insights you gain through your team’s interactions and the tags they use can also help you to further align and improve the list of values you have.

No matter how you choose to build, align, and reinforce your company’s core values, make sure to give that process the attention it deserves, and you’ll reap real benefits.
Ready to check it out? See how Bonusly ties company values directly into recognition programs.

Now, you probably got the picture that we think Bonusly can be effective. But we’re not arguing that peer recognition should be everything. Let’s look at some other ways you can reward your team.
6. Reward Options

Alright, so you've brushed up on peer-to-peer employee recognition and the key ways to be sure to do it effectively.

A strong peer recognition program allows coworkers to give recognition to their peers that are tied to a monetary reward. Even though the peer isn’t the one responsible for footing the bill—that’s up to the employer—peers are rewarding one another, regardless of whose bank account it comes from.

Here’s a list of creative employee rewards, separated by category. Think of it as a jumping-off point to developing your own outstanding, impactful catalog of employee rewards.

Company specific

What are some rewards that only you can give to your employees? These are some of the most unique employee rewards you can provide. If you’re not considering them as an option, you’re missing the boat. Here are a couple ideas to get started:

Company-branded gear

Lots of companies have the standard cheap screen printed pens and such, but you can be more creative than that, right?! Make sure these things are cool or useful so people actually want them. For example: We have a limited-edition early employee t-shirt that everyone covets for its unrivaled softness and awesome design.

Lunch with the President/CEO/etc.

You might be surprised how many employees would love a chance to sit down and break bread with the leader of the organization. If your employees want to get to know you better, why not give them a chance in an informal, relaxed setting?
**Master classes**

Do you have a senior employee willing to share some of their highly valuable skills or insights? Try incentivizing them to give a master class—you could fund it through the rewards program.

**Professional development**

Most employees want to get better at what they do. Mastery is one of three key motivators Dan Pink mentions in his book *Drive*. Professional development is good for both employees and the company. For that reason, many companies offer a subsidy for these types of rewards. Here are a few examples.

**Books/educational materials**

As an employer, you can help provide the materials an employee needs to improve their mastery over a subject. See what kinds of books and other educational resources might be valuable to your team.

**Courses**

There are countless courses that employees can enroll in to improve their skills and gain certifications. Consider curating a list of online courses you can provide subsidized or free access to.

**Seminars**

Seminars are a great way to absorb a large amount of information, meet people, and expand skill sets.

**Hyperlocal rewards**

There are some rewards that you can provide to your team that are only available in your location. These are great rewards to offer because they are unique, and often favorites of people in the area.
Local establishments
Every city has a list of favorite local establishments, and many of them sell gift cards. Think of a few cherished local spots you can add to your list of rewards.

Local events
Local events are another great, custom-tailored reward you can offer your team. Are there any events coming to town that you know your team would be excited to attend?

Time
Time is a person’s most valuable resource. Why not offer some of it back to your team? Even if you absolutely love your job, a little extra time to yourself is always welcome.

Long lunch
An extra-long, relaxed lunch can set a zen-like tone for the rest of the day, even when the additional time spent is relatively small.

Early release
Think back to your school days, and remember the utter joy of early release day. This is especially appealing during the spring and summer months, when the weather is great, and an extra hour can feel like a half-day off. Just one extra hour can make enough time for activities people otherwise miss out on.

Extra PTO hours
You can also give employees the autonomy to save up extra hours of PTO for a half, or even a full day.
Gift cards
There's a special feeling you get when you buy a pair of new shoes, or a cup of coffee on the weekend and know your company just treated you to it. There is a huge variety of gift cards from your team's favorite retailers that you can provide.

Teambuilding
There are a number of rewards you can offer that can inspire stronger bonds between coworkers, which is an incredibly valuable asset for both them and the company.

Happy hour
Happy hours are a great way to get everyone together outside of the office in a more neutral and relaxed setting.

Travel
If you have more than one office, offering employees opportunities to spend time working in a different office is a great way to break the monotony of the daily routine, while still getting great work done. It's also a nice way for employees who may never have met face-to-face to forge valuable friendships.

Charitable giving
Many of your employees are likely making charitable donations already. You can help them to amplify the impact they're making by giving them an option to make charitable donations as a reward for great work on the job.

Wellness
According to the CDC, healthy employees are often more productive. Offering rewards that can help improve employee health can benefit everyone. Here are a couple examples:
CitiBike

At Bonusly, our Brooklyn office has a yearlong CitiBike membership available as a reward. Look for other similar services that might be in your area.

Gym membership

A gym membership is a great way to help employees maintain their physical health, especially in the winter months.

Yoga class

Yoga can help improve fitness of both the body and mind. Offering a yoga class to employees can be a great reward, and an excellent tool for unwinding after a hard day’s work.

Need even more employee reward ideas? We’ve got 65 of ’em!
7. Other Useful Tools

After reading “How can you measure your company culture?” you’re now measuring turnover, right?

The great thing about this post is that it introduces a Key Performance Indicator (KPI) for your company culture. Once you can measure something, you can improve it. The question is: how?

Why employees quit

Here’s the naive view of reducing turnover: Entice employees to stay with money—big salaries, big bonuses, big perks. Unfortunately for many startups, it’s simply impossible to pay as much as the Googles of the world. Luckily, money isn’t the answer to the turnover problem. After all, the median tenure at Google is among the lowest in the country.

It turns out that the way employees feel about their job matters a lot more than money. Study after study shows that the reason workers leave is because they feel underappreciated, underrecognized, and undervalued. In fact, behavioral economist Dan Ariely found that there are two things that make us love our jobs: a sense of purpose, and a sense of progress.

We feel a sense of purpose when we get feedback that our job matters and makes a difference: to fellow colleagues, to customers, to the world. We feel a sense of progress when we get feedback on our own performance and see ourselves improving toward eventual mastery.

Efforts to build a great company culture should then focus on creating an environment where both of these things happen on a regular basis.
Founders are always looking for better, easier, and cheaper tools that will move the needle on different KPIs. But where are the tools for improving company culture?

For far too long, building a great company culture has been thought of as a “dark art.” Some leaders can do it, others can’t. How it’s done is shrouded in mystery.

This is reminiscent of how marketing was done about 10 years ago: riven by personality and gut, not data. Thankfully, marketing is now a data-driven profession, as we've learned how to measure, predict, and drive growth, and built a toolset around it.

The same is beginning to happen for company culture. At Bonusly, we've built one of the first SaaS tools for improving your company culture. Along the way, we've gotten to know a handful of other great companies that are also working toward the same goal, albeit from different angles. Here's a preliminary toolbelt for reducing turnover and improving culture.

**Small Improvements**

Instead of doing annual performance reviews, you can do more frequent, smaller reviews that help your employees make small improvements every day.

**TinyPulse** and **OfficeVibe**

Two services for instant employee surveys. These can provide you with additional data points beyond your top-line turnover number.

**iDoneThis**

List out your daily accomplishments. In the words of Josh Pigford, “Warm Fuzzies as a Service.”
Culture Amp
Like Bonusly Signals, this is a way to collect and analyze employee engagement feedback via simple, intuitive surveys.

Donut
This service pairs up employees randomly for a “donut”—an informal half-hour meet-up that can help foster connection and increase team cohesion.

Caroo
Caroo provides ways to give valuable gifts to employees, clients, and charities. Oh, and delicious snacks too!

Water Cooler Trivia
Trivia night is always popular at the bar. Now, there's an easy way for you to bring it to the office. Flexible and customizable for your organization, easy for you.

Hypercontext
Leading a team can be a lot of work. Hypercontext gives you a tool that not only streamlines it for you, but can also help eliminate repetitive, non-productive meetings for everyone else.

Bonusly
Okay, one last plug for ourselves. Instead of giving out big bonuses at the end of the year, or asking managers to dole out spot bonuses, let your people have the power!

Employees give each other instant micro-bonuses for the daily wins that add up to big successes over time. Analytics tools help you learn more about the strengths, relationships, and accomplishments of your team.

Do you want to help your employees recognize one another in a better way? No matter how well top-down recognition programs may be, peer recognition can really boost your
culture, increase engagement, and improve retention. Request a Bonusly demo below.

8. Takeaway

So, as you’re pondering how to give your employees the sort of recognition that improves engagement, helps retention, and ultimately makes them happier, consider the importance of pairing your top-down recognition efforts with a peer-to-peer employee recognition program. Not only do peer-based recognition programs simply work, they can also give you unique, data-driven insights to show you even more ways to help your culture thrive. As long as your program is aligned with your organizational values, you can be sure that peer recognition will help strengthen morale, boost productivity, and ultimately benefit everyone.
How Bonusly Can Help You:

Bonusly is an employee engagement solution that combines 360-degree recognition, meaningful feedback, and rewards that employees love to keep them engaged and satisfied. Our software makes it fun and easy for everyone within your organization to publicly recognize everyone else by giving small bonuses that add up to meaningful rewards.

**Improve Engagement**

70% of Bonusly users said that Bonusly improved employee engagement. More than half (65%) of those surveyed saw improved eNPS scores after implementing Bonusly. Studies show that improved engagement is linked to better productivity, financial performance, customer experience, and retention.

**Grow Recognition Frequency**

Around two-thirds of Bonusly customers reported both increased frequency of recognition and increased visibility of recognition. In fact, 74% of respondents saw increased frequency of recognition and 75% of respondents saw increased visibility of recognition. Seeing is believing!

**Boost Morale**

Bonusly helps bring your company’s core values to life with everyday interactions. 72% of Bonusly users saw an increased connection with core values after implementing Bonusly. When core values are connected to real, tangible, examples of employees living them, organizational culture is fortified.

**Reduce Admin Time**

77% of Bonusly users were able to implement Bonusly in less than a month, and 73% of Bonusly admins spend 2 hours or less managing Bonusly per month. This is huge. Bonusly is a fun and smart tool that increases employee engagement without a ton of complex overhead.

Learn how your organization can use Bonusly to transform employee engagement

*Data from 2022 Bonusly User Survey*