

6

Best Practices for **Service Awards Programs**



80% of organizations today have a service awards program in place.

If your organization is a start-up and beginning to explore a service awards program, here are some tips to help you get started.



And if you've had a service awards program in place for many years, these guidelines may offer new ideas for keeping your program fresh!



Of course, Terryberry can walk you through these steps and make sure you are set up for success.

Contact us to get started 800.253.0882 or www.terryberry.com

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Service Awards Practices

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1. Celebrate early milestones as well as long-term service

Average tenure of a
salaried employee is
4.2 years

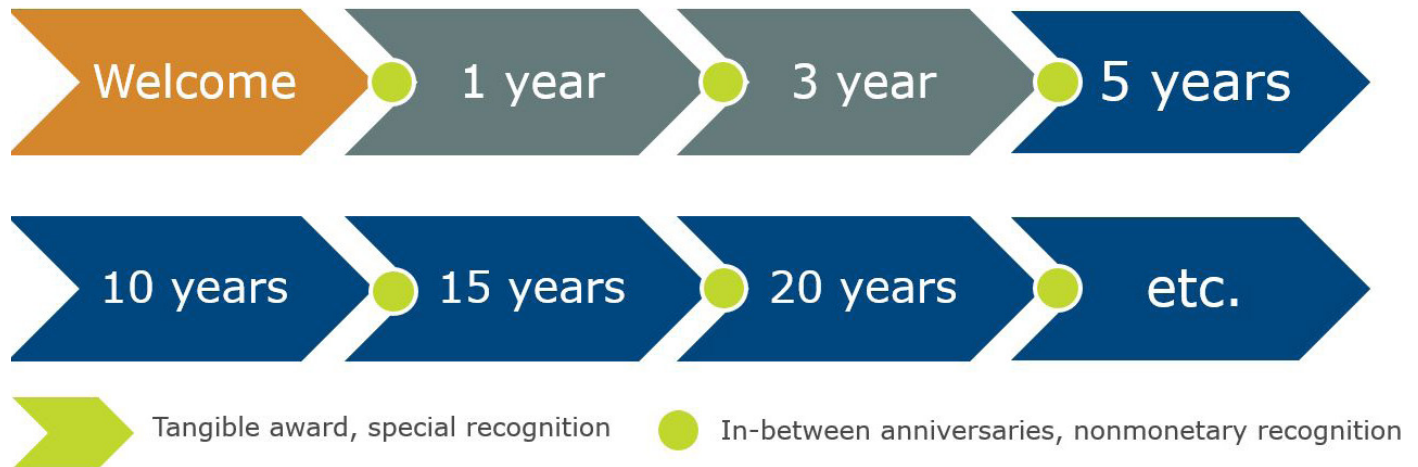
Average tenure of
employees age 25-34 is
2.8 years

In days of old, an employee might receive her first service award after 5 years, sometimes even 10 years. Nowadays of course we know the average tenure of a salaried employee is 4.2 years. For employees aged 25-34, average tenure is 2.8 years. These stats render the 5 year starting milestone obsolete.

Today's service awards programs
often start after the first year.

At Terryberry we recommend the milestone map shown here:

Milestone map



Begin careers on a positive note with a small Welcome Aboard award. The next formal award should be presented at the employee's 1 year anniversary, then 3 years, then 5 years, and every 5 year interval thereafter. Tangible awards should be presented at these significant milestones, but don't neglect the "in-between" anniversaries. A verbal "thank you" or an ecard on an employee's 4 year anniversary costs nothing and will go a long way in building goodwill.

For organizations just getting started with service awards, it's important to "grandfather" employees into your new service awards program. It will create resentment if your 6-year or 11-year employees are left out, while 5-year and 10-year employees receive awards. Your 11-year employee, for example, should be presented with the service awards she has earned up to the present point in her career. Bear in mind, this will mean an increased budget for the first year of your service awards program.

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2. Create an infrastructure for your service awards program

Your service awards infrastructure should include a plan for the following:

1. Tracking employee milestones
2. Documenting achievements and contributions
3. Notification system for managers and award recipients
4. Award redemption process
5. Presentation format

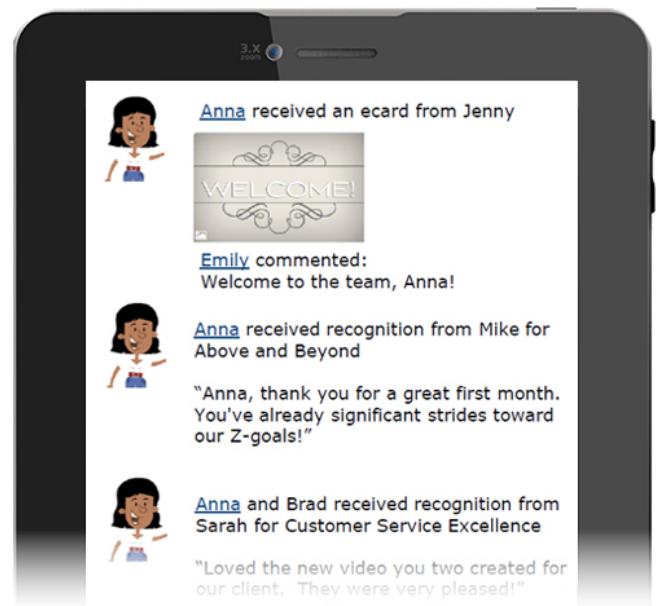
Putting some thought into how your organization will handle these elements of your service awards program will avoid headaches once your program gets rolling.

3. Document achievements

On employee service milestones, it's important to recognize **contributions**, as well as time served.

For example: *"Anna, congrats on your 5 year anniversary. We appreciate the contributions you've made on helping us achieve our Z-goals and demonstrate exceptional customer service."*

To do this effectively, you'll need a system in place to document employees' contributions along the way. If no other systems are in place, consider using your annual performance reviews as a tool to accomplish this. (You'll need to make a point of including positive feedback in performance reviews!)



Social Recognition Platforms like Give a WOW crowd-source the documentation of achievements. This content can be used in the presentation of service awards.

Many Terryberry clients crowd-source this using Give a WOW for social-media style recognition. This creates a shared "recognition feed" within your company where coworkers can give shoutouts whenever they see an employee going above and beyond.

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4. Create a WOW moment with the award presentation

Whenever possible, a service award should be accompanied by a face-to-face presentation where the recipient can be acknowledged for his or her contributions.



Award presentations can be group events, or one-on-one presentations with the employee's manager.

At a minimum, group award presentations should take place once a year.

Some Organizations hold quarterly or monthly service awards events in order to recognize employees nearer to their respective milestones.

AWARD PRESENTATION CHEATSHEET

Use this Presentation CheatSheet to prepare your comments for an

Sample Presentation Remarks	Recipient Notes
<p>"Judy is celebrating three years of service with ABC Company. In that short time, she has made a big impact on the purchasing team. I won't forget, within the first 6 months of her hire, she took the initiative to revise the department training manual. She didn't just stick to the new procedures, she discovered and corrected outdated processes, and added screenshots to improve the usability. It's a document that will make an impact when we bring new people on board. Over the last several months,</p>	<p>Award Presentation</p> <p>Recipient's Name _____ Exact Date of Hire _____</p> <p>(Phonetic Pronunciation) _____ Award _____</p> <p>Current Job Title and Responsibilities _____</p> <p>Original Job Title _____</p> <p>Specific Contributions to the Organization _____</p> <p>Humorous Stories _____</p> <p>Spouse's Name _____ Children _____</p> <p>Activities Away from Work _____</p>

Bonus: [Download the Award Presentation Cheatsheet](https://www.terryberry.com/award-presentation-cheat-sheet/) to help award presenters prepare for creating that special moment of recognition.
<https://www.terryberry.com/award-presentation-cheat-sheet/>

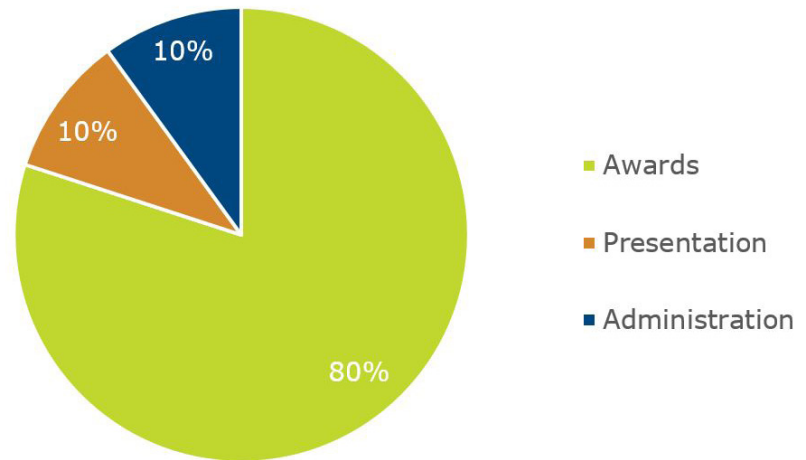
5. Guidelines for creating a service awards budget

Organizations spend an average of 1% of payroll on recognition and rewards.

When it comes to service awards, typical spend in 2016 ranges from \$25-35 per year of service. This means a 5-year award would typically range from \$125 to \$175 in value.

10% of your service awards budget will go toward administration costs, 10% toward the awards presentation, and 80% to the physical awards.

Service Awards Budget



6. Use meaningful awards

Avoid using cash or gift cards for service awards.

Regardless of the intentions, cash awards are viewed by employees as compensation. They will be spent and then forgotten. A meaningful service award should serve as a lasting reminder of a significant achievement. Effective service awards share the following characteristics.



- Personally meaningful
- Exclusive and symbolic
- Lasting
- Gamification: higher milestones receive higher recognition

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Recognize your employees'
years of service in a meaningful way.

We can help. Contact Terryberry today.

www.terryberry.com

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A decorative wavy line in shades of green and blue separates the contact information from the bottom section. Below the line is a black and white photograph of a diverse group of smiling employees clapping.

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