More employees say they’re happier in their jobs – but it’s not stopping them from looking at what else is out there, which is why savvy companies should consider looking at what else they can do to hang onto star performers, including offering a comprehensive program of rewards and recognitions.

In a 2014 Salary.com survey, 83 percent of people expected to job hunt this year, up from 77 percent in 2013. That’s despite 54 percent who claimed to be satisfied with work, up from 31 percent in 2013.²

Even if you can’t afford raises, you can consider offering employees engaging work, training, and a chance to make a difference. Another option to consider is running a comprehensive rewards program that recognizes workers when they hit employment milestones or go above and beyond the requirements of the job.

Some companies choose to give out spot rewards on a weekly or daily basis, including digital thank-you cards, coffee gift cards and prepaid debit cards. Others offer the equivalent of an online shopping mall where honored employees have their pick of products, including jewelry, camping gear or a flat panel TV.

If you don’t want to design and run your own program, you can sign up for a program run by an outside vendor. Today, rewards program vendors offer web-based technology that lets clients track which employees are up for years-of-service awards, keep an eye on program budgets and more.

² More employees are job hunting despite being happier at work.
Creating Guidelines for Rewards Programs

Here are a few guidelines to consider when creating a rewards and recognitions program or fine-tuning one you already have:

1. **Programs are different from policies.** The first step is determining policies for behaviors or milestones you want to reward, how you’ll do that and how often. Avoid giving rewards for meeting basic expectations such as being honest or showing up for work on time. Keep policies uniform throughout the organization: rewarding one department based on one set of criteria while another plays by different rules is a surefire way to kill morale.

2. **Create a budget.** Rewards programs should be part of an overall compensation plan. They also should be tied to a company’s bottom line, which is why a CFO or other finance exec should be part of setting up policies and programs.

   **Even if you can’t afford raises, you may hang onto employees by offering engaging work, training, a chance to make a difference, and a comprehensive rewards and recognition program.**

3. **One prize doesn’t fit all.** Employees aren’t all motivated by the same rewards, so the more options the merrier. Some companies account for this by giving rewards of gift cards, pre-paid cards or cash. In recent years, rewards and recognition program vendors also have added hundreds of items to online catalogs so there’s something for everyone.

4. **Consider using an outside vendor.** A smaller company might be able to get by with an HR or finance manager running a program. However, larger companies might benefit from the bulk discounts and other economies of scale they could get by using an outside contractor. Many rewards and recognition program vendors also have software that makes it easier to manage programs.

5. **Keep finance in the loop.** Regardless of what’s offered, programs should be properly accounted for. That’s where the finance department comes in. A CFO or finance manager should work with his or her HR counterpart to make sure policies are uniform. If you outsource, a finance department representative should be involved in the selection process, even if HR is in charge. Whatever vendor you choose to work with, the finance department needs to understand how the system works to see how it fits into payroll and other financial processes.