



# The Six Steps

to a Healthy Employee  
Engagement Program

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# The Six Steps

TO A HEALTHY EMPLOYEE ENGAGEMENT PROGRAM

2026 may be remembered as a defining year for Artificial Intelligence.

As organizations race to adopt new tools, however, one factor continues to shape long-term success more than any technology: their people.

That's where many companies are encountering a challenge.

Employee engagement is often treated as a “soft” metric, but in reality, it functions as a core structural driver of performance, culture, and business outcomes. Research consistently shows that organizations with highly engaged employees significantly outperform their peers. Engaged organizations report 23% higher profitability, 78% lower absenteeism, and 70% higher employee wellbeing.<sup>1</sup>

Many leaders understand this connection. Organizations worldwide invest billions each

year in engagement platforms, recognition programs, and culture initiatives — and those investments continued to grow in 2025.

Yet engagement itself has remained stubbornly stagnant. In both 2024 and 2025, only 31% of employees reported being engaged at work, the lowest level in more than a decade.

So what's holding organizations back?

While engagement is influenced by many factors, the encouraging reality is that many of its strongest drivers are within an organization's control.

This guide breaks down the core components of an effective employee engagement program, explaining how each element works together to create a culture where people feel connected, motivated, and empowered to perform at their best.

# What is an Employee Engagement Program

## & HOW DOES IT WORK?

An employee engagement program is a structured, organization-wide strategy designed to strengthen employees' emotional commitment to their work, their teams, and the company's mission. It goes beyond perks or occasional morale boosts. At its core, engagement is about creating the conditions where employees feel valued, connected, supported, and motivated to contribute at a high level.

Unlike isolated initiatives, a true engagement program is intentional and integrated. It aligns leadership behaviors, recognition practices, communication strategies, feedback systems, and development opportunities around a shared goal: building a culture where people want to show up and perform.

Effective engagement programs typically include components such as:

- 1 Clear alignment to company values and mission
- 2 Frequent, timely recognition
- 3 Social or peer-to-peer recognition platforms
- 4 Rewards, awards, & incentives
- 5 Wellness and work-life support
- 6 Surveys and feedback mechanisms

What makes engagement programs successful isn't just what they offer; it's how consistently and strategically they're implemented. A successful engagement program needs to be reinforced through daily experiences, not only annual campaigns.



# Values & Leadership Alignment

Every successful engagement program begins with a clear foundation: company values and leadership commitment.

## VALUES IN ACTION

Core values shouldn't exist only in employee handbooks or posters on the wall. For engagement programs to work, values must be visible in everyday behavior and recognition.

When organizations consistently communicate and reinforce their values, engagement outcomes improve dramatically. Employees who strongly agree that they feel connected to their organization's culture are 4.3 times more likely to be engaged at work and 47% less likely to be actively looking for another job than those who don't feel that connection.<sup>2</sup>

If "Innovation" is a core value, employees should see risk-taking and experimentation acknowledged, even when outcomes aren't perfect. If "Collaboration" is emphasized, cross-functional teamwork should be visibly celebrated. If "Customer First" is central, employees who go above and beyond for clients should be recognized consistently.

When engagement initiatives reinforce clearly defined behaviors, they create cultural consistency. Employees begin to understand not just what they're expected to achieve, but how they're expected to achieve it.

That clarity drives alignment, and alignment drives performance.



#### LEADERSHIP COMMITMENT

Even the strongest values framework requires active leadership support to succeed. Leadership buy-in is the reinforcement that keeps an engagement program intact and functioning

Leaders shape culture through what they prioritize, model, and reinforce. Research shows that when leaders consistently demonstrate empathy, purpose, and recognition, engagement rises significantly. Gallup found that employees who receive high-quality recognition are 45% less likely to leave their organization within two years.<sup>3</sup>

Commitment from leadership goes beyond occasional recognition moments — it shows up in clarity, communication, and purpose. Yet only a minority of employees strongly

agree that their leaders communicate a clear direction or genuinely care about their well-being, which directly impacts engagement levels.

Managers themselves also play an outsized role. Gallup estimates that managers account for up to 70% of the variance in employee engagement scores across teams, so leadership quality, especially at the manager level, is one of the single most predictive factors of engagement outcomes.

When leaders actively live the values, they espouse and consistently model engagement behaviors. This creates a cultural frame that not only supports strategy but also drives performance, retention, and long-term success.



## Frequent, Timely Recognition

Recognition is one of the most powerful drivers of engagement — but only when it happens regularly.

Annual bonuses or occasional awards are valuable, but they cannot sustain long-term engagement on their own. High-performing organizations make recognition a consistent part of everyday work.

Engagement isn't built in grand gestures. It's built in creating meaningful moments — small, consistent acknowledgments that signal, "What you did mattered."

### WHY FREQUENCY MATTERS

Recognition activates the brain's reward system. When employees receive genuine appreciation, the brain releases dopamine, a neurotransmitter that reinforces behavior and increases motivation. That surge creates a neurological link between effort and positive reinforcement.

But dopamine's effects are short-lived. Just as a single workout doesn't build long-term strength, one annual award doesn't sustain motivation. Frequent recognition keeps that motivational loop active. It tells employees that their contributions are consistently seen, not occasionally remembered.

Over time, this steady reinforcement shapes habits. The behaviors you recognize most often (like collaboration, innovation, customer focus, and resilience) become the behaviors your culture naturally produces.



## RECOGNITION IN REAL TIME

In today's hybrid and distributed workplaces, timeliness is everything. Delayed recognition loses emotional impact. Waiting until a quarterly meeting to acknowledge a major win disconnects the appreciation from the action that earned it.

It's key that any engagement program prioritizes real-time recognition by celebrating achievements as they happen, whether an employee is in the office, on the road, or working remotely.

Immediate recognition accomplishes three things:

- 1 It strengthens behavioral reinforcement.
- 2 It amplifies visibility across teams.
- 3 It builds momentum in the moment.

In a world where employees receive instant feedback from technology, social media, and even customers, workplace appreciation needs to operate at the same speed to be effective.

When recognition is frequent, timely, and visible, it fuels energy, strengthens connection, and keeps the culture alive.



# Social & Peer-to-Peer Recognition

Recognition is most effective when it flows across the entire organization—not just from the top down.

A centralized social recognition platform allows appreciation to be visible, shared, and accessible across teams.

Without this visibility, recognition often remains siloed. Wins go unnoticed, contributions stay hidden in email threads, and engagement becomes inconsistent.

With a social recognition platform, appreciation travels.

## PEER-TO-PEER RECOGNITION

Recognition should never rely solely on managers. While leadership acknowledgment carries influence, peer-to-peer recognition expands reach and authenticity.

Research from Gallup shows that employees who receive regular recognition are significantly more engaged and less likely to leave their organization. But just as important, peer recognition amplifies frequency because appreciation is no longer limited to managerial touchpoints.

In fact, data from SHRM has found that organizations with peer-to-peer recognition programs report stronger collaboration, improved morale, and higher engagement compared to those relying solely on manager-driven models.

When colleagues celebrate each other, employees feel seen by the people who understand their daily work. Silos break down as cross-functional contributions become visible. And inclusion strengthens because recognition is not dependent on leadership proximity.

Peer-driven appreciation builds a cultural network where engagement is reinforced laterally, not just vertically.



#### VISIBILITY & EQUITY

A centralized platform ensures recognition reaches everyone, not just those physically present in office or within leadership's eyesight.

This matters because manager visibility is naturally uneven. Research has found that managers account for up to 70% of the variance in employee engagement across teams.<sup>4</sup> That means engagement can fluctuate dramatically depending on local leadership behavior.

A centralized social recognition platform helps stabilize that variance by creating shared visibility and access to appreciation across the organization. Whether an employee is collaborating in Detroit, working remotely in London, or hard at work on the front lines, recognition should travel instantly and equitably.

When recognition is social, visible, and embedded into daily workflows, engagement moves faster, spreads further, and reaches everyone.

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## Rewards, Awards & Incentives

Recognition becomes even more powerful when paired with meaningful rewards. In an engagement program, thoughtfully designed rewards and incentives energize participation, reinforce priorities, and convert appreciation into sustained motivation. But like any critical system, they must be calibrated carefully.

Well-designed rewards and incentives reinforce positive behaviors, encourage participation, and sustain motivation over time.

However, not all rewards have the same impact.

### MEANINGFUL AWARDS & REWARDS

Cash bonuses are appreciated, but they're often absorbed into everyday expenses and quickly forgotten. Research in behavioral science shows that experiential and symbolic awards — like custom jewelry, milestone pieces, curated merchandise, or personalized experiences — create what's often called "trophy value." They create stronger emotional memory because they're tied to identity and personal meaning, not just utility.

In fact, research shows that employees who receive custom symbolic awards are 5x more likely to produce great work and 4x more likely to be engaged than those receiving generic awards. Recognition that highlights specific contributions and impact is also up to 10–12x more meaningful to employees.<sup>5</sup>

These awards serve as lasting reminders of accomplishment. Employees see them, wear them, display them, and relive the achievement.

Conversely, symbolic awards alone aren't enough. Frequent choice-based rewards should be layered into your program. A flexible reward catalog allows employees to select something that resonates with their lifestyle, culture, or interests. That autonomy increases perceived value and fairness, especially across multigenerational and global teams.

When employees feel the reward reflects them, not just the company, the emotional impact multiplies.

## INCENTIVES THAT SUPPORT BUSINESS GOALS

Beyond appreciation, incentives can be structured to reinforce specific business priorities. Well-designed incentive programs link measurable outcomes to meaningful rewards. For example:

- Wellness initiatives tied to healthy behaviors
- Safety milestone programs in manufacturing or logistics environments
- Sales performance incentives
- Innovation challenges or productivity goals

When incentives are transparent, achievable, and aligned to organizational objectives, they create clarity. Employees understand what success looks like and why it matters.

However, incentives should complement culture, not replace it. Rewards are most powerful when layered onto a foundation of frequent recognition and values alignment. Without that foundation, incentives can feel transactional. With it, they feel purposeful.



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## Employee Wellness

Wellness is the oxygen of your engagement program. It fuels performance, protects against burnout, and ensures your culture can sustain high output without collapse.

### THE ENERGY EQUATION

Engagement isn't just emotional commitment; it's energy availability. Chronic stress, lack of sleep, and mental overload drain the very capacity employees need to perform.

High-performing organizations recognize that:

- Burnout is a business risk, not just a personal issue.
- Stress directly impacts productivity, creativity, and decision-making.
- Recovery is as important as output.

When employees feel physically and mentally supported, engagement becomes sustainable—not seasonal.

### WHOLE-PERSON SUPPORT

Modern engagement programs integrate wellness across multiple dimensions:

- Mental Health Resources – EAPs, therapy access, stress management workshops
- Physical Wellbeing – Movement challenges, heart health education, preventive screenings
- Social Connection – Community-building initiatives that reduce isolation in hybrid environments

Wellness initiatives shouldn't exist in a silo. They should be recognized, rewarded, and embedded into your culture.

### INCENTIVIZING HEALTHY HABITS

The most effective programs align incentives with a range of wellbeing outcomes:

- Reward participation in wellness challenges
- Recognize managers who model healthy boundaries
- Celebrate teams that prioritize safety and sustainable workloads

When you attach recognition to wellbeing behaviors, you reinforce the message that performance and health are not competing priorities—they're partners.



# Feedback & Listening

A strong engagement program also includes listening to employees' voices. Employee feedback allows organizations to identify potential issues early and improve the overall employee experience.

## A MULTI-SURVEY APPROACH

Annual engagement surveys are like yearly physicals; Helpful, but far too infrequent to catch emerging threats on their own. Instead of discovering disengagement after turnover spikes, intervene while issues are still reversible through a range of surveys.

- Engagement Surveys – Deep dives into purpose, recognition, leadership trust, and belonging
- Onboarding Surveys – Measuring early connection and clarity
- Stay Interviews & Surveys – Understanding why top performers remain
- Exit Surveys – Identifying systemic breakdowns

Together, these tools create a comprehensive picture of employee experience across the full lifecycle.

## TURNING FEEDBACK INTO ACTION

Data without action erodes trust; when employees share honest feedback and see no change, participation drops as surveys become performative. To prevent this, advanced analytics must move beyond surface-level results to uncover the specific patterns shaping your culture.

Survey tools that provide participant filters help you understand how engagement varies across departments, managers, and employment types, and drill down into demographic trends like location, identity attributes, or life stage—all without guesswork.

This transparency ensures that trust compounds as engagement strengthens. A truly effective feedback loop requires more than just data; it demands transparent communication of results, clear action plans tied to findings, visible leadership accountability, and consistent follow-up to measure long-term improvement.

# The Diagnostic

IS YOUR PROGRAM HEALTHY?



Review your current initiative against the Terryberry Five-Point Health Check:

- 1 Is it Genuine? (Does it feel authentic or like a chore?)
- 2 Is it Consistent? (Do employees know when and how to expect it?)
- 3 Is it Inclusive? (Are remote and deskless workers included?)
- 4 Is it Easy? (Is the platform intuitive, or is there a barrier to entry?)
- 5 Is it Measurable? (Can you link recognition to your retention KPIs?)





**READY TO CHECK THE HEALTH OF YOUR ENGAGEMENT PROGRAM?**

Building a program that lasts requires more than just a spreadsheet—it requires a partner who understands the science of appreciation.

Schedule a 15-minute demo with a Terryberry specialist today. We'll show you how our platform supports the "Anatomy of Engagement," so you can focus on what matters: your people.

[Schedule My Demo](#)

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## ADDITIONAL SOURCES CONSULTED

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Deloitte Human Capital Trends reports

McKinsey & Company research on employee experience and organizational performance