



Building an effective recognition strategy

Recognition is something of a 'buzz phrase' these days. Many employers talk about it but do they understand what it actually means, or why it matters?

The savviest employers know that by properly recognizing their employees' achievements, they can implement positive change in the workspace, reinforcing the culture and values of their organization.

But what does that mean in practice and what are organizations actually doing about it?

We sat down with a panel of industry experts – which included Michael Rose, Reward Strategy Consultant and author of Reward Management, Sally Purbrick, Head of Reward at Anglian Water and our own Jamie King, Director of Global Reward – to develop a blueprint for those wanting to implement a meaningful recognition strategy.

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1 Planning

What is recognition?

An important starting point is to understand what recognition actually is, particularly so given that the HR/employee engagement industry has taken to talking about ‘reward and recognition’ as a single concept. In fact, they are different things and this is something that many organizations fail to understand.

Michael Rose has pointed out that **“reward is essentially pay; recognition is a gift”**. Of course, the two often go hand in hand, however the distinction is an important one, as it allows organizations to understand where reward fits in to a broader HR/employee engagement strategy.

How can recognition motivate employees?

Distinct from salary and benefits, recognition has an important role to play in motivating and engaging staff. There have been countless studies underlining this, including:

- McKinsey 2009 survey: praise from management, leadership attention and having the opportunity to lead projects are more effective motivators than cash, pay rises or stock.
- London School of Economics 2009 research: an analysis of 51 separate experiments found overwhelming evidence that financial "incentives may reduce an employee's natural inclination to complete a task and derive pleasure from doing so."
- Glassdoor study: found that 80% of employees would be willing to work harder for an appreciative boss, and 70% said they'd feel better about themselves and their efforts if their boss thanked them more regularly.

These examples all highlight the idea of appreciation being a much better motivator than money. As Michael Rose has suggested **“it’s not just about money – some of the best rewards don’t cost anything”**. This is a particularly important point for organizations that may employ high-earners.

“If you give a banker earning \$300k a \$150 bonus it might be met with derision” suggested Rose, “but a thank you letter and bottle of champagne from the CEO, can have huge positive and long lasting impact.”

Criticality of vision: thinking about the whole and the parts

Having a clear vision of what you want to achieve is crucial in ensuring that the various elements of your recognition strategy are working together to achieve the same goal and that resources are being allocated appropriately.

Linking the objectives of a recognition strategy directly back to business goals is also crucial in getting buy-in from leadership. There may be a number of different objectives and therefore asking some simple questions early on is important.

- What are the goals of our organization?
- What are the goals of our recognition strategy?
- Why do we have the benefits and rewards that we have?
- To what extent are leadership engaged in recognition as a strategic imperative?
- What are we spending on reward and what is the value proposition?

This may sound simple but is something that many organizations get wrong. Michael Rose gives an example of a bank that once asked: “how can I better use my bonus pool to motivate employees?” The better approach would have been to ask: “how can we improve organizational performance and what role does the bonus pool have to play in achieving that?”

The financial services sector is a good example of how organizations are beginning to look beyond pure financial rewards to recognize their employees. For example, many banks are realizing that even if they carve out a very small section of their bonus pool for employee recognition and development, they can make a huge difference in terms of the value proposition.

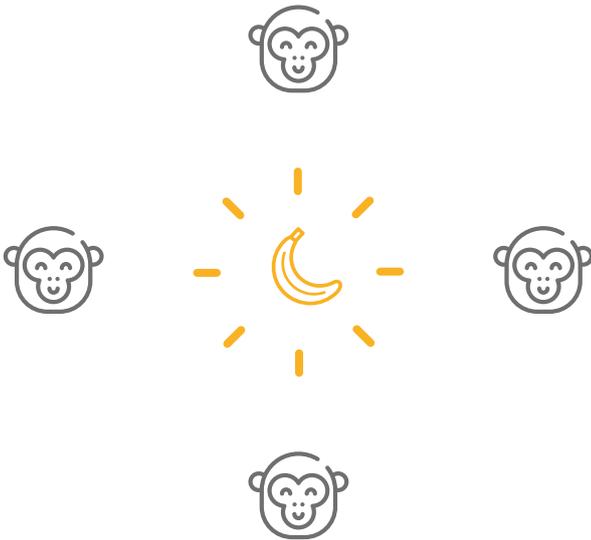
2 Implementation

Our panel provided some practical lessons they have learnt from implementing recognition programs:

- “Keep it fair”

Fairness is a critical factor in keeping staff motivated and though perceptions of fairness may differ between organizations, it is down to employers to define what fairness means to their business and stick to those principles.

“Internal inequities are a much bigger de-motivators than external factors”, argued Rose citing an experiment on Capuchin monkeys which showed that even animals are demotivated by unequal rewards.



- “Tailor your rewards to the humour, tone and culture of an organization”

This is what makes it meaningful, argued Jamie King, citing examples ranging from an extra hour in bed, or a day off, to a coveted parking space.

- “Don’t just rely on tech”

Though digital, social recognition tools now form an important part of many recognition strategies, including gamification and links to corporate messaging platforms such as Yammer, **“organizations should not lose sight of the importance of good old fashioned face-to-face presentations”** argued King, which can remain the most effective form of ‘social recognition’

- “Monitor trends”

The panel discussed the wealth of insightful data and management information that can be collected and how this can be used to inform strategy on an ongoing basis.

“The quality of data that we now have access to is amazing” said Purbrick who suggested organizations **“use data and act quickly”** to learn about elements of the program that may need changing. In particular Purbrick’s team were monitoring trends around take-up, engagement and approvals.

- “What role can this data play in talent spotting?”
- And how does this fit into your retention policy?
- Could a reward and recognition portal bring in performance objectives and link these with rewards?”

3 Case Study: Anglian Water



Sally Purbrick spoke about some of the unique challenges facing Anglian Water, how these influenced her team's objectives and ultimately the implementation of its recognition platform. These included a largely mobile and often remote workforce, and the existence of a strict regulatory regime, meaning that Anglian Water must meet challenging targets relating to quality of service around consistency and speed of response, limiting service failures and keeping customers informed.

The organization must also invest in, and manage, future water use. Helping customers understand their role in the water cycle and working closely with households, businesses and industries in the region to encourage a reduction of water use, are therefore key strategic objectives and this is only achievable with an engaged and motivated workforce.

Objectives:

- Help customers understand their role in the water cycle
- Meeting strict regulatory outcomes
- Delivering excellent customer services
- Getting employees to encourage behavioral change

Challenges:

- Largely mobile workforce often not interacting with each other face to face
- Demographic of workforce: 70% male; 10 years + services
- Ever increasing customer demand

Strategy:

- Reinforce positive behaviors with a formal recognition programme, culminating in the launch of a recognition portal (GEM)
- Link awards to core behaviours, including: taking responsibility; delivering excellent customer service; collaborating for a better outcome driving innovation; providing constructive challenge

3 Case Study: Anglian Water

Sally discussed how Anglian Water’s experience with a previous Health & Safety initiative had demonstrated how reinforcing positive behaviors drove a reduction in accident frequency rates, emphasizing the importance of “recognizing and saying thank you to employees”, in driving change.

Sally’s team had some challenges to overcome, not least some reservations around how managers would engage with a formal scheme. Some of the concerns shared with Sally’s team included:

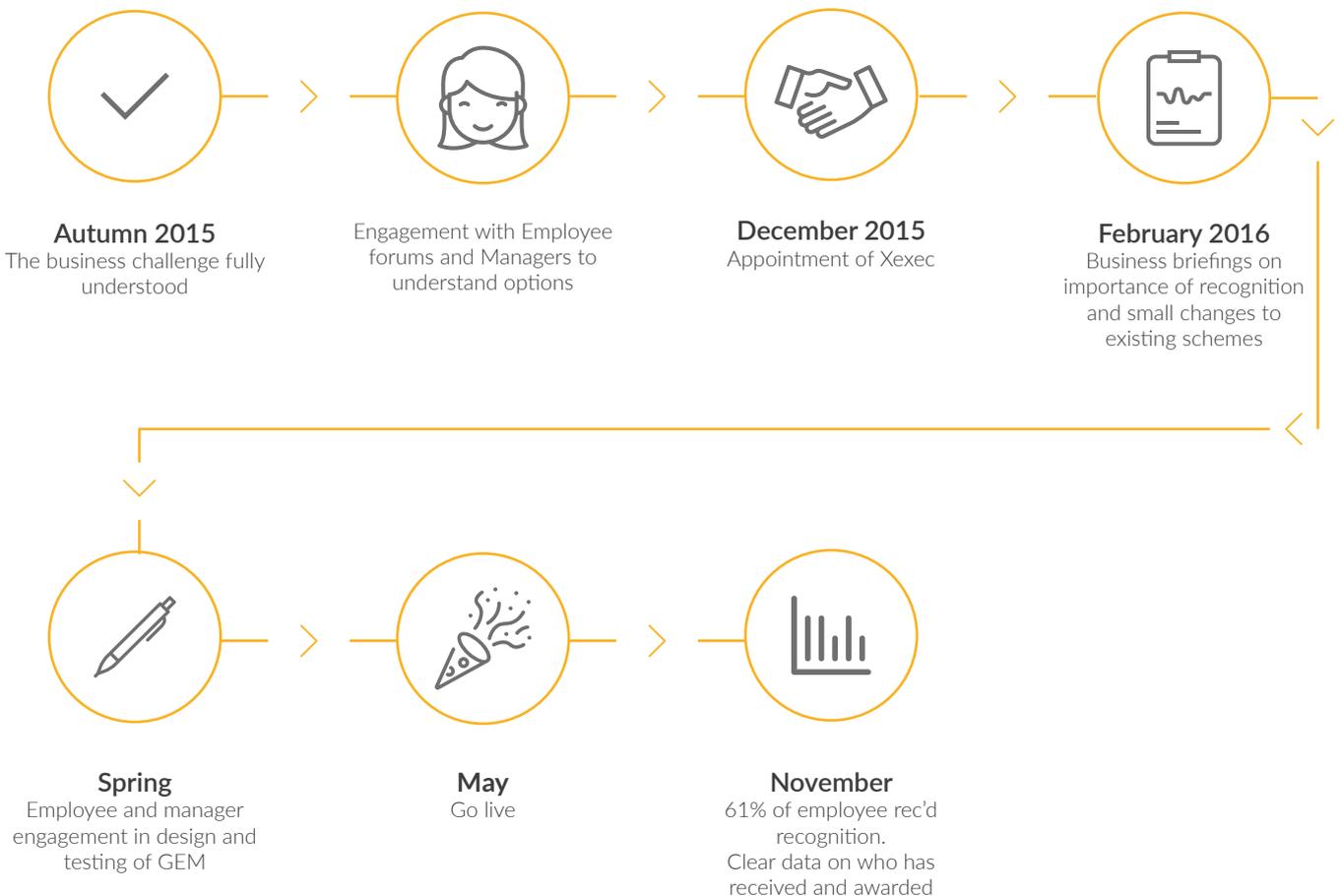
- “Managers give the impression they don’t want to spend budget”
- “Managers don’t get recognized themselves, so don’t do it to others”

- “Some managers are not naturally good at recognition – they focus on task not people”
- “Managers seem scared that recognition will cause more harm than good”
- “Recognition is often done secretly, which causes gossip”

Before embarking upon the recognition program, Anglian Water’s recognition culture was typical of many organizations that we come across: a manual, paper-led process, with relatively low levels of engagement, long delays for recognition and inconsistent methods for rewarding. Approvals were fairly complex and no management information.

What changed?

Timeline:



3 Case Study: Anglian Water

Going the Extra Mile (GEM):

Anglian Water's formal recognition strategy culminated with the launch of GEM, an online recognition and reward system.

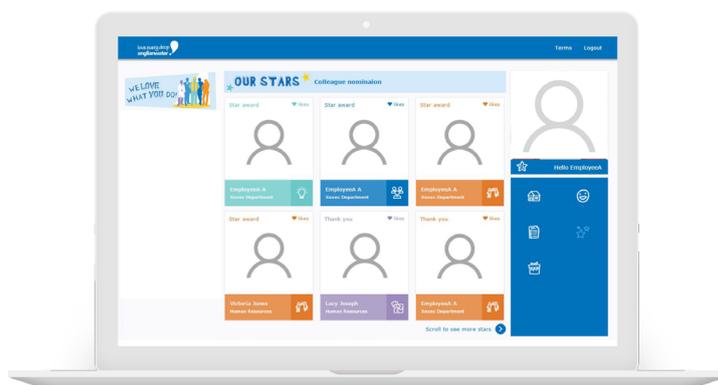
At the heart of the system was giving managers and employees a simple and instant way to say “thank you” and ensure that achievement and excellent performance were visible to the whole organization.

The whole process – from initial management briefings to the naming of the portal – was inclusive and succeeded in creating a ‘buzz’ around rewarding excellence. Moreover, the portal was accessible anywhere (crucial for Anglian Water's mobile workforce) and created a simple and prompt process for redeeming awards. There was a huge reduction in manual processing and the portal also consolidated an array of insightful management information.

Within 5 month of launching the portal, 61% of all employees had received an award and over 8,000 employees had received nominations.

Critical success factors

- Start to **build the culture** as soon as possible (don't wait for the portal to be built)
- Recognise that **all employees are different**
- Build a **simple go live** with the opportunity to develop and grow
- Link awards to your **core behaviors** or organizational objectives
- Create **advocates and champions**
- Make recognition visible to others
- Ensure the portal is simple, user friendly and **mobile**
- Analyse your **data** and **act quickly** if anything needs changing (monitor approvals and listen to feedback)
- Encourage leadership and others will follow





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driving engagement

4 In Summary

Research has suggested that nearly 90% of organizations are using recognition programmes to motivate and engage employees but its important to **ensure that any recognition programme is properly tailored to your organization and employees.**

To find out more about how you can create an environment where exceptional employee performance is celebrated and rewarded globaly, contact us on +1 844 576 2457 or recognition@xexec.com



Tel: +1 844 576 2457



Email: recognition@xexec.com