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**promoting a high  
performance culture  
by recognising it!**

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# recognition programs

- Nearly 90% of organisations have some sort of formal or informal recognition program in place, costing an average of **1-2% of payroll** (WorldatWork, 2013)
- Recognition programs refer to **non-cash awards** given in appreciation of employee effort or behaviour. They do not form part of remuneration
- Examples include tenure awards; employee of the month; living the values awards; time in lieu; general praise from management
- Two of the most common objectives are:
  - creating a positive work environment
  - motivating high performance
- To maximise the return on investment associated with recognition programs, **basic psychological principles** such as conditioning and motivation ought to be considered

# recognition: the benefits

- Recognition helps **fulfil basic human needs**, including self-competence and feeling appreciated (Deci, 1975)
- Recognition helps **improve task performance by 17%** on average (meta-analysis Stajkovic & Luthans, 2003)
- According to research conducted by Bersin & Associates in 2012:
  - companies with effective recognition programs have **31% lower voluntary turnover** than their peers with ineffective recognition programs
  - where recognition occurs, employee **engagement, productivity and customer service are about 14%** better than those where recognition does not occur
- Non-financial incentives such as praise, attention from leaders and developmental opportunities are **more effective motivators than cash bonuses** or pay increase (McKinsey, 2009)

# Qantas Credit Union case study

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# case study: Qantas Credit Union

## The situation

- 150 staff, 84000 members, \$23.80 million profit
- 2009 employee survey results confirmed the need to develop a greater performance culture with only;
  - 56% of staff believing QCU handled change well
  - 59% of staff reporting the way their performance was evaluated provided them with clear guidelines for improvement
  - 65% of staff aware and understanding the direction of QCU



# case study: Qantas Credit Union

## The solution

- A broad change to the performance review framework and process was necessary which demanded “*people to be accountable for their own individual performance*” [Wendy Tomlins, QCU HR Manager]
- Once in place QCU could begin encouraging and developing a high performance culture by rewarding individuals appropriately
- HR spent considerable time ensuring the performance review process and reward program:
  - Rewarded and recognised high performers
  - Identified low performers to provide them with development opportunities
  - Reinforced desirable behaviours, those aligned to the QCU strategy and direction
  - Was valued and understood by staff

# case study: Qantas Credit Union

## What it looks like

- Recognition is provided in different ways including learning and development opportunities, time off, gym pass and other wellbeing initiatives, public recognition (newsletter or team meetings), team events
- Employees can nominate peers to receive awards for displaying each of QCU's values
- CEO attends all onboarding days and discusses the expectations and performance criteria ensuring it is clear and known by all
- Low performers are identified during performance review processes and provided additional learning and development opportunities
- Recognition is always associated with a behaviour or outcome which support the strategic direction of QCU

# case study: Qantas Credit Union

## The outcome 2 years post

- 28% increase in satisfaction with the availability of learning and development opportunities
- 25% increase in belief QCU is able to handle change
- 25% increase in awareness and understanding of the QCU direction
- 23% increase in satisfaction with the level of rewards and recognition provided
- 22% increase in reports that the performance appraisal process helps staff improve their performance
- 14% increase in staff engagement



+ 54% profit

*“Something you can clearly see is that our profit has increased, and our headcount has not, which is fantastic” [QCU HR manager]*

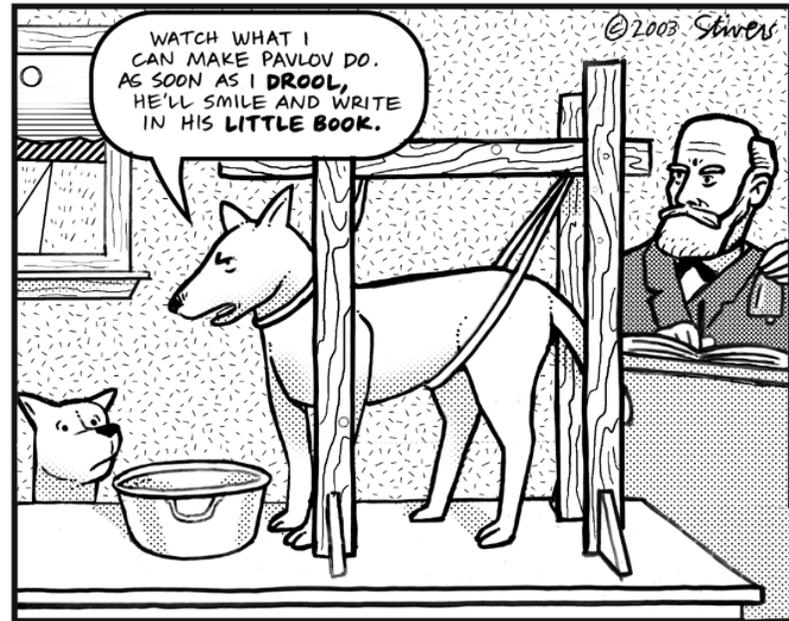
*“The changes helped drive a high-performance culture” [QCU HR manager]*

# 4 practical learnings

# how to maximise recognition programs

1. **Align recognitions to behaviours** which will contribute most directly to the core values, goals and strategy. Don't focus only on sales figures.

*"If [we] had not aligned behaviours to what we want, and what we need, then I don't believe we would have been as successful" [QCU HR Manager]*



Conditioning (Pavlov, 1927) & Social Learning Theory (Bandura 1986). Behaviours that are rewarded become reinforced and ingrained.

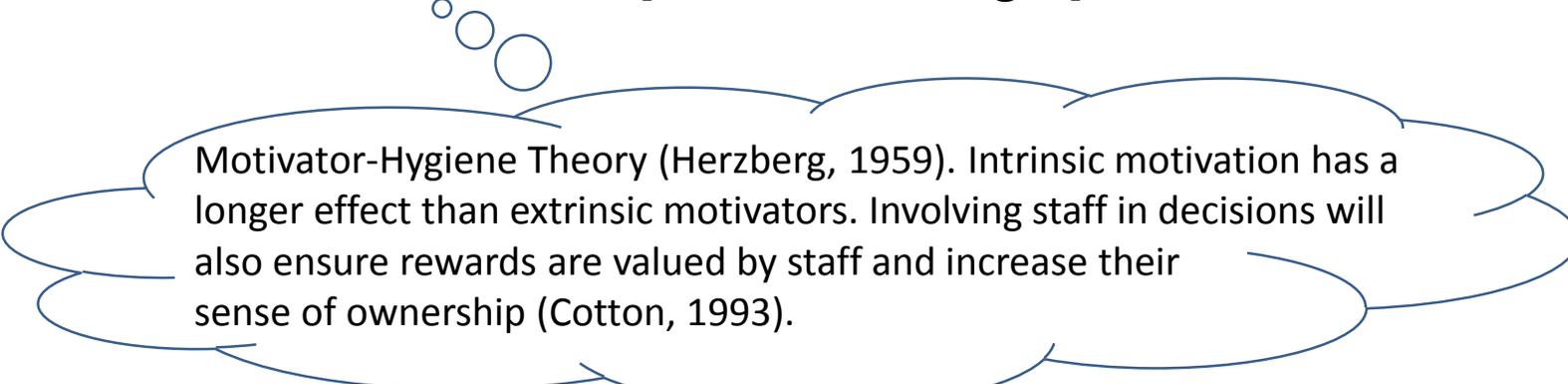
# how to maximise recognition programs

2. **Tailor** recognitions to the individuals so they are meaningful and motivate employees. Requires involving employees in discussions. More money is not always the answer.

*“Interestingly a lot of people asked for other things [than money]. We had to really shift away from our EBA and make our rewards and recognition very individual.” [QCU HR Manager]*

*“It is about discussing what somebody really wants.”*

[QCU HR Manager]



Motivator-Hygiene Theory (Herzberg, 1959). Intrinsic motivation has a longer effect than extrinsic motivators. Involving staff in decisions will also ensure rewards are valued by staff and increase their sense of ownership (Cotton, 1993).

# how to maximise recognition programs

- 3. Apply consistently and fairly**  
ensuring all staff have the opportunity to be fairly recognised for a job well done (i.e. not only a select few). Inequality breeds resentment, silos and de-motivates employees.



Perception of organisational injustice reduces the ability of nonmonetary incentives to motivate employees (Morell, 2013).

# how to maximise recognition programs

4. **Senior management input** is vital to ensure adequate resources and support are provided. Without their support the intended values and culture will not be achieved.

*“If you think there are key members of an executive or management team that are not on board, I would be reluctant to start because it is amazing how quickly things can get derailed.” [QCU HR Manager]*



A leaders attitude and support for any change initiative is critical to its success. Leaders influence employee attitudes including whether they support or are cynical towards proposed changes (Rafferty, Jimmieson & Armenakis, 2013).

# promoting a high performance culture by recognising it!

- Questions?
- Insights from this presentation you would like to share?

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