

# recognition

## recognising achievements and contributions of employees, in addition to financial remuneration

Recognition programs are designed to attract, motivate and retain talent. They communicate what is important to the organisation, and encourage high performance amongst employees through reinforcement of desired behaviours. Recognition promotes a strong sense of leadership and support, and significantly impacts employee productivity, satisfaction and engagement. It also plays a role in reducing turnover and absenteeism in the workplace, and is often more cost-effective and flexible than cash awards. Although some organisations are improving in this area, feedback from employees indicates a need for greater recognition in the workplace.

## suggested actions

- **align with organisational goals and values** Recognition programs designed to reinforce an organisation's mission, strategy and values encourage employees to act in line with what is important to the organisation. When recognition programs do not align with the organisation's goals and values, employees may receive mixed messages and be rewarded for acting in a way that does not facilitate organisational objectives. Create recognition criteria based on organisational values, and present awards to employees who best exemplify these values to emphasise their importance and demonstrate appreciation for those who display them.
- **tailor to individuals** Recognition should be meaningful to and valued by all individuals who receive it. This suggests that recognition should be tailored to each employee (or groups of employees) based on their personal preferences and circumstances. Some employees are interested in praise and feedback, some want greater support, involvement, or learning and development opportunities, while others prefer flexible working hours or greater autonomy. This means that the more choice employees have around the recognition options available, the better. And the best way to ensure that the recognition is valued by employees is to simply ask them.
- **apply equally and consistently** There is a risk of losing the power and value of recognition if it is viewed as unfair or inconsistent. For recognition to be perceived as fair in its process and outcomes, all employees must have equal opportunity to earn recognition, with equivalent recognition to all employees who meet the criteria. Make the recognition process transparent by clearly communicating to all employees the criteria for receiving recognition and showing that it is consistent across teams and departments. Consider also involving employees in developing these criteria.
- **gain key stakeholder support and commitment** Every recognition program requires support and commitment from key stakeholders in order to be successful and sustainable. It is important to obtain buy-in from management so that resources can be provided to develop and implement the recognition program, and to build a culture of recognition. You may need to educate management on the importance and impact of recognition. For example, research shows that a simple 'thanks' will lead to greater pro-social behaviour among employees and willingness to put in extra effort for the organisation. Involve employees in the planning stages, and allow a degree of ownership over the way recognition is to be delivered.

## case study

Qantas Staff Credit Union (QSCU), one of Australia's largest credit unions with 84,000 members, recently achieved over 20% improvement in staff satisfaction with rewards and recognition practices over 2 years. Wendy Tomlins and Wendy Hadenham, from Human Resources at QSCU, attributed these improvements to an overhaul of their rewards and recognition program in the context of a broad change to their performance review framework for individuals and teams. "Once we asked people to be accountable for their own performance and started measuring it, it meant that we could reward people for good performance."

While achievements such as length of service milestones continue to be celebrated in newsletters, there has been more targeted recognition of employees who demonstrate QSCU's values and core competencies to support the strategic direction of the organisation. Wendy Hadenham gave an example of employees who are nominated by their peers to receive an award for displaying each of QSCU's four values, and an overall annual winner who is given the opportunity to receive learning and development of their choice. "If we hadn't aligned behaviours to what we want and what we need, then I don't believe we would have been as successful."

Integrating the recognition program into the performance review system has allowed employees to "discuss what it is that they really want" with their manager on a monthly basis. Wendy Tomlins acknowledges that while people like to be rewarded through remuneration, survey feedback indicated many wanted non-cash awards. "We had people who were nearing retirement that wanted access to financial planning... we had Gen Y who were more interested in training and development. We had to make our rewards and recognition tailored to the individual."

One key factor of QSCU's success was gaining support from senior management. Wendy Tomlins stresses that "you really need to understand how a business ticks" to lead change and establish credibility with stakeholders. QSCU's CEO, Scott King, has been a key figure in communicating reward and recognition changes to staff. "He comes to every onboarding day. They've been a great tool for communication so we set up [recognition and performance criteria] right from the start."

Wendy Tomlins says the recognition initiatives have helped to raise awareness of the outstanding efforts and performance of employees and to "drive a high-performing culture". While employee engagement (including intention to stay) has increased by more than 10%, making performance and recognition more visible has also led to process improvements and greater productivity for the business. "Something you can clearly see is that our profit has increased, and our headcount hasn't, which is fantastic."

## useful resources

- Corporate Executive Board (2006). **Creating an effective reward and recognition program**. Retrieved from <http://www.performancesolutions.nc.gov/motivationInitiatives/RewardsandRecognition/docs/CLC-Rewards&Recognition.pdf>
- Daniel, T. A., & Metcalf, G. S. (2005). **The fundamentals of employee recognition** (Society for Human Resource Management White Paper). Retrieved from <http://147.126.1.230/hr/pdfs/eregSHRM.pdf>
- Henneman, T. (2005). **State of the sector recognition and rewards: What's the payoff?** Workforce Management (October), 41-44.
- Nelson, B. (2005). **1001 ways to reward your employees** (Vol. 2). New York: Workman Publishing Company.