Employee Recognition: What works
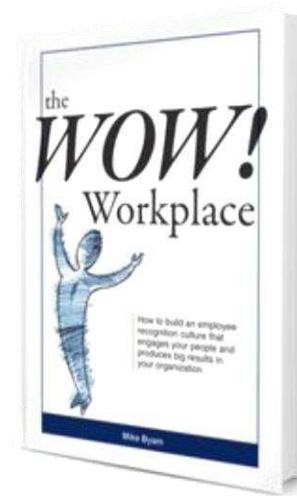
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Awarded Fellowship in Centre for Evidence-based Management

David Creelman
CEO Creelman Research

Winner of the Walker Award for work on *Boards and HR*

Co-author of *Lead the Work: Navigating a world beyond employment*

Collaborator with Henry Mintzberg, Ed Lawler, Dave Ulrich, John Boudreau, Wanda T. Wallace

Author of
The WOW! Workplace

Mike Byam
Managing Partner, Terryberry

Frequent speaker on the topic of employee recognition to HR professionals and business groups around the world.

Ironman triathlon and marathon competitor.

Poll

What attracted you to this webinar?

– Wondering whether to launch a new recognition program

– To learn how to make recognition more effective

– Looking for data to justify a recognition program

– To learn new things as an HR professional

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Poll

What is your favorite type of recognition that your organization uses?

– Please answer via the Chat Box

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Three business questions:

- Is recognition effective?
- How are companies using it?
- What makes it work better?

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Is Recognition Effective?

Is recognition effective?

Let's gather the evidence:

- What makes logical sense based on what we know about human behaviour?

- What does the academic research show?

- What do experienced practitioners say?

- What can we learn from the experience of other firms?

Logical evidence

- If you reward for A and people will do A

- Assuming:
  - It's not patronizing
  - It's a reward that people value

Further reading Steven Kerr
 "On the Folly of Rewarding A, While Hoping for B"

Academic evidence

- Research by Dr. Charles Scherbaum of CUNY showed recognition drove greater performance in retail banking.

- Meta-analysis "…money, feedback, and social recognition each had a significant impact on task performance. However, when these 3 reinforcers were used in combination, they produced the strongest effect on task performance."

Stajkovic, Alexander D.; Luthans, Fred "**Behavioral management and task performance in organizations: Conceptual background, meta-analysis, and test of alternative models**" Personnel Psychology 56 (1) 2003

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Experienced practitioners

"A program is more than an expense. It has ability to tie the values of the organization to the behaviors of an employee. Be intentional and don't let management excuse themselves by saying 'It's not in my nature to do it.'"

"We have identified that recognition is one of the most important aspects to employee engagement."
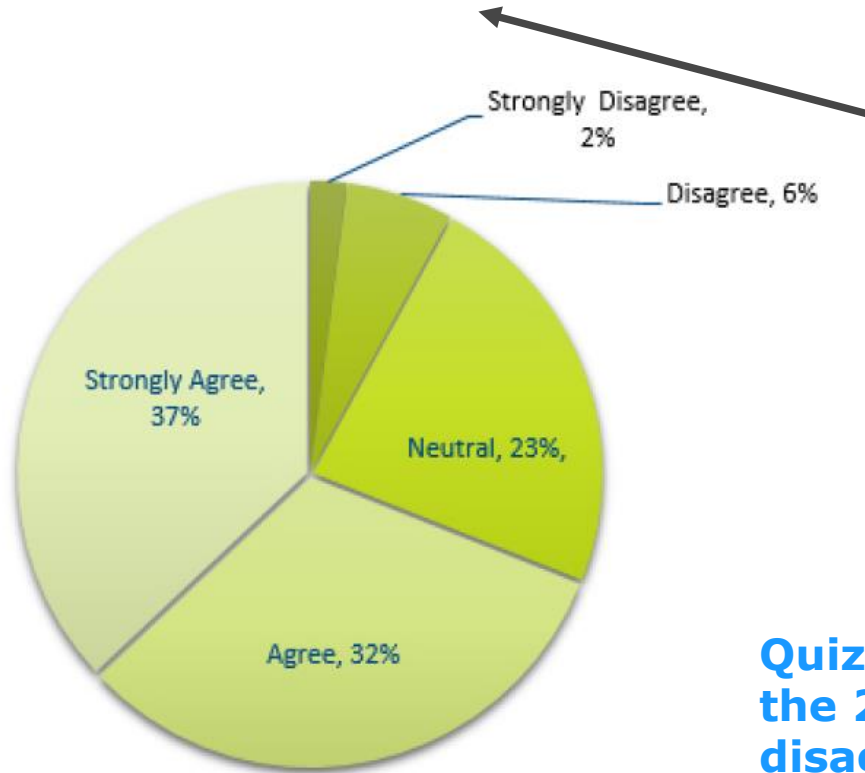
Quiz: What is the different between expert insights and someone's unfounded opinion?

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The Experience of Other Firms

"Employees <u>greatly</u> appreciate the recognition program"

Set a high bar with your research questions.

Strongly Disagree, 2%

Disagree, 6%

Strongly Agree, 37%
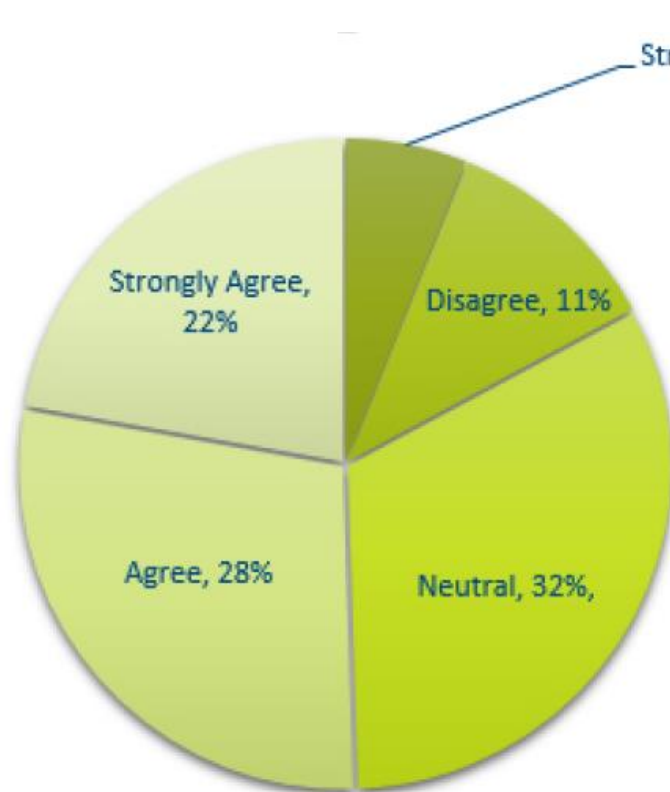
Neutral, 23%,

Agree, 32%

69% of respondents report their **employees <u>greatly</u> appreciate the program**.

Quiz: What percentage appreciate the program?

Quiz: What can we learn form the 2% who strongly disagree?

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The Experience of Other Firms

"The recognition program <u>drives desired behavior"</u>

Raise the bar higher.

50% of respondents report it is **driving desired behaviors** in their organization; 32% are neutral, and 17% say it's not driving those behaviors

Quiz: What is the main takeaway for you from this finding?

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How are Companies Using Recognition?
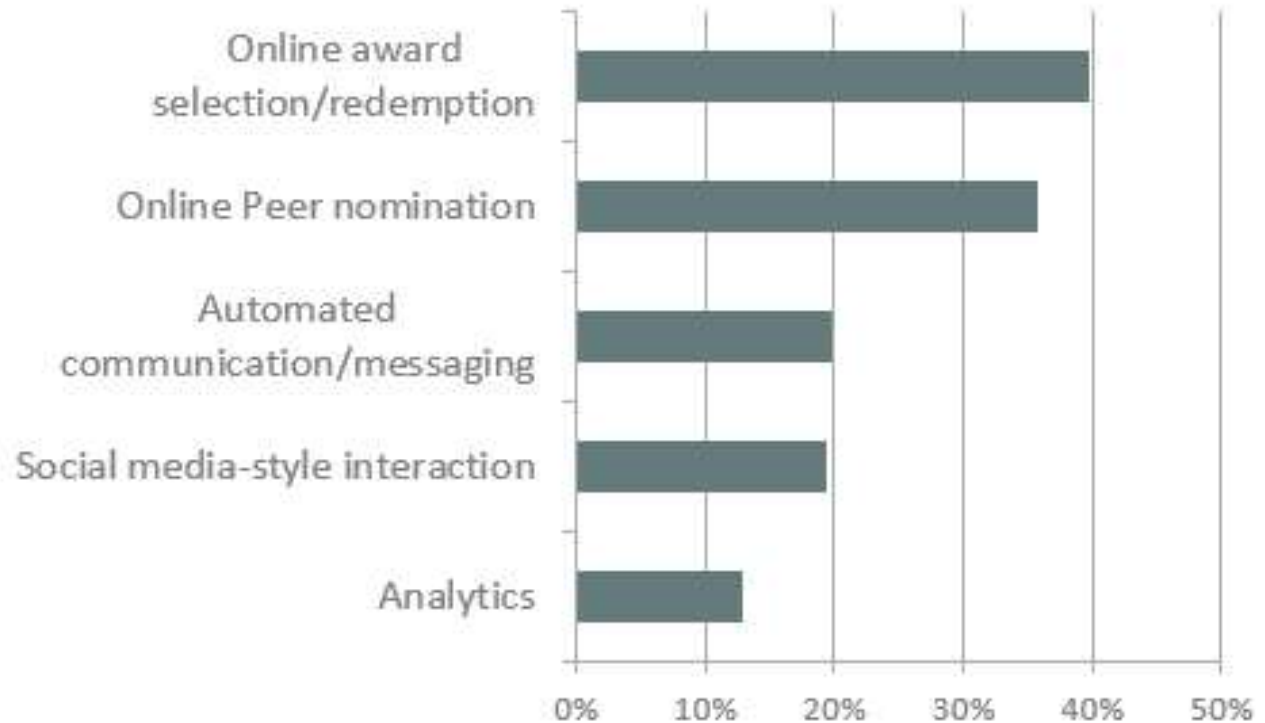
Should we centralize the program?

Finding: About 1/3 of companies have highly centralized recognition programs

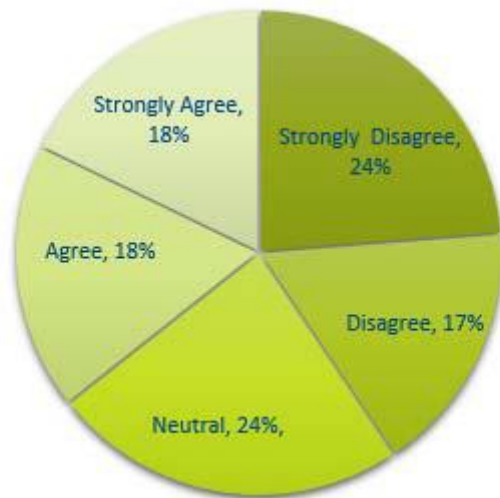**Quiz: In your organization would centralizing the recognition program make sense?**

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Do we need technology?

What types
of
technology
are used?

Can we measure the impact?

"We have useful measures of the impact of the recognition program"

Just over a third of organizations (36%) have useful measures of their recognition program, 24% are neutral on the usefulness of their measures, and 41% don't have useful measures

Quiz: What is it that you do (or want to) measure?

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Invest in Implementation & Administration

"Programs don't run themselves. Identify who will manage it."

"Management should know recognition is not an 'extra' and its need to be uniformly implemented and administered."

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Get top management involved

- Employees are more than **2x** as likely to have a good understanding of recognition when top management involvement is high.

- Managers are **3x** as likely to appreciate the power of the recognition program when top management involvement is high.

- The recognition program is more than **2x** as likely to drive the right behaviors when top management involvement is high.

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Be clear about the purpose and communicate it

Employees are almost **twice** as likely to appreciate the program if they understand it.

"We have defined 5 Core Values that drive our program. We empower employees to use points banks to recognize when their peer performs in line with the core value."

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Leverage the program

List of initiatives respondents reported working well:

- Public recognition; e.g. photo with the president.
- Small group celebrations, e.g. lunches or parties with food.
- Better communication and visibility.

"People really seem to value the recognition in corporate communications. Departments often integrate HR-processed recognitions into their meetings."

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Question & Answer

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