

June 2009 HR-Xchange Summary:

Recognition and Rewards: Who's Got the Time These Days, Not to Mention the \$\$\$? Facilitated by Robin Throckmorton, MA, SPHR of strategic HR, inc.

With statistics, such as Salary.com's February 2009 survey reporting that 68% of employees are actively looking for new jobs NOW, HR needs to find a way to retain workers before the economy regains strength and they jump ship. A report by the American Society for Training and Development (ASTD) identified employee recognition as a key factor in retaining top performing workers. Employee recognition seems simple enough...knowing this, what's holding us back from firing this magic bullet? Is it time; is it money????

Monetary rewards may no longer be as important to employees as compared to just simply being recognized. Research by BCP Handbook found that the correlation between the length of time people intended to stay with their current employer and recognition received for work well done was more significant than longevity and monetary rewards. In addition, Sherry Ryan a Training Specialist with Weyerhaeuser Company reported in her article on "Rewards and Recognition" that people are motivated to perform at a higher level by positive recognition from their managers and peers. She went on to say, "These types of recognition can be inexpensive to give, but priceless to receive." Finally, in a Strategic Rewards Survey by Watson Wyatt, they also found that financial rewards are not the number one motivator for employees. Employees are more motivated by opportunities to show what they can do and be perceived as successful by their peers. Bottom-line it looks like we may be able to motivate our employees with some non-monetary rewards if we can find the time to offer a successful recognition program.

With these facts in hand, folks at the HR-Xchange meeting, broke into groups to tackle the question of what type of recognition and rewards programs the participants have/had in their companies and what has made them successful or challenging. The groups had a very deep discussion about current and past recognition programs that each of them had in place. Some shared successes that were very beneficial to their tablemates, while others shared challenges and the group helped brainstorm solutions to the challenges. Some of the specific feedback shared with the group included:

- Recognition of shining stars, which lead to multiple levels of "stars"
- Whole group recognition programs
 - o Grill and Chill events
 - o Pitch-In Lunches - everyone pays \$2.50 which is donated to a charity
- Peer to Peer programs
- Required public recognition
- Interdepartmental recognition programs
- Goal-based recognition
- Adequate advertising of the program so employees know about it and want to be recognized; this helped produce more results
- Educating managers about the program
- Providing the opportunity to choose an award (e.g., Online Rewards at www.onlinerewards.com)
- Flex-time awards
- Special parking privileges (i.e. using the boss' parking spot for a duration of time)

The groups shared ideas about monetary and non-monetary reward ideas. One participant explained the savings of offering a points-based rewards program to the group. In addition,

Robin provided the participants with a one-page handout on reward/recognition ideas that included “No Cost and Low Cost” options to help managers brainstorm additional rewards when needed. Plus, she shared the research findings she and Linda Gravett, PhD, SPHR discovered when they interviewed 500 individuals in each of the four generations in the workplace for their book Bridging the Generation Gap on what recognition and rewards they prefer based on the generations. (Email Robin@strategicHRinc.com if you’d like a copy of these handouts).

When it comes to the time constraints of a reward and recognition program, you need to put the time in on the front end of planning; making sure you have all the details necessary for the whole program from the levels to communicate the program to training management. In the end, the managers (and their proper training and understanding) are the key to the program. The HR-Xchange group realized that HR can only be a conduit for the Recognition and Rewards program. For it to succeed, the managers must implement the recognition and need to realize their role in the success of recognition. A great book recently written for managers on this topic is Make Their Day! Employee Recognition That Works by Berrett and Koehler (May 2009). Additional recommended reading included How Full Is Your Bucket? by Rath and Clifton and Speed of Trust by Covey. Sometimes if managers realize the benefit to the organization, they will also be more apt to follow through with the recognition. For example, a recent Gallup Poll reported organizations with employees that are happy with their worklife will realize 22% higher productivity and 27% higher profits, while disengaged workers cost employers \$292 billion to \$355 billion a year in lower productivity. No need to fret though, in a survey by the National Association of Employee Recognition and World at Work, 96% of US companies believe employee recognition helps improve employee morale and reduce turnover.

Concluding the HR-Xchange program we all realized that the best recognition and reward program takes upfront time to plan and execute the program and well trained managers to provide “recognition” in the form of non-monetary rewards. Using these two key elements we will succeed in hitting the target with our “magic bullet”!