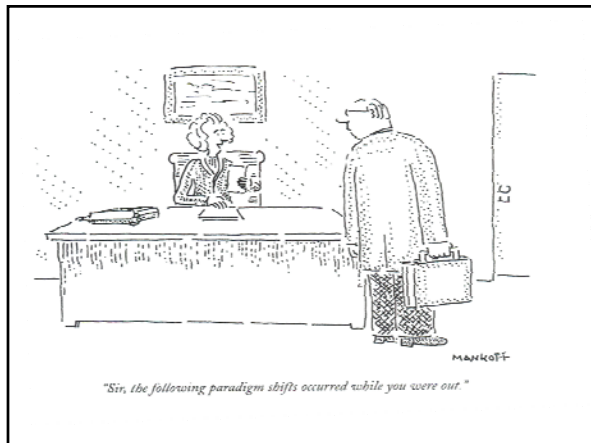


## Rewards and Recognition: Motivating for the Behaviors that Matter

Liz Ferron, LICSW



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### Impact on Employees

- Fear and anxiety
- Health concerns
- Reduced productivity and/or overworking
- Negativity
- Strained work relationships
- Distrust and or disengagement—2009 Watson Wyatt report:  
"Employee engagement has dropped 25% for high performers."



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### Impact on Employees

Workplace suicides reached an historic high in 2008, up 28% in a single year.

Source: Bureau of Labor Statistics 2009



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### Impact of Effective Rewards and Recognition

- Increased employee productivity
- Improved customer service
- Improved peer relationships
- Better safety practices
- Improved retention
- Improved job satisfaction

Source: Gallup Poll 2007



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## Impact of Effective Rewards and Recognition

"Companies that raise their employee satisfaction by 20% will raise their financial performance by 42%."

Source: - David Maister  
*Practice What You Preach: What Managers Must do to Create a High Achievement Culture,*  
The Free Press, June 2001



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## Objectives

- Identify current best practices for developing a rewards and recognition program
- Identify program strategies for motivating employees during fiscally-challenging times
- Identify motivational strategies for the various generations working in your organization
- Obtain guidance for keeping rewards and recognition visible and meaningful



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## Best Practices

- Establish criteria for what behaviors or contributions will be rewarded
- Align with organizational strategies, missions and values
- Include vehicles for both individual and team recognition
- Remember that recognition is valued most when it comes from someone's direct supervisor or manager
- Re-evaluate costly, outdated formal reward programs
- Use as a supplement to other motivational practices



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## Keeping it Economical

The same impact of a 1% pay increase can be achieved through frequent thanks and praise.

Source: White Water Consulting, Inc.



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## Keeping it Economical

A \$1,000 payment has 10 times more ROI when given through a recognition program than when added to base pay.

Source: McKinsey Report



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## Keeping it Economical

"I can live for two months on a good compliment."  
— Mark Twain



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## Create a Culture of Recognition

- Encourage leadership to:
  - Make time at team meetings for people to share success stories
  - Offer regular, timely, verbal positive reinforcement
  - Pass along positive feedback from others
  - Provide recognition in an e-mail and copy a member of the executive team
  - Recognize effort, as well as achievement
  - Recognize and celebrate their own success and accomplishments
- Encourage peers to recognize one another, and two-way recognition by implementing a "caught in the act" program



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## Occurrence of Regular Recognition

- 40% of North American workers report receiving recognition for a job well done
- 40% report they never get recognized for outstanding individual performance
- 50% of managers report giving recognition for high performance

Source: Kepner-Tregoe study



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## Low cost rewards

- Printed certificates, or handwritten thank you notes
- Low cost gift cards for gas, coffee shop or "Target" (be aware of tax implications)
  - "Sixty nine percent of companies say gift cards are more effective than cash in motivating and rewarding employees" — *Incentive* magazine
- Timely rewards for goal achievement vs. pay raises
- An invitation to a monthly lunch with the CEO/President



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## Other Economical ways to Reward and Motivate

- Challenge
- Work/life balance
- Involvement
- Respect
- Professional development



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## Challenge

"Far and away the best prize that life offers is the chance to work hard at work worth doing."  
—Theodore Roosevelt



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## Challenge

- Train supervisors and managers to:
  - Assign greater decision-making responsibilities
  - Cross-train
  - Offer new leadership or mentoring opportunities
  - Encourage employees to go outside the comfort zone, and expand role and duties
  - Encourage employees to participate in "problem solving" or "product development" teams



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## Work/Life Balance

- Offer flexible scheduling, or an opportunity to work remotely (2002 Families and Work Institute study linked flexibility with increased loyalty, retention, and commitment to working harder than they would need to support organizational goals)
- Increase PTO in lieu of raises the company can't afford,
  - e.g., four Fridays off in the summer
- Allow for unpaid time off when appropriate
- An afternoon off with pay
- Offer a yoga class or wellness seminar at work



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## Involvement

Encourage supervisors and managers to:

- Give employees responsibility over the work at hand
- Offer a big picture view of company challenges and initiatives
- Keep employees informed
- Solicit input to process and procedure changes that employees will carry out
- Offer vehicles for employees to update one another on work activities/projects
- Implement reasonable suggested changes whenever possible

*"The more I want to get something done, the less I call it work."*  
— Richard Bach



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## Respect

Train supervisors and managers to:

- Take time to listen to employee concerns, especially related to survivor syndrome
- Acknowledge employees by name when you pass them in the hall or run into them in the restroom or lounge
- Have an occasional lunch with employees
- Take an interest in employees' lives outside of work



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## Respect

Train supervisors and managers to:

- Introduce employees to guests
- Think twice before interrupting employees in their work
- Keep appropriate professional boundaries
- Keep communication free of anger or other exaggerated emotions



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## Professional Development

- Help employees set goals, with a plan for goal attainment
- Look for online e-learning opportunities
- Encourage use of the EAP for professional development
- Utilize opportunities for in-service trainings
- Offer opportunities for employees to lead projects

*"In order that people may be happy in their work, these three things are needed: They must be fit for it. They must not do too much of it. And they must have a sense of success in it." —John Ruskin*



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## The Challenge of Generational Differences

For the first time in history, organizations have four distinctly different generations working side by side. Managers must:

- Learn and understand what the generations want
- Why they want it the way they do
- How to best meet that need (when possible)



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## The Generations

- Veterans/Traditionalists 1925 – 1945
- Baby Boomers 1946 – 1964
- Generation Xers 1965 – 1977
- Generation Yers 1978 – 2000



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## Younger Workers

- Want a clear and measurable return for their effort
- Value relationship and time with their supervisor
- Generally like a challenge
- Appreciate being given a variety of roles and duties
- Want freedom to manage time and work
- Seek frequent feedback and positive reinforcement
- Appreciate time away from work



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## Older Workers

- Like to be recognized for acquired knowledge and experience
- Expect to be treated like adults, and depending on role---as professionals
- Are loyal to the organization, and appreciate having this acknowledged
- Prefer flexible work schedules as family dynamics change, or as health challenges surface
- May need assistance with prioritizing or time management
- Value explanations
- May need more time to master changes to technology



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## Maintenance

- Identify, publicize and continue to update desired behaviors
- Train supervisors and managers on best practices, and expect compliance
- Check the pulse of workforce through surveys and update programs accordingly



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## Maintenance

- Have multiple vehicles for recognition:
  - E-mails
  - Newsletters
  - Website
  - Staff meetings
  - Company-wide/department meetings



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## Maintenance

- Have multiple vehicles for recognition:
  - "Caught in the act" certificates
  - A drop box for submitting positive feedback related to coworker, supervisor or peer
  - Low cost rewards tied to objective criteria aligned with organization values



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