

Become Best of the Best

By Christi Gibson

Organizations use cash and non-cash rewards to compensate employees and assume that adequate compensation will help motivate people to do their jobs. However, organizations attempting to achieve specific business goals through their people often have a need to address other organizational concerns to optimize their performance. Some of these are: to influence how employees feel from day to day in the workplace, the degree to which they buy into and support organizational goals and their willingness to align their behavior accordingly, the degree of understanding employees have about organizational goals and their ability to assist in their achievement, and their feelings about the support of recognition from management for their efforts. Beyond employee-based considerations, the organization itself must weigh the benefits derived from rewarding and motivating staff against both short-and-long-term financial objectives and profitability.

Northwestern University administered a research study to better understand which types or forms of reward and motivational programs are best suited to achieving the widely varied organizational objectives that management requires and requests.

Preliminary findings of the 2005 Northwestern University Forum study, administered to attendees of four major industry conferences, found an expressed preference for non-cash programs. The study entitled "Strategic Guidelines to Managing Cash and Non-Cash Employee Motivation Programs" looks at the effectiveness of cash and non-cash incentive, reward and recognition programs. The study was given to a cross-section of individuals who select and implement reward and recognition programs and was conducted at the National Association of Employee Recognition (NAER) Spring 2005 Conference, The Motivation Show (Fall 2005), The Integrated Marketing Summit (Fall 2005) and the Fall 2005 Promo Expo.

Initial findings show Managers view non-cash programs as vitally effective and generally superior for achieving the majority of the specific organizational objectives listed in the questionnaire.

Leading Non-cash incentives are (in order of importance):

1. Employee Recognition
2. Gift Certificates
3. Merchandise Incentives
4. Work-life Benefits
5. Special Events
6. Individual Travel

The research project also sheds light on the types of forms of motivational programs best suited to achieve varied organizational objectives and provides strategic guidance for organizations that are both providing and using reward/recognition programs. The complete study will be available the Fall of 2006 and may be accessed at the research study section of the National Association For Employee Recognition website, www.recognition.org.

The National Association For Employee Recognition (NAER) is a Trustee of Northwestern University's Forum and the only association solely dedicated to the enhancement of workplace performance through recognition. NAER is an international non-profit association of employers dedicated to developing and promoting recognition programs that engage employees, improve performance and increase return on objectives. Research findings show that formal, informal and day-to day recognition programs, when linked to the organizations values and goals, can create a culture of recognition that enhances employee engagement, performance and retention.

Employee performance is the key to success for any organization. We know, based on extensive academic, scientific and business research, that employee performance is enhanced by systematic Employee Recognition, defined as: An after-the-fact display of appreciation or acknowledgment of an individual's or team's desired behavior, effort or business result that supports the organization's goals and values.

Strategic implications of recognition:

- Reduces Turnover
- Increases productivity and profitability
- Creates a positive work environment
- Elevates customer service, sales and satisfaction
- Attracts a better recruiting pool

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- Improves retention of top performers

A successful recognition program includes verbal and/or written praise in acknowledgement of individual or team achievement, Awards (cash or tangible items for individual or team achievement), and Celebrations (planned or spontaneous events in recognition of individual or team achievement). These categories are not mutually exclusive. Recognition may involve a certificate or other token of appreciation. Celebrations may consist of an informal team lunch or an organization-wide event. Successful recognition programs use a variety of motivational tools and communication methods to maximize every opportunity to positively reinforce behavior that is consistent with the organization's goals and values.

NAER established seven Best Practices Standards by which to evaluate employee recognition programs. The NAER Best Practices program recognizes organizations that successfully implement recognition programs and shares this information through case studies, available at www.recognition.org. When an employer puts these Seven Standards in place, they find they've created a great place to work.

The 7 Best Practices Standards:

- Standard 1. Recognition Strategy
- Standard 2. Management Responsibility
- Standard 3. Recognition Program Measurement
- Standard 4. Communication Plan
- Standard 5. Recognition Training
- Standard 6. Recognition Events and Celebrations
- Standard 7. Program Change and Flexibility

2006 NAER Best Practices Best Overall Recipient—Westfield Group:

"The truth is people are always looking for a great place to work," explains Westfield Group CEO, Bob Joyce. "Our number one goal is to attract, develop, empower and retain quality people. If you create a positive work environment, people want to come to work everyday and do a good job, but they also want to enjoy what it is they do and they want to be appreciated. At the end of the day recognition is huge for us. Recognition puts people in a position where they enjoy what they do, they feel appreciated for what they do, and they will stay a career with us."

The mission of recognition at Westfield is to "Recognize people doing it right." Helping employees understand what "doing it right" or demonstrating the company's core competencies through their work and actions means is the strategic focus of the program. This focus has resulted in more Westfield employees developing a deeper understanding of the company's overall mission and purpose. It has also resulted in some impressive culture changes and bottom-line improvements.

The 2006 NAER Best Practices judging panel found the Westfield Group to have excellent involvement from all levels of management beginning with Bob Joyce, their CEO. By engaging all levels of management Westfield Group consistently retains excellent employee satisfaction metrics. Their recognition training programs were found to be outstanding. By connecting their program with the corporate bottom line, they have seen a direct correlation between the company's focus on recognition and a decrease in turnover.

Below is a sampling of Westfield Group's Day-to-Day, Informal and Formal Recognition Practices.

Day-to-day recognition:

- Electronic Thank You Cards: Available for employees to send through the Westfield Excellence recognition program. Each thank you card is designed to reinforce specific core competencies (values) so employees who get recognized understand specifically how their actions contribute to the organizational mission.
- Frequent Celebrations: Westfield also sponsors recognition celebrations centered on National Smile Week, National Volunteer Week and National Customer Service Week. Whether it's cookies, a booth at lunch, a contest for creative pictures for National Smile Week, or simply giving employees the option to spend time working for Habitat for Humanity, Westfield recognizes and honors both the professional and personal passions and accomplishments of employees.

Informal recognition:

- Military Activation: Gift basket sent to family, care package sent directly to military personnel. Upon return, the president of the company is notified and sends a personal letter.

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- **“Successfest”**: Annual employee recognition event designed to showcase the accomplishments of individual departments in a fun, carnival-like setting. All employees invited, many departments host booths highlighting accomplishments for the year. Employees enjoy a complementary lunch while learning about company successes.

Formal recognition:

“The formalization process institutionalizes a behavior,” says CEO Bob Joyce. “Every organization has a culture, when you formalize it brings about a process people will use and pay more attention to it. When you make something more of an institutional process it reinforces the behaviors you’d like to see without making it mandatory. And there’s the balance. You can create processes and procedures and make them mandatory, what you want to see is managers grab it themselves and see them make it part of the culture and move it forward.”

- Westfield’s performance program, Westfield Excellence: “Recognizing People Doing it Right,” centers on recognizing strategic behaviors that exemplify the company’s five core competencies: Customer Focus, Integrity and Trust, Interpersonal Savvy, Perseverance and Self-Development.
- Length-of-Service Recognition: Employees are recognized at regular intervals throughout their careers with a choice of several quality awards that include the Westfield Group logo. Some awards have become so coveted, such as a 15-year leather jacket, that they have become status symbols among employees.

2006 NAER Best Practices Best in Class Recipient (Standard 3. Recognition Program Measurement & Standard 4. Communication Plan)—INTEGRIS Health:

INTEGRIS *Health* is an Oklahoma owned, multi-site, healthcare delivery system that consistently embeds a focus on employees within their strategic plan by making their caregivers their third group of valued customers along with patients and their families. Their organizational mission is to improve the health of the people and communities they serve and align around their core values of Love, Learn, and Lead. INTEGRIS *Health* strives to achieve goals regarding rewards and recognition through successful implementation of what they call, “Strategy F” which is to attract, develop, and retain outstanding employees.

Their recognition program *HEART (Hospital Employee Activities & Recognition Team)* plays a significant role in the achievement of this strategy. HEART is a voluntary employee committee comprised of approximately 40 employees and was designed to promote rewards and recognition within the INTEGRIS Health system. Its representatives are a “diagonal” slice of the organization coming from various units and differing positions. For more detail on both Westfield Group and INTEGRIS Health’s programs watch for the 2006 NAER Best Practices White Paper available at www.recognition.org.

Meaningful employee recognition programs are vital to organizations striving for success, however many organizations don’t know where or how to begin. Responding to employer’s needs and industry trends, NAER has developed the Certified Recognition Professional™, CRP curriculum in which candidates will complete four facilitator-led courses. This certification program sets the standard for assessment of abilities and provides a means for individuals to acquire the needed skills and knowledge in order to excel. A CRP designation offers enterprises a means to identify Recognition Professionals equipped with the expertise required to create and maintain a Best Practices Program within their organization.

2006 Best Practices Award Recipients along with Pamela Sabin Recognition Champion Recipients will be presenting details of their programs at the 2006 NAER Fall Summit featuring the “Best of the Best” September 26th at McCormick Place, Chicago, Illinois. NAER 2007 Best Practices Awards nominations are now being accepted.

About NAER

Christi L. Gibson, the Executive Director of the National Association for Employee Recognition (NAER) has had articles published in numerous periodicals and newspapers. Visit www.recognition.org for more information about NAER.