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Debunking 10 recognition and rewards myths

Don't focus all resources on top performers – show middle 80 per cent a little love too

BY DEREK IRVINE

Believing in employee recognition myths can cripple efforts to better engage employees. Follow these myth-busting tips to bring core values to life in the daily efforts of employees:

Myth: Employee recognition is best given at an annual awards show. Is it your goal to motivate employees one day per year or year-round? Annual recognition separates the behaviours and achievements deserving of praise from the act of recognition itself. Ad hoc recognition given in the moment reinforces what an employer needs and expects from employees while increasing the likelihood they will repeat that behaviour.

Myth: Cash is the best reward. Recognition itself — and making that moment of achievement and appreciation memorable — is more important than the reward. However, personal rewards create a positive association with an employer. Cash is the currency of compensation and not memorable as a reward for well-deserved recognition.

Big bonuses may actually decrease people's performance, according to the 2009 article "Large Stakes and Big Mistakes" in the *Review of Economic Studies*. In eight of nine tasks, the promise of a bigger bonus actually significantly decreased people's performance.

Myth: Employee salaries should be reward enough. Employees are already pushing the limit on productivity, considering many are covering the roles of multiple team members who were laid off and never replaced. But that doesn't mean they aren't willing to work harder if they know their work has meaning and purpose. Get over the mindset "But that's what I pay them for" and recognize and reward employees frequently for demonstrating corporate values and contributing to achieving strategic objectives.

Most (78 per cent) employees say being recognized motivates them in their job and 69 per cent say they would work harder if their efforts were better recognized, according to a September 2011 survey of 630 employees by Globoforce.

Myth: Determining how to recognize is the first step of appreciation. Processes and procedures around peer recognition are useless if a company's culture precludes employees from first acknowledging the daily efforts of co-workers. The first step of recognition is having each employee notice the efforts of colleagues and how they contribute to company success.

Recognition at Fairmont Hotels and Resorts is a high-profile celebration and reinforcement of the culture, which then impacts employee behaviour, according to Matt Smith, vice-president of HR at Fairmont in the United Arab Emirates.

"Strong cultures need celebration. It's very hard to drive a culture if you don't have celebration. Celebration keeps culture going, uniting and unifying people."

Myth: Appreciation and recognition are the exclusive territory of HR. Regardless of company culture or officially sanctioned programs, we all hold the power of recognition. HR may be tasked with sourcing a technology solution but it's not solely responsible for ensuring employees are appropriately recognized. It is up to each of us to sincerely thank those around us for making our workday more fun, engaging and productive. A recognition program is owned by HR but a culture of recognition is owned by everyone.

Myth: Appreciation and recognition are only for the elite. For too long, employee recognition and incentive programs have focused on the elite — the top 10 per cent of performers — ignoring those in the middle 80 per cent. This middle tier of employees, working diligently day-to-day, make the stellar performance of the elite possible and are also doing the majority of the work. Recognizing their efforts to get the job done and keep projects moving forward is just as important as recognizing the stars.

The recognition program at Intuit has given awards to about 90 per cent of employees. That has had a huge impact on engagement, according to Jennifer Lepird, senior compensation business partner at Intuit in Tucson, Ariz.

"People know why they are receiving recognition and it motivates them to sustain a high level of performance."

Myth: Recognition takes time and energy. It takes time and energy to pause in our daily work to say thank you to a colleague, but no more than a few seconds. Investing this small amount of energy is rewarding to both the person receiving and giving the appreciation. Studies have shown recognizing others improves our own outlook and receiving recognition makes us more willing to help others.

Myth: Recognition is expensive. The act of appreciation is free. It takes nothing more than a moment to pause, notice a colleague's efforts or achievements and say thanks. However, incorrectly implemented recognition programs can become expensive. Proper program implementation based on industry-proven best practices can save, on average, 30 per cent to 50 per cent of an organization's investment in recognition initiatives while dramatically increasing the number of people recognized, according to Globoforce's client research.

Myth: Appreciation requires tight controls.

Regulation of recognition activity only serves to stifle the desire to appreciate others. Ideally, employees at all levels should be encouraged to appreciate the efforts and behaviours of colleagues that reflect company values and contribute to achieving strategic objectives. Implemented correctly, recognition is self-regulating in that anomalies in recognition patterns can be easily addressed.

Myth: Appreciation is a soft skill with no measurable business metrics. When tied to company values and strategic objectives, recognition and appreciation show employees how their efforts are contributing to team and company success. Combined with the ability to track recognition and intervene where necessary, strategic recognition programs are a mechanism for the proactive management of company culture. This creates a work environment in which employees choose to engage.

In fact, strategic recognition programs can increase employee engagement by double digits in less than one year, according to 2004 research by Towers Watson which found a 15-per-cent increase in employee engagement correlates to a two-per-cent increase in operating margin.

Help take employee engagement, productivity and retention to the next level. Bust the employee recognition myths holding employees back from engaging fully with your organization culture, values and priorities.

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