

Recognizing and Rewarding Employees

Effective recognition increases employee performance and retention

Managers' ability to reward and recognize achievement effectively can **increase employees' discretionary effort* and intent to stay** by up to 22.7% and 31.6% respectively.**

How Should You Reward/Recognize Employees?

Listed below are certain guidelines to call attention to the contributions and successes that are important to your employees, the team, and organization:

Link Rewards to Organizational Goals

Reward an action or behavior that links to the organization's mission, vision, and values.
Reward an action or behavior that helps the team accomplish its goals.

Involve Employee Preferences

Ensure that the recognition is meaningful to the employee(s) receiving it .
Tailor recognition based on what motivates your employee(s).

Communicate the Program

Champion the accomplishments of your employees to the team.
Communicate rewards to your team to provide recognition for promotion or performance .

Recognize Relevant Actions

Recognize actions and behaviors that are important to your team and the organization.
Explain the reasons for recognizing a particular action or behavior.

Reward in Timely Manner

Give recognition close to when the behavior or action occurs to link the behavior and the result clearly.

Ideas for Rewards and Recognition

In addition to monetary rewards, managers should use low-cost rewards to differentiate employee performance and contribution. Given reduced recognition budgets, managers may find some of the tactics listed below useful.

Public Acknowledgment

- Publish a "kudos" column in the department newsletter
- Create a "Wall of Fame" to honor special achievements
- Make a photo collage about a successful project, which shows the team that worked on it

Token of Appreciation

- Post a thank you note on an employee's cube
- Create and post an "Employee Honor Roll" in reception area
- Create an "Above and Beyond the Call of Duty" (ABCD) Award

Development Opportunities

- Allow the employee to represent organization at an external event
- Nominate the employee to attend a training workshop
- Provide the employee an opportunity to work on a cross-functional team

Low-Cost Perks

- Take employees to lunch as a thank you
- Appoint a financial adviser to meet with employees to guide them on their financial planning issues

***Discretionary Effort:** Employee willingness to go "above and beyond" the call of duty, such as looking for ways to perform their jobs more effectively.

****Intent to Stay:** Employee desire to stay with the organization, based on whether they frequently think of quitting or whether they are actively looking for a job.

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> Dos and Dont's

Guidelines for Effective Praise:

Dos

Praise should be...

- ✓ **Soon:** Timing is very important; don't delay praise.
- ✓ **Sincere:** Praise seems hollow if you're not sincere.
- ✓ **Personal:** Convey your praise face-to-face.
- ✓ **Specific:** Avoid generalities in favor of details.
- ✓ **Positive:** Don't undermine praise with a concluding note of criticism.
- ✓ **Proactive:** Look for opportunities to praise; avoid reacting to mistakes.
- ✓ **As often as possible!**

Common Recognition Mistakes:

Don'ts

Avoid...

- ✗ Recognition that is **not timely**
- ✗ Insincere or **mechanical** recognition
- ✗ **Public** recognition **for private people**
- ✗ Rewarding the **wrong things**
- ✗ Undermining praise with **criticism**
- ✗ Treating **everyone the same**
- ✗ Leaving **someone out**
- ✗ Recognition that is **not appreciated** by the recipient

Source: Johnson Controls, CLC Research

> Three Key Steps to Recognize Employees

- ❶ **Say "Thank You"**—Start by thanking your employees for their work and expressing your gratitude. Simply thanking someone is key to making him or her feel appreciated and recognized.
- ❷ **Describe What Your Employee Did**—Explain why you are recognizing the employee. Specifically, describe what actions your employee took or what behaviors they demonstrated. Make sure that these actions and behaviors are seen, heard, or observable. Employees are less likely to repeat these desired actions and behaviors if they do not understand for what you are recognizing them.
 - ✓ **Specific:** "Thank you for volunteering to complete the project for your peer while she was out sick last week."
 - ✗ **Not Specific:** "Thank you for being such a positive person."
- ❸ **Describe How the Action or Behavior Added Value**—Explain how an employee's particular action or behavior helped you, the team, or the organization.