

## The right way to reward employees

Many workers are feeling left out and underappreciated at work as companies cut incentives. Here's how to avoid bad morale and poor productivity.

BY JENNIFER MYERS

When was the last time you received a thank you from your boss for a job well done? How about an afternoon off or a pair of tickets to see a movie?

If the displays of gratitude have been sporadic or even non-existent in your workplace over the past year and a half, you're not alone. Along with staff reductions, wage freezes and bonus cuts, companies have also scaled back recognition and reward programs, experts say. That's leaving many employees feeling a tad underappreciated.

Thirty-three per cent of North American workers feel their manager fails to recognize them, according to an OfficeTeam survey of 849 managers and employees. And the same proportion of British workers say they haven't felt valued by their employers during the recession, according to a poll in February by PricewaterhouseCoopers LLP.

"If recognition and rewards aren't an ingrained part of your culture, managers tend to view it as a distraction. It's work, it takes time to know what motivates your employees and reward them appropriately, but when they do it, it has such great impact," says Daphne Woolf, managing partner of Toronto human resources consultancy, The Collin Baer Group Ltd.

In fact, done right, formal and informal programs to recognize and reward employee achievements can be a key driver of engagement, and a valuable tool that can boost performance and lead to higher morale and productivity, says Razor Suleman, president of I Love Rewards Inc., a Toronto company that manages corporate recognition programs.

Too often, however, companies that make the effort to reward staff resort to service awards, or take a one-size-fits-all



**GlobeCampus.ca** 2007 Uyen Le approach, handing out "trash and trinkets," Ms. Woolf says. "Or management sends out a template letter that managers use for every occasion." Still, Mr. Suleman says his company is seeing a shift toward more customization, in the form of Web-based programs that allow employees to choose their own rewards. "Imagine if an employee can experience driving a Formula One car or be the first to get an iPad. That has trophy value. It's memorable," he says.

### The right way to recognize and reward

» **Get your house in order** Before launching a recognition and rewards program, examine your culture. If employees feel exploited or underpaid, an incentive program won't improve motivation and productivity or build morale.

» **Ask employees** Seek feedback from workers about how they want to be recognized and rewarded. What motivates one may demotivate another.

» **Ensure management buy-in** Avoid making recognition "the flavour of the month." It takes commitment and follow-through to ensure success.

» **Set attainable goals** Setting the bar too high or too quickly will only discourage employees.

» **Make managers accountable** Provide managers with training on the right way to give praise and recognition.

» **Be specific, meaningful and timely** Handing out rewards at year-end does little to encourage results you want throughout the entire year. At the same time, be careful to avoid creating a sense of entitlement by tossing out rewards aimlessly.

» *Source: Daphne Woolf, The Collin Baer Group Ltd., Toronto, Razor Suleman, I Love Rewards Inc., Toronto*

### The price is right

Don't have a recognition and rewards budget? Here are free ways to show staff they're appreciated.

1. **Offer a sincere thank you.** Do it verbally, or better yet, write a personal note to thank an employee for a job well done.
  2. **Ditch trash and trinkets.** If you're offering material rewards, make them items staff will really appreciate, rather than throwaways that will end up in the trash.
  3. **Give the gift of time.** Your staff will really appreciate time off to catch up on errands or recoup after wrapping up a time-intensive project.
  3. **Foster an environment of inclusiveness.** Communicate regularly with employees; share information and ask for feedback and ideas.
- » *Source: Daphne Woolf, managing partner, The Collin Baer Group Ltd.*

### Rewarding experiences

**COMPANY:** Calgary Airport Authority  
**Employees:** 160

**Strategy:** YYC Miles, an online peer-to-peer recognition and reward program.

**What prompted it:** CAA launched the program last June in response to an employee survey that suggested staff wanted more recognition for their

individual contributions. Employee focus groups resulted in staff choosing peer-to-peer recognition, says senior human resources director Cynthia Ewanchyna.

**How it works:** Every month, each employee is given 1,000 points to dole out to deserving co-workers who go above and beyond their regular duties. As points accumulate, workers can use them to purchase a variety of items ranging from movie tickets to iPods to an overnight getaway at the Banff Springs Hotel.

**The payoff:** Ms. Ewanchyna says its win-win. With 62 per cent of employees actively participating, staff know their extra efforts won't go unnoticed. The CAA is passionate about offering "western hospitality" – a warm, friendly experience for every passenger that travels through Calgary – Ms. Ewanchyna says, and such a program promotes and rewards staff for delivering on that promise. At a cost of about \$15,000 a month, it's affordable, she adds.

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**COMPANY:** MGA Computer Consulting Ltd., Toronto

**Employees:** 30 full-time, 110 contract

**Strategy:** Bonuses to workers for bringing in new business

**What prompted it:** MGA has 110 professional engineers and IT contractors on-site providing project management, business analysis and consulting to Fortune 500 companies on any given day, says president and chief executive officer Mehrdad Arjomandi. Being in the field day-to-day, these workers often hear about upcoming projects or new opportunities for MGA. But they often didn't pass along the information to the firm because it didn't pertain to their job, or they didn't know who at MGA to share it with.

**How it works:** To encourage staff to share potential job leads, MGA pays to employees who flag the business 10 per cent of the profit the company makes from the first six months of any new contract.

**The payoff:** Last year, enticed employees brought in three new projects that MGA otherwise might not have known about. And despite a challenging economy, Mr. Arjomandi says, "our revenue stayed steady. There was no dip."

## What workers want in the absence of a pay raise

1. Cash bonus for work on a particular project – 90%
  2. Gift cards – 89%
  3. A couple of days of extra annual leave – 89%
  4. Technology gift (e.g. iPod Nano, digital camera) – 80%
  5. Lunch with family or friends paid for by employer – 68%
  6. Being 'fast-tracked' for promotion – 67%
  7. Lunch or drinks with colleagues paid for by employer – 62%
  8. Access to internal training courses – 62%
  9. Tickets to leisure or sporting activities for use with family/friends – 61%
  10. Option to gain experience in a different department within the organization – 58%
  11. Option to gain experience in a similar department in a different organization – 52%
  12. A couple of extra days off to do charity/volunteer work – 49%
  13. A promotion without pay rise – 37%
- » Source: PricewaterhouseCoopers poll of 950 British workers, 2010

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## By the numbers

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### 20

Percentage of U.S. organizations with no performance recognition program

### 57

Percentage of organizations that recognize employees who go "above and beyond" regular duties

### 4

Percentage of managers who frown on the idea of recognition programs

### 58

Percentage of managers who do not make recognition a priority

### 38

Percentage of managers who make recognition a priority

### 50

Percentage of organizations that plan to implement performance recognition in 2010

### 37

Percentage of organizations that plan to implement on-the-spot recognition in 2010

### 41

Percentage of organizations that recognize customer service excellence

### 41

Percentage of companies with no consistent process of communicating recognition initiatives to employees

### 73

Percentage of managers who do not receive training on how to recognize employees

» Source: Terryberry Co. 2009 survey of 1,000 U.S. HR professionals and business leaders

### 33

Percentage of British workers who say they have not felt valued by their employer during the recession

» Source: PricewaterhouseCoopers 2010 survey of 950 employees

### 70

Percentage of employees who say an organization's recognition programs would factor into their decision to accept employment with that firm.

» Source: Office Team, 2009 survey of 849 managers and employees

### 67

Percentage of young workers who want recognition from their manager for the quality of work.

» Source: I Love Rewards Inc., 2010 survey of 1,033 students

» Special to The Globe and Mail