



# ***Designing Effective Reward and Recognition Programs***

A Service for USC Departments and Colleges  
Provided by

Organizational and Professional Development  
Division of Human Resources

## Introduction

A **reward** is considered to be something that is given in return for good behavior or given for some service or attainment. It can also be considered as a stimulus administered following a correct or desired response that encourages the reoccurrence of the response. **Recognition** is considered acknowledgement or a special notice or attention.

In an organization, reward and recognition programs must affect behavior measurably, improve results and deliver both tangible and intangible awards that everyone can earn and that everyone enjoys. To that end:

1. People should feel good about what they receive; and
2. The organization should benefit from a more positive workforce.

To do that a process must have the following key features:

- A. A variety of recipients;
- B. A mixture of formal and informal recognition;
- C. Timeliness; and
- D. Abundance

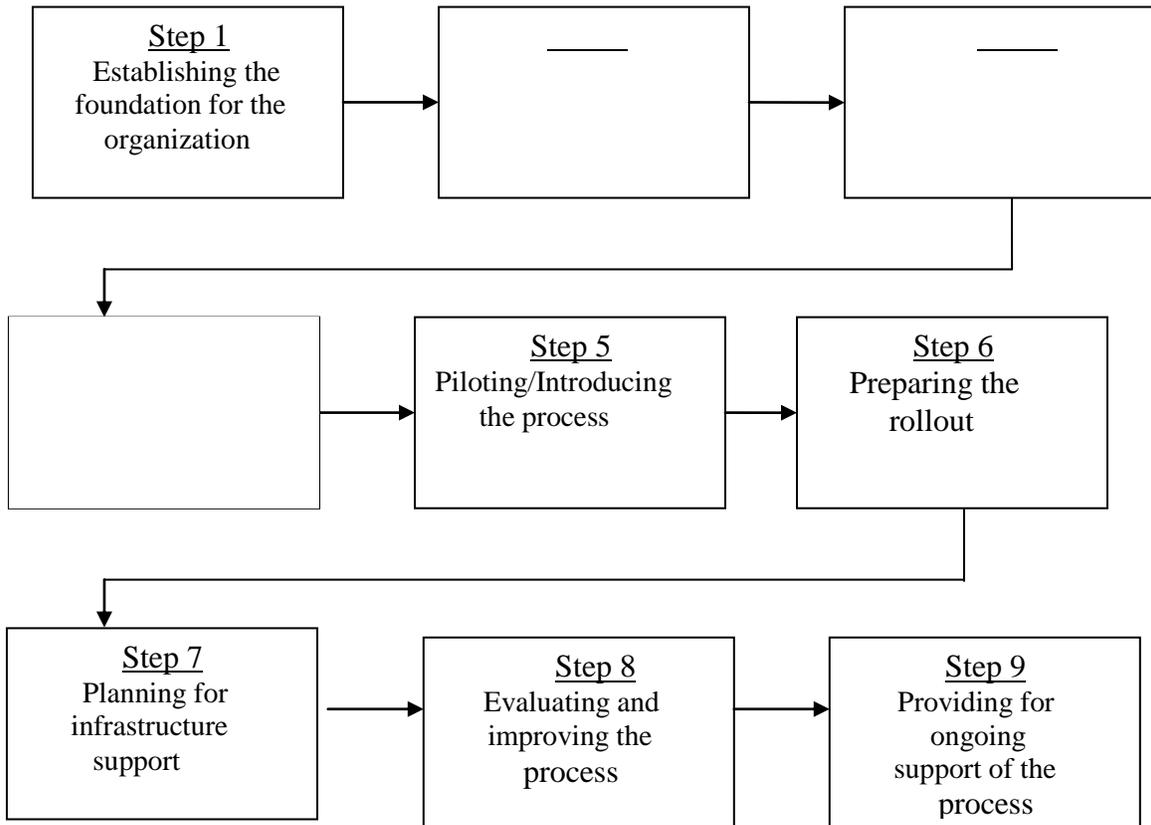
In addition, the organization must be able to get a Return on Reward (ROR) if they are to sustain any initiative. Similarly, the people in the organization must know where they stand at all times compared to the standards through feedback.

The goal for both can be summed up in the following equation:

***Right Rewards*** → ***Right People*** → ***Right Reasons*** = ***Right Results***

A good reward and recognition system is a “pulling” strategy. It pulls people into it because they see what is being rewarded and recognized, it feels good to be part of both the receiving (and hopefully the giving) of the rewards and recognition, and they want to be part of it. However, research indicates that behaviors take about 20 tries before they are assimilated in a person’s normal patterns. In other words, to fully integrate people into this type of culture, both patience and consistency are required of the organization.

## Process for Establishing a Recognition System



The goal of any reward and recognition system is breadth. Reward and recognition systems must affect behavior measurably, improve results and deliver both tangible and intangible awards that everyone can earn and that everyone enjoys.

## Pre-Work

### Is your organization ready to implement a reward and recognition process?

This seems like an easy question, but it can only be answered following an assessment of the organization's current patterns of recognition. The goals of the assessment process are as follows:

1. Gain some awareness of the agency's attitudes about reward and recognition;
2. Measure current reward and recognition patterns;
3. Determine the gap between current and desired patterns; and
4. Identify the personal recognition patterns of agency leaders.

Here are some of the questions that should be asked or observations made:

1. Does the agency have visible proof of recognition in the work areas?
2. Do people have congratulatory parties or other spontaneous events?
3. Are there mementos visible of recognition?
4. Can people tell you "stories" about receiving, giving or observing recognition?
5. Is there evidence that the current process is owned by everyone?
6. Are people evaluated in part on the amount of recognition they give?
7. Are there tools and vehicles in place that allow people to reward others?
8. Where would the agency rate itself on the following scale?

Our Current Status (Check one)	Rating Scale	Descriptions of Behaviors Related to Recognition
	10	We live recognition – it is embedded in our culture. Everyone freely recognizes each other through a myriad of recognition vehicles that are in place within the organization.
	9	
	8	
	7	We acknowledge the importance of recognition in our organization's philosophy. There is an organization-driven recognition program in place. In addition, some of us do the spontaneous peer-to-peer things.
	6	
	5	We are average – there is formal, agency-driven recognition program(s) in place and most people are comfortable with it.
	4	
	3	We do a little – the agency head gives some awards each year to recognize what we've done. A few top performers are identified.
	2	
	1	Recognition? No need to recognize anyone- a true professional knows his own worth and doesn't need that type of thing.

Additional information that you may want to gather would include responses to the following questions from selected senior managers:

- How free are people to comment on one another's behavior and contributions?
- Would you consider your feedback process to be a plus in your organizational culture?
- Are you pleased with your agency's current situation?
- Do your agency's communication patterns encourage recognition?
- If you could make changes to improve communication, and thus recognition, what would these be?

### **Step One – Establishing the Foundation**

Once commitment to a reward and recognition process has been established, and the current patterns have been assessed, the organization can move on to determining how such a process can be implemented.

#### **Goals**

The goals of this step in the process are:

1. To determine the focus of the process;
2. To identify the various facets of the process; and
3. To identify how the process will be measured to determine success.

These must be done by senior management or representatives from this group.

#### **Questions to be Asked**

1. Will the process be management driven?
2. Will it focus on a team-based or peer-to-peer process?
3. Will there be some effort to include multiple types of recognition?
4. How will the different facets be introduced, in what order, and how will they complement one another?
5. What measures will be in place to let us know they are successful?
6. What are the core recognition drivers (values) for your organization or team?
7. Who will be the primary target audience for controlling, giving and receiving recognition?
8. What mechanisms will the agency use for rewards?

#### **Potential Problems**

- Process too management driven
- Not enough clarity in values for agency
- Unclear audience
- View of recognition as solely a management prerogative

## **Step Two – Selecting a Champion**

After the foundations have been established, the organization must choose a champion to ensure that the process will have the requisite support at the highest levels of the organization. A champion owns the process and exemplifies the recognition-based behavior that the agency wants. The champion is there to make sure the support pieces are available and minimizes obstacles.

This also must be done by senior management.

### **Goal**

To find someone that can effectively lead the process and who is willing to do so.

### **Questions to be Asked**

To identify the person(s) who could be candidates within the agency:

1. Who are the person(s) with good recognition patterns in the agency?
2. Who is in a role to influence the agency? How does their position enhance their ability to champion the process?
3. What are some of the characteristics you would like to see in a person who plays the champion role?
4. How would you sell the idea to a potential champion?
5. What type of support are you prepared to offer this person?
6. What specifically will you require of your champion?
7. If this person turns out to be inactive or otherwise inappropriate, how will you take action to replace that person?

### **Potential Problems**

- Cannot find a good role model high in the organization
- Best candidate(s) are unwilling
- Lack of specificity as to responsibilities of champion
- Vague support or direction given to champion

### **Step 3 – Developing the Parameters of the Process**

At this stage, the high level parameters for the recognition must be set by senior management. This can probably best be done in a planning retreat setting.

#### **Goal**

To determine what is important to management in the way of reward and recognition and ensure that the process developed will also match employee needs and expectations.

#### **Questions that Should be Asked**

1. What is the agency dollar commitment to the process?
2. Is there consensus agreement to support actively whatever process is implemented?
3. What types of recognition are to be put in place (management-driven, peer-to-peer, team-based)?
4. Will there be public ceremonies?
5. Will there be a combination of monetary and non-monetary rewards?
6. Who will participate in the giving?
7. How will the finances of the process work?
8. How will the agency ensure that the awards are given in a timely manner?
9. Will managers be evaluated on their use of the process?
10. When will the process begin (a target date)?
11. How will the design team be chosen?

#### **Potential Problems**

- Senior management trying to micro-manage the process (dealing with too many program specifics)
- Leaving some decisions “open” at this point
- Not putting the parameters in writing
- Unrealistic target dates
- Not enough financial commitment
- Lack of consensus on the process by upper management
- Lack of breadth in the design

## **Step 4 – Designing the Process**

After senior management has developed the macro-level parameters, a design team should be assembled to design the specifics of the process. The organizational champion should either chair the design team or have active oversight of it.

### **Goals**

To determine the following:

1. Decide what the process should look like;
2. Determine what needs to be included in the process; and
3. Detail how provisions for the desired reward and recognition are to be provided and accessed.

### **Questions that Should be Asked**

1. Who will be on the design team?
2. How can we ensure the best people are chosen?
3. How will the design team get employee input into the process?
4. What will be the scope of the design process?
5. What boundaries have been, or need to be, set?
6. What support will be provided for the team?
7. Exactly how will the mechanics of the program be administered?
8. How will the program be evaluated and measured?

### **Potential Problems**

- Inadequate representation on the team
- Inappropriate people on the team
- Poor choices made regarding how to get employee input into the process
- Low response to employee input requests
- Unclear boundaries for the process
- Lack of administrative or other support
- Fuzzy details on implementation
- Poor measures created

## **Step 5 – Piloting/Introducing the Process**

Ideally, an agency would do a true pilot program (a division or unit first) or phase in the process selected. This allows for design modifications prior to rollout to the entire organization.

### **Goal**

To allow time for people to understand, test and evaluate the designed process and learn what works and what does not work.

### **Questions that Should be Asked**

1. Which process (pilot, phase-in, total implementation) will work best for the agency?
2. Is the agency prepared to provide an overview of what you intend to do and how it will be managed?
3. How long should a pilot last?
4. How will a pilot be evaluated?
5. Where will it be piloted? Why there?
6. What will be phased in first?
7. Are the administrative responsibilities clear?

### **Potential Problems**

- Unclear evaluation process
- Details insufficient to implement a pilot
- Inadequate time allotted for evaluation
- Poor choice of pilot location
- Unclear responsibilities for implementation

## **Step 6 – Preparing for Rollout**

Managers and employees need to be educated on how the program will work and the new way of thinking that is required to create an effective reward and recognition culture. A strategy outlining the education process must be created.

### **Goal**

To ensure that everyone hears the same message about the recognition process and to orient managers and employees in the new culture that the process is designed to help create.

### **Questions that Should be Asked**

1. What is the communication plan to employees and managers?
2. Will the plan have multiple mechanisms to ensure coverage and understanding?
3. Will there be training offered? To whom?
4. Who will do the training?
5. What content is appropriate for the agency?

### *Options to Consider*

- A. All employee memos or e-mails
- B. All employee meeting(s) to describe the program
- C. Newsletter articles
- D. Managers introducing the process at unit meetings using provided scripts including:
  - a. Why use the process-tied to agency vision and philosophy
  - b. Roles of managers and employees
  - c. Details on what can be given, how it can be given, who does the giving, when it is done, where it is done and why it is done
  - d. Goals of the process and how it will be monitored and evaluated
- E. Selecting a set of “messengers” to present a common message throughout the agency
- F. Making recognition a regular feature in meetings and in formal communications
- G. A celebration rally to kick it off
- H. Putting up posters or banners to kick it off
- I. Training of employees and managers if using peer-to-peer or team-based programs

### **Potential Problems**

- Inadequate communication during rollout
- Poor recognition skills of managers and employees, not addressed by training
- Insufficient “positive” message given to create interest

## **Step 7 – Planning for Infrastructure Support**

The planning process must account for the allocation of resources and budget to the recognition. Additionally, an administrative process must be established.

### **Goal**

To establish what is going to be done, by whom, when, how and at what cost.

### **Questions that Should be Asked**

1. How will the materials and supplies for the process be made available?
2. Who will be responsible for coordinating the purchase and maintenance of the materials and supplies?
3. How will the agency acknowledge those who give recognition?
4. In what format will the information and materials be available to managers and employees?
5. What human resources will be available to employees and managers?

### **Potential Problems**

- Inadequate materials or spotty distribution
- Inconvenient mechanisms used to distribute supplies and materials
- No positive acknowledgement of recognition givers
- Lack of help when needed for employees and managers

## **Step 8 - Evaluating and Planning for Process Improvement**

Since people and conditions change, an agency must develop an evaluation mechanism for the process. A good evaluation process will help the agency measure Return on Reward (ROR). It also provides an opportunity for potential changes to be identified and implemented. Measures should have been identified in the design phase (step 4), so this stage relates to analysis and evaluation of the data.

### **Goal**

Implement a robust evaluation system that has meaningful measures and provides a mechanism to recommend changes to the process.

### **Questions that Should be Asked**

1. What does the monitoring data collected indicate about the health of the program?
2. Are the mechanisms used to collect the data adequate?
3. Do informal measures validate more formal measures?
4. Is the analysis conducted sufficient to evaluate the process?
5. How will we share the evaluation results with employees and managers?
6. Does the data indicate the need to change anything in the process?
7. Does the data show any trends that need to be investigated further?

### **Potential Problems**

- Poorly designed measures
- Data collection faulty
- Insufficient analysis of data
- Contradictory measures
- No sharing of results
- Unclear meaning of data gathered

## **Step 9 – Providing Ongoing Support**

Keeping the process fresh and meaningful for employees is a challenge. Maintenance of processes needs to be done in advance because even good programs suffer from inertia. The process needs to be fun and inviting.

### **Goal**

To create an approach that will facilitate reminding people about using the process and to prevent people from backsliding into old habits.

### **Questions that Should be Asked**

1. How will the employees be reminded about the program?
2. How will the process be talked about on a regular basis?
3. What incentives will there be for people to be involved?
4. How will good role models be celebrated?
5. What sort of ongoing publicity will the program receive?
6. Who will be responsible for maintenance?

### **Potential Problems**

- No reminders planned, or irregular reminders
- No ongoing communication strategy
- No incentives for people to be involved
- Role models not celebrated
- Inadequate publicity
- No one responsible for maintenance

## Reward and Recognition as an Organizational and Professional Development (OPD) Service

We provide a three-tiered approach. These approaches vary according to the amount of direct OPD involvement and facilitation assistance the agency receives.

### Three Possible Approaches

Services Include	Fully Guided	Partially Guided	Resource
Facilitate a management meeting to set goals for the process	X	X	X
Provide a full assessment of current culture and practices related to reward and recognition	X		
Facilitate a management retreat to discuss program foundations, select a champion and create process parameters	X	X	
Facilitate the design team in the creation of the process (steps 4, 7, and 9 included)	X	X	
Monitor pilot process	X		
Provide management/employee training (prior to rollout)	X		
Evaluate the program (6-12 months later)	X	X	
Provide resource materials for agency implementation	X	X	X
Human Resources staff available for questions	X	X	X

For agencies interested in collaboration, OPD will develop a memorandum of agreement with the agency to specify the nature of the relationship, the type of service chosen and the responsibilities of each party.