

EMPLOYEE RECOGNITION

A Lynchpin Value for Cultural Transformation

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By:

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INTRODUCTION

How much importance does your organisation place on employee recognition? Recent findings by two independent consultants, Judith Mills and Joan Shafer, suggest that this is a fruitful area for organisational leaders to explore. Here they share their latest insights.

EMPLOYEE RECOGNITION IN THE SPOTLIGHT

We both work with a variety of public and private sector clients to assess Cultural Values and Leadership Values, and had noticed that the value of Employee Recognition was coming increasingly to the foreground. This prompted us to investigate further to find out what was behind this trend.

When we researched over 100 Culture Values Assessments (CVAs) with the Barrett Values Centre's blessing, we discovered that 'Employee Recognition' is the most commonly chosen Desired Culture value. It appears in 64% of the surveys (please see Appendix A) and is chosen as a Desired Culture value regardless of location, position in the organisation, industry type, company size, gender or language. It is also interesting that, of the 106 CVAs investigated, only three of the surveys had Employee Recognition in the top ten values of the current culture.

These preliminary findings confirmed our hunch, so we decided to interview more people and carry out more field research with 30+ of the most active Cultural Transformation Tools (CTT) consultants from all parts of the world to get their thoughts and experience regarding this value with their clients.

Based on our findings, we now know that Employee Recognition is a key catalyst, if not *the* key catalyst, to organisational transformation. We are all familiar with the mantra 'Organisations don't change; it's the people who do'. Therefore managers and leaders need to understand the true power of this value and actively take a holistic approach to delivering Employee Recognition in order to bring about change.

We discovered that:

- In the world outside Cultural Transformation Tools, Gallup poll results showed that 65% of Americans had received no praise or recognition in the workplace in the last year. That's a lot of unappreciated people.
- There are different ways of recognising people, depending on their needs and levels of consciousness. Therefore we created the 'Seven Levels of Employee Recognition' model to reflect the whole range that people require.
- If Employee Recognition is activated and lived fully in an organisation, it will unleash the energy and creativity needed to create the cultural transformation and changes that survey participants require.
- In order to help people change, leaders and managers need to learn how to identify each person's unique gifts and talents, and recognise their needs in the most appropriate way.

We believe these findings show that Employee Recognition warrants greater attention and respect than it has received to date. Our research aims to answer the following questions:

- *Why is Employee Recognition not already an integral part of organisational cultures as it has been talked about in one form or another for over 50 years?*
- *What do people really mean by Employee Recognition?*
- *Why do organisations see this value as essential in creating a high performance culture?*
- *What makes it so challenging to implement?*
- *How can an organisation embrace Employee Recognition so that a) individuals are recognised by others, particularly from their managers, and b) individuals have the skills and confidence to recognise themselves on what and how they contribute?*

WHY IS EMPLOYEE RECOGNITION IMPORTANT NOW?

The world is changing rapidly, and the workplace is demanding increasing flexibility from employees. Since the financial crisis started in 2008, we have repeatedly heard the phrase “We are in uncharted waters now”. In the previous era, money was plentiful and recognition was too often and too easily given in the form of cash. Management research as far back as the 1950s challenged that this was a good approach. Daniel Pink’s latest book “Drive – The Surprising Truth About What Motivates Us”⁵ affirms that giving money is a short-term approach as a form of recognition. Our data clearly shows that people’s need for recognition goes way beyond wanting more money.. In today’s uncharted waters, we need to look at more long-term sustainable solutions. This requires a focus on competence and vision, rather than financial remuneration.

We believe that:

- 1) If people know what they are good at and are placed in roles which play to their strengths, they will have a core strength and will be able to weather the storms of change.
- 2) People need to acknowledge these strengths from their internal viewpoint, and their managers and colleagues need to give external acknowledgement in order to provide a balanced perspective.
- 3) Being vulnerable can be a strength because new and untapped potential emerges from it. This can lead to real personal growth and transformation.

THE SEVEN LEVELS OF EMPLOYEE RECOGNITION

When working with clients, we noticed marked displays of emotion and passion when the question of ‘Employee Recognition’ was raised - a value seemingly simple enough to interpret and integrate into a culture. On the surface, one would think that CTT survey participants were calling for more appreciation and therefore for managers to deliver it more frequently via regular reviews, bonuses, celebrations, etc. Upon deeper investigation, we learned that Employee Recognition encompasses a wide range of meanings. Based on this information, we created the Seven Levels of Employee Recognition to illustrate the diversity and richness that this value represents in order to support its successful integration into organisational cultures.

Fulfilling people’s need to be recognised can be as simple as calling them by name or thanking them for a job well done, to richer forms of identifying how they have contributed to the overall success of a project or offering a development opportunity. Understanding the range of needs is essential for an organisation to create a culture where Employee Recognition can flourish.

The Seven Levels of Employee Recognition



Level 1 - Employee Sustenance: This covers the recognition needs an employee has to function successfully in an organisation at a basic level. It includes having the tools for the job, receiving fair pay on time, understanding the standard operating procedures, safety guidelines, health benefits, and the possibility of profit sharing. Fulfilment of these needs provides the employee with a sense of stability.

Level 2 - Employee Acknowledgment: This level values the humanity of an employee: what helps them develop at work, including respecting and appreciating their behaviour and/or contribution. Feedback both positive and corrective is the norm. Debate, openness and contact with other areas are encouraged. Belonging is engendered, and relationships are seen as the oil that facilitates the working of the organisation. The employees also take responsibility for acknowledging themselves and their skills, as well as recognising their own achievements and development needs.

Level 3 - Employee Reward: Employees take pride in themselves and the organisation. Their managers express belief in them. They want to develop professionally and are supported in achieving this. They are encouraged to strive for excellence with different rewards that acknowledge when they achieve this.

Level 4 - Employee Empowerment: People are recognised for their presence, not just their skills. They are acknowledged for who they are and what they could become - for themselves and the organisation. They are given more responsibility, encouraged to express their views, adapt, initiate, and given permission to be transformers in the organisation. They

are empowered and see themselves as accountable for achieving their own objectives and contributing to teams, both formally and informally. They use their creativity on their own and with others.

Level 5 - Employee Contribution: People are clear about their own vision, purpose and values, as well as those of the organisation, and are able to live them and operate congruently. Concrete connections are made between the contribution of the person and the overall realisation of the vision or deliverable. People's head, heart and behaviours are aligned. They have the inner confidence to speak with full voice. They are courageous and fearless.

Level 6 - Employee Fulfilment: Staff are supported to make a difference and to be fulfilled in their work. They are coached and given the chance to coach others so they experience directly helping others. Their intuition is respected. They listen deeply to their inner voices and to what others say or don't say. They operate through dialogue and in collaboration, internally and externally.

Level 7 – Service: Employees are respected for their wisdom and vision, and encouraged to be of service to causes which will make an impact on humanity in the future.

HOW EMPLOYEE RECOGNITION FEELS

When Employee Recognition is embedded in a culture, people are valued for who they are, their strengths and their contributions. Recognition is not silent. It is spoken and authentic, so words and behaviours match. People have the confidence to trust the views of those who give them recognition and to stand up for what they see, feel and want. This can be at a mind, heart or soul level. They are open to taking in feedback. It's not only about recognising the positive, but giving and receiving honest and open feedback about what is not working so change and renewal can happen individually, organisationally and collectively.

When people have a strong heart or soul centre related to who they are and what and how they contribute, they can embrace the essence of teamwork where the 'we' and the collective become more important than the 'I'. There is a buzz and belief that what will unfold is not insurmountable. They have courage to use their talents, and they see and know they can and will contribute to a vision that makes a difference. The energy for change and transformation is released.

WHAT DOES RECOGNITION BRING?

With the increasing demands on managers and staff to deliver profitable, high quality deliverables that are on time and meet the evolving needs of customers, why should people take on the additional responsibility of recognising others in a meaningful way?

The fact is that we all want to be recognised. We have an inherent need to know that what we do matters. We need feedback to understand what we do well, how we are perceived by others, where we stand, and how our contributions fit in and matter.

Research published in Barbara Frederickson's book "Positivity", and Kouzes and Posner's "Encouraging the Heart" book shows that outward expressions of what is working and encouragement:

- boost performance
- strengthen our resolve and resilience

- improve our health
- increase creativity

In addition, recognising a person:

- gives courage
- inspires
- expands awareness of the value of their contribution
- increases self-esteem
- sets their spirits free.

Employee Recognition affects the bottom line. In their book “The Carrot Principle”, Gostick and Elton demonstrate this. In response to the question ‘My organisation recognises excellence’, the results show that organisations that scored in the lower fourth quartile had an average return on equity (ROE) of 2.4%, whereas those that scored in the top fourth had an average ROE of 8.7%. **In other words, companies that most effectively recognise excellence enjoy a return that is more than triple the return of those that are least effective.”³**

How people are lead and managed is important. People who report the highest morale at work, 94.4% agree that their managers are effective at recognition. In contrast, 56% of employees who report low morale give their manager a failing grade on recognition and only 2.4% of people who have low morale say they have a boss who is great at recognition.³

As Edward L Deci, Professor of Psychology at the University of Rochester, says: “Positive feedback increases the sense of competence – negative feedback undermines it.”

WHO WANTS TO BE RECOGNISED?

The Cultural Values Assessment (CVA) data by position shows that people at **all** levels want to be recognised – including the CEO, senior leadership, middle management, and staff. People at the top have just as strong a need to be appreciated as staff, possibly because it can be lonely at the top. This is evidenced by the response senior leaders demonstrate during Leadership Values Assessment (LVA) debriefs where their strengths and contributions are acknowledged by their colleagues. They are almost always touched and surprised by how highly regarded they are and the extent and richness of their strengths. This feedback from others enhances their confidence and belief about themselves in all they have to offer.

RECOGNITION ARENAS

There are two essential sources of recognition to consider: external recognition from outside sources and internal recognition that comes from within the individual.

- External feedback is critical as it provides a reality check, guidance for necessary course correction, and information about capabilities of which we were previously unaware. The approval we get from our colleagues secures our sense of belonging.
- Internal appreciation solidifies our confidence, identity and inner resources, particularly when feedback from the outside is unavailable.

Additionally, the time frame that the recognition addresses is important as a person’s actions will differ depending on whether the recognition concerns the past, present or future. For example:

- External recognition of past accomplishments yields a satisfying warmth and encourages continued efforts.
- To motivate employees in the here and now, appreciation of their particular competences and their contribution to the bigger picture heightens their sense of importance. This then clarifies the need for a timely response.
- Expressing belief in the potential of another person will often prompt their desire to develop and grow.

	PAST	PRESENT	FUTURE
EXTERNAL Feedback comes from: <ul style="list-style-type: none"> • awards • promotions • other people • the organisation's vision, mission and values 	Accomplishments i.e.: work done goals achieved contributions	Acknowledgement of the importance of particular talents, current contributions or character	Promise of potential: promotions positions projects Being in a culture that is full spectrum and sees ER in 7 levels
INTERNAL Feedback comes from: <ul style="list-style-type: none"> • self-assessments • observations • awareness • consciousness • judgments 	Recognition of impact of work, contributions and/or services. Seen in a CV.	Clarity on assets, values, choice of work and friends and life style	Ability to achieve: purpose goals visions aspirations

Internally, people can learn to appreciate themselves by:

- Being aware of how other people have reacted to their input. Through observation, people can make their own judgments on how well they are doing.
- Looking at the choices they make in what they currently do, where they work, who they associate with, and what they stand for.
- Determining what inspires them and the directions they want to take, based on their passions, assets and unique talents.

IMPLEMENTING EMPLOYEE RECOGNITION IN AN ORGANISATION

We believe the Seven Levels of Employee Recognition give a full spectrum picture of what to consider when reviewing how leaders, managers and consultants approach the question of appropriate Employee Recognition in a culture. However our findings from the CVA results indicate a need for immediate action. For example:

- There is a call for leaders and senior managers, in particular, to develop their ability to recognise employees, matching what and how they deliver recognition to what is meaningful to the employee. To do this they need to strengthen their powers of observation, feedback systems and articulation skills. This would require that they are

focused on others rather than themselves. They need to consider and take into account the Seven Levels of Employee Recognition.

- When acknowledgement is needed, it has a more powerful punch if it is delivered by someone high up in the organisation.
- For recognition to be effective, the recipient needs to:
 - Trust that the recognition is true.
 - Respect the source of the recognition.
 - Believe that there is no hidden motive behind the appreciation.
- People are not aware of all the gifts they have to offer. It is a transformative act to tell people how they have affected others' lives. This not only increases their self-awareness, but empowers them to express themselves more freely to others. It reduces the fear belief of 'Am I good enough'? Do not assume that other people know how effective, good or talented they are.
- There are a number of ways someone can acknowledge their strengths, talents and skills and understanding what they need to develop. Some of the approaches we use include: discovering your unique abilities; achievements to skills; CTT's Leadership Values Assessment (LVA); web-based positive psychology questionnaires; personal development programs; and group appreciation circles.
- The most powerful way to recognise someone is to talk one-to-one, sincerely, in the moment.
- Engender a culture of open communication where both affirmations and critiques are delivered. People need to know where they stand, how well they are reaching their goals, and what they need to do to be more effective. Critiques are more effective if they are solution orientated. The feedback needs to be about what could be right in the future, not what is wrong in the present.
- Relaying the appreciation of an employee to other people such as his or her manager, client or other departments spreads the word and contributes to the reputation not only of the employee but of the organisation's culture. It helps attract good people.
- Take care that the type of recognition is in the form that the employee wants, rather than what the deliverer would want for him or herself.
- Although this is written time and again, we want to restate that it's vital that the vision and purpose of the organisation are clear and consistent. Then people are able to align themselves to the organisation, and recognition is more potent and meaningful to them.
- Connect employee and company goals together – so the employee is shown how his/her talents or competences are essential to the overall picture, and how they can help progress their career. The appraisal or review system is key in this process.
- Company and team away days can help Employee Recognition. They are effective when participation and open communication are encouraged. The same applies to regular team meetings, which are most effective when dialogue and collaboration are the norm.
- Appreciations need to be frequent, specific and timely³.

- For gift ideas, go to Thanks.com, Carrots.com, or Recognition.com.
- “Encouraging the Heart” by Kouzes and Posner recommends that you²:
 - Set clear standards or goals or values
 - Expect the best – believe in people even when they don’t believe in themselves
 - Pay attention – be curious so as to identify what a person is contributing
 - Personalise recognition – know the person’s preferences
 - Tell the story about the employee’s contribution
 - Celebrate together – these events build community
 - Set the example.

The responses from our clients revealed that there are many ways of living this value. Appendix B has examples of specific responses, while Appendix C shows how two organisations worked on the value of Employee Recognition.

WHAT PREVENTS EMPLOYEE RECOGNITION FROM HAPPENING?

We discovered a number of reasons why Employee Recognition is a low priority.

Employees are reluctant to admit they want to be appreciated because:

- They are so busy they have forgotten what they are good at and have no time to think about it
- It’s embarrassing to ask for this kind of attention
- They see it as limelight hogging and could subsequently become a target
- It could be viewed as a sign of weakness
- It puts them in a vulnerable position
- It indicates that they actually like their job, which would take them out of a victim stance
- It demonstrates incompetence if they are not clear about what they need or want if asked about how they want to be recognised.

Leaders and managers do not recognise others because they:

- Don’t get any themselves
- Are already too busy and have other pressing things to do
- Assume the employee already knows that s/he is doing a great job
- Think others are already praising them
- Are uncomfortable expressing praise
- Presume that the task is more important
- Are judged on achieving targets not people management
- Are unaware of the contributions that others make and so cannot value them
- Are not skilled or practised at appreciating others
- Imagine that the stick works better than the carrot
- Think they will lose their authority if they become known as the ‘nice guy’
- Are afraid that people will come to expect it
- Think they are not good at doing it and will be seen as a poor leader
- Surmise that giving praise indicates that the employee does not have to work harder or improve
- Assume it sets a precedent.
- Know people have already been paid and get benefits for the work that they do
- Believe it shows favouritism

We know all of the above beliefs are transformable!

SELF RECOGNITION AND CONSCIOUSNESS RAISING

If we want to be who we truly are and want others to recognise this in us, it follows that we need to recognise it in ourselves as well. What stops us having the true and full level of self recognition is different for every individual. It is what Jung called the 'shadow' - perceptions of ourselves that we build up through life experience and events at home, school or work which stop us realising our potential. Nelson Mandela quoted Marianne Williamson in his inaugural speech which gives a clue about the reasons for this way of thinking.

Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness that most frightens us. We ask ourselves, who am I to be brilliant, gorgeous, talented, fabulous? Actually, who are you not to be? You are a child of God. Your playing small does not serve the world. There is nothing enlightened about shrinking so that other people won't feel insecure around you. We are all meant to shine, as children do. We were born to make manifest the glory of God that is within us. It's not just in some of us; it's in everyone. And as we let our own light shine, we unconsciously give other people permission to do the same. As we are liberated from our own fear, our presence automatically liberates others.

Marianne Williamson, *A Return to Love*, 1992

When we have feedback from others, we can get to know our shadow. Addressing and changing the shadow and, where appropriate, putting it in perspective allows us to let go of what holds us back so we can enjoy our light for ourselves,, for others and in service to the world.

Not recognising our inner light satisfies the victim part of our nature. But we do not need to be a victim. We need to step up, to opt in, to challenge what is not right, to be values driven, to be an activist. We need to look at a new way of leadership: to be a leader not in the old sense of the word in charge of an organisation, but a leader in our own lives, inspiring our families and communities, and the people we encounter.

The Seven Levels model was developed to help raise conscious awareness. Levels 5, 6 and 7 are identified as the Spiritual levels. So where does the Spiritual come into Employee Recognition? The following poem gives one answer.

On Children by Kahlil Gibran

*Your children are not your children.
They are the sons and daughters of Life's longing for itself.
They come through you but not from you,
And though they are with you yet they belong not to you.*

*You may give them your love but not your thoughts,
For they have their own thoughts.
You may house their bodies but not their souls,
For their souls dwell in the house of tomorrow,
which you cannot visit, not even in your dreams.
You may strive to be like them,
but seek not to make them like you.
For life goes not backward nor tarries with yesterday.*

*You are the bows from which your children
as living arrows are sent forth.
The archer sees the mark upon the path of the infinite,
and He bends you with His might
that His arrows may go swift and far.
Let your bending in the archer's hand be for gladness;
For even as He loves the arrow that flies,
so He loves also the bow that is stable.*

We realised that the poem represents the ideal relationship between a manager and their individual team members as well as the parent-child relationship. It's a privilege to have children. It's a privilege to manage others. It is a responsibility to be that stable bow for them and to be the arrow that flies when you and they recognise who they are and their potential.

We encourage you to know why you are that bow and to be grateful and joyous that you are, so you have the freedom to encourage others to go 'swift and far' in the time they are in your care. It will be the key to transforming your culture. It will raise consciousness. It will help us all make a difference and be of service.

EMPLOYEE RECOGNITION AND TRANSFORMATION

Activating Employee Recognition in a culture will produce energised, optimistic, innovative, and committed employees. The recognition of a person in and of itself is often transformative not only for the person receiving the information which can be revealing or insightful, but for the person delivering it. It takes awareness and selflessness to be able to deliver an effective form of recognition.

In the course of people's professional and personal journeys, we are asked to take on new projects, step into unfamiliar situations, and recommend innovative ways of doing things. These actions not only call on us to step into the unknown, but to draw on capabilities and deliverables that we had not previously known we could offer. As we get older, we may not ask ourselves 'How did I do?' or 'How am I doing?' since we don't want to appear insecure or incompetent. Truth be known, we all want regular feedback on what worked, how it could have been better, and how we contributed to the success of the project so that we can comfortably and confidently move forward to the next task and the next level of development. Since most cultures take the deliverable and move it forward with little or no comment, people are left wondering how well they have done their job. So when a person or a team is appreciated, celebrated and given feedback/critique, it yields relief, awareness, a sense of being witnessed, and a feeling of meaning and purpose. People want to make a difference and so require feedback from the system in order to know where they stand.

Our picture of ourselves is such that we think we know everything there is to know about who we are. The reality is that this picture is much larger than we think and that people see things in us that we are not aware of – areas of unconscious competence, capabilities, strengths, and blind spots that if addressed would unleash our potential even more. Getting this information in and of itself is transformative in that it causes us to stretch and change our picture of ourselves. It often takes other people to identify and suggest areas that we might want to explore personally and professionally. If we are in un-chartered waters as a world and society, we need to step up.

It is transformative for people to understand how their contribution adds to the success of an endeavour, especially when they are not in a position to see the big picture or how the final outcome impacted others. It is important for people not only to know what they did, but what

they offered that was valuable to the system. This helps to solidify their identity and purpose. They step up even more.

The wild success of social media sites such as Facebook and LinkedIn reveals the desire to be seen or deeply witnessed by others in a professional setting. This requires feedback and feed-forward, i.e. suggestions on how to do things better, from people in the organisational community just as regularly.

In a cultural transformation program, addressing Employee Recognition first will unleash the energy and creativity needed to effect the changes to bring about the desired culture. When people are clear about what they have to offer and its value to the overall objective, and know that their contributions are gratefully appreciated, then they will give ever more of themselves.

CONCLUSION

As change agents, our work is to help each client determine what forms of Employee Recognition people require throughout their organisation. This includes: training people in strengthening their observation skills so they know whom to appreciate and for what and improving their ability to communicate feedback so recipients believe the message and are impacted by it.

It comes down to saying 'I value you because . . . and want to show my appreciation by . . .', no matter who the person is or their level in the organisation. The validation we receive when someone who is affected by our work and tells us this in a manner that is sincere, defining and grateful provides greater self-awareness, elation and a sense of fulfilled purpose in our lives. This is why people come to work and do what they do. The money and benefits are necessary to survive, but it is our colleagues' recognition of who we are at a soul level that defines our actions and the directions we take in our day-to-day lives. In its essence, it is an act of raising consciousness and an expression of love.

AUTHORS



Judith Mills is a London based consultant who coaches individuals and teams to recognise their talents, gifts, skills, and inner wisdom to do the work they want and need to do in their organisations so all are successful. She attended the first training that Joan Shafer and Richard Barrett ever gave and has been committed to the intrinsic transformational power of Values Surveys ever since. Judith works with organisations in the UK in the public and private sectors.

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APPENDICES EMPLOYEE RECOGNITION

APPENDIX A – CVA DATA FOR ‘EMPLOYEE RECOGNITION’

Number of CVAs reviewed:	106
# with ‘employee recognition’ in DC:	62
# with ‘employee recognition’; not in overall but in Employee Demographic (Note: not all CVA’s had Employee Demographic slice)	<u>+6</u>
TOTAL: = 64% of surveys	68

SURVEY DATES: March 2007 - February 2008

SURVEY SIZES: 20 – 2767 people

ENTROPY - Entropy is a measure of the degree of dysfunction in a system and represents the proportion of votes for potentially limiting values.

Entropy range for the 106 companies: 8% – 60%

PLV = Potentially Limiting Value

PLVs	# with ‘employee recognition’ in DC (some PLV data not available)
10	11
9	11
8	9
7	14
6	5
5	2
4	3
3	3
2	4
1	1
0	1

LOCATIONS:

Australia
Belgium
Brazil
Holland
Norway
South Africa
Sweden
UK
USA
Venezuela

INDUSTRIES: CVAs for religious organisations such as churches were not included.

Architecture
Automotive
Construction
Consultancy
Education
Fashion
Finance
FMCG
Government
Healthcare
Insurance
IT
Manufacturing

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Mining
Pharma
Real estate
Retail
Services
Telecoms
Transportation
Utilities

'Employee fulfilment' was chosen as a DC value in 24 of the 106 surveys. In 12 of these surveys, 'employee recognition' was also chosen.

APPENDIX B - INPUT FROM CTT CONSULTANTS ON EMPLOYEE RECOGNITION

We asked a number of CTT consultants who have performed multiple CVAs with a variety of clients what their experience with 'employee recognition' had been. Here are their responses:

DAVID GEBLER – SKOUT (Boston)

I have done surveys for manufacturing companies in defense and technology. Overall, their Personal Values are always strong at L5, showing that they want context and connection. In the Current Culture, the entropy shows up most strongly at L3. The Current Culture results are almost always void of "R" values. A value of respect is needed for L4 growth. In these organisations, employee recognition is pathetic. There are no 'good mornings'. ***There is a direct correlation between ethics compliance and 'good morning'***. Management is so stressed that they do not give explanations about what is going on and so employees assume a lack of compliance. When people call for teamwork and accountability, management sees them as whiners. Getting out and being with the people is not a high priority to them. Showing them that productivity is directly related to getting out into the field, it shakes them to get out and do it.

ADOLFO JARRIN (Venezuela)

Employee recognition normally appears in the DC. This comes as no surprise, because the actual management system based in objectives sees people as resources and offers only the economical salary, neglecting the emotional, mental and spiritual salaries. All politics, process, systems and structures have been designed with the mental models of the Industrial Revolution. People are a resource, corporations are a machine to make money, and nature is a source of wealth to be exploited. When managers have sensitivity, they might well treat people with more respect. This (as an exception) will make employee recognition not appear in the DC. We have to invite the current management system to evolve from objectives based, self-interest centered, to a values based, well balanced management system.

TOR ENEROTH – VOLVO (Sweden) Employee recognition is related to issues that we want to be seen and valued, and when it shows up in DC it is usually because we lack this from our leaders and/or colleagues.

I have seen 'employee recognition' show up in DC in both very healthy and in fear driven cultures. In the first case it is because we have understood the importance and value of recognition in both management and among the employees. In the second case because we feel that we are too focused on the rational and logical side of our reality (or that the organisation is virtual dispersed with low level of communication) and lack the attention and feedback on the more emotional side.

ELLEN MILLER (USA)

MBTI Differences – Fs want to be appreciated for harmony. Js for accomplishing things. Take the 16 styles to determine what does 'employee recognition' look like for you? What makes it come alive?

Employee recognition is something we do for our employees. Employee fulfilment is what we do with them – walking side-by-side. This requires accountability in them saying what would fulfil them.

When you value and appreciate another then they are more willing to give back and want to win. It also puffs them up so they can start to build some self esteem at least from the outside in. Back in the 90s I created these little note pads that say "I appreciate 'x person' because". At the bottom it said, "Delight in the success of others".

I think appreciation is the gateway to gratitude and goes hand in hand. Not sure which one comes first.

JOHAN SPRUYT (The Netherlands)

The 6 basic laws in Hellinger's Organisational Constellation work. If one part of the system is excluded, the other parts adjust to compensate for the loss of it. Major wound for all humanity. Order comes before love . . . thus the order of leadership and their communication is important. Lots of angles about how people are not recognised such as in transfer of a family business from father to son. Putting things in the right order is essential.

DIRK SPANGENBERG (The Netherlands)

It is from heart to heart. You can measure this – there is an actual distance so that people immediately feel if it is sincere. It is actually felt.

SUSAN SPARGO (South Africa) See Appendix D for Susan's work in the Seven Levels of Rewards.

APPENDIX C – CLIENT DATA ON 'EMPLOYEE RECOGNITION'

Client A: 65+ people IT organisation based in NYC. The following data is verbatim responses from all the employees during a ½ day debrief and workshop session.

Employee Recognition Means...

- Knowing people's first and maybe last name
- Giving props
- E-mailing you to tell you good job, not just when they want to criticize something
- Stopping by desk to say good job
- Identifying good behaviour
- Positive reinforcement for the things you always do well (or rarely)
- Setting and communicating realistic achievable goals and recognising the successful achievement of those goals
- Having a mechanism to collect the information in a timely manner
- Recognising hard work and effort
- Identifying personal sacrifices for the sake of the company
- Being cognisant of people's efforts and not taking it for granted
- Letting a person's manager know they were doing a good job
- Not only complimenting the employee - but sharing the compliment when referencing the employee to others
- Checking with clients to solicit feedback about good/bad behaviour
- Actively looking for opportunities to give recognition

It is given by _____ to _____:

- Anyone to Anyone
- People Above to People Below (at all levels / not just from management, team leads, project leads)
- Management (other than direct management) to Employee
- Management to Client Team

- Management to Teams (to recognise teamwork)
- Employers to Employees
- Clients to Employees
- Mentors to Mentees
- Mentees to Mentors
- The Grateful to The Helpful

In the forms of _____:

- Leadership opportunity
- More responsibility
- Less Responsibility
- Promotions / Titles
- Plaques / Statues / Monuments, Name in Lobby
- Announcement at Staff Meetings, Speaker Announcement
- Praise
- Respect, Trust, Confidence in Abilities
- Incentives, Offer choices for rewards (e.g., 1/2 vacation day, night on town, lunch w/ co-worker of choice)
- Cash, An assistant, Gift Cards, Flight vouchers, Parking Spot(s), "Clear" Airport Security Cards, 401K Contribution, Time off, Dinner, Friday Bagels --> Should also be on Mondays

Frequency:

- As things happen in a timely fashion
- Depending on the recognition - Monthly / Weekly / Yearly
- Not every time (so it can't always be expected) ... "agreed, if it's expected, it leads to letdowns"
- Whenever it is deserved
- Whenever it exceeds the norm
- Completion of a project
- As per needed
- All the time

It's important because:

- Employees that feel that their contributions to the firm are important will willingly continue to go above and beyond
- Decreases isolation and increases cooperation
- It makes me want to improve
- Motivates to do more good work
- Provides more incentive
- Keeps morale high
- Encourages enthusiasm
- It acknowledges that people are paying attention
- Allows better flow of ideas and healthy competition
- It's nice to know your company knows they rank high on priority list
- Reinforces positive behaviour
- Lets people know they're doing well
- It makes me feel good
- Makes people feel good
- Engenders a sense of fraternalism
- Can promote a more positive and enjoyable work environment

Client B: Thanks to Johan Spruyt who provided this data from one of his clients that had notably high entropy in the Current Culture:

- Evolution and salary (in comparison to norms & performance) / no recognition of work load in terms of salary / Salary according to performance; high workload, high earnings / Improve salaries / better appreciation of extra hours : on a continuous basis, not a one-time action (free choice: holiday or cash) / appreciation for work delivered (same commitment, same bonus) / Mainly financial + evolution of number of years of seniority / years of seniority / clear criteria → promotion of bonuses / clarity in performance assessment : promotions & bonus
- Don't say only the bad things, say also the good things / don't only stress the negative things, but also the positive ones / Say also something when we did something well / put more emphasis on positive points / positive news (comments, feedback) exists too! / Positive reactions / Don't give only comments when things go wrong, give thanks when something is done well. / mention positive points / positive motivation instead of negative / Label positive performance, emphasize this, not always the negative
- don't take everything for granted (small things, e.g. say thank you) / Say thank you every now and then
- no selection of managers, no firing of people when they don't succeed in the basic training programme! / more + criticism → you can tell it to us personally
- system cultivates egoism – some are taking advantage of that / Stature
- We are men, not machines; it's not only productivity that counts / take the human aspect into account / Look less at the numbers
- Training for managers (everybody can play the boss and be bossy, there's nothing to that) / training -> research / possibility of a continuous learning process / internal mobility, give everybody the chance to receive an internal training / The working floor is not a school / team building
- things are being taken away from us, nothing is added / abolishment of privileges
- Sliding working hours / concrete rules regarding extra hours / holidays (permanence)
- equality / difference in social legislation for white collar/blue collar / everybody's equal; same rules for everyone
- expecting flexibility -> is becoming the new criterion
- keep your promises
- respect, each has his own values and brings his own contribution / Show more understanding/respect / give trust
- Treat us as adults / people are deliberately kept ignorant

APPENDIX D: SEVEN LEVELS OF REWARDS (Susan Spargo)

The question thus arises whether it is possible to attract, retain and motivate employees with rewards, and if so, who will resonate with which reward practices?

Organisations and individuals seldom display the characteristics of one level of consciousness only, and many spread across a number of levels, with a focus on one or two levels. For simplicity, we discuss the various distinct levels of employee consciousness, how they manifest and how these relate to tangible and intangible reward practices.

Level 1 - Survival

Characteristic of level 1 consciousness is a focus on physical survival. Individuals focusing on this level are concerned with financial stability, safety, and health. The negative manifestation of excessive focus at this level manifests as greed and control.

Press reports provide many examples of the lack of physical safety in the workplace as allegations of workplace rape and assault abound.

An excessive focus on level 1 from an employee is likely to result in a scarcity mentality where nothing is enough and the need for a regular income becomes the greed for an income beyond what can reasonably be expected for the job. This results in a mind set of entitlement and bargaining.

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A healthy expression of level 1 reward is a regular income, an environment where any threat to job security, such as the potential need for retrenchments, are addressed whenever these arise. It is also an environment where each employee can feel physically safe from violence in the workplace and the necessary precautions are taken to limit any work related exposure to accidents.

Level 2 - Relationships

At level 2, the quality of interpersonal relationships is important and individuals value open communication, friendship and respect. When level 2 expresses in a negative sense, it includes intolerance or an excessive need to be liked.

Examples abound in business of verbal abuse, sexual innuendo and lack of respect for language, religion, culture and ethnicity.

The many examples of large salaries, totally unrelated to the job content, being paid to erstwhile political allies, friends and family are causing significant stress in the work environment.

From an employee perspective, the need to be treated fairly is important. Employees at this level compare their income to that of other people within the organisation as well as with similar positions in other organisations. There is a need for internal and external equity at this level. At the emotional level, individuals have the need to be treated with respect and feel a sense of emotional safety.

At this level, role sizing is important since it provides a basis to compare the relative size or complexity of positions. Setting remuneration levels relative to job size then facilitates the management of internal equity and compare to market.

The stress experienced by many organisations around traditional job evaluation is often the result of these systems not meeting the needs for fair treatment, transparency and open communication, which are both important at this level.

An excessive focus on level 2 from employees is likely to result in excessive collective bargaining and unrealistic demands.

A healthy expression of tangible rewards at level 2 includes a measure of relativity of role sizes using a transparent and credible system, preferably with wide participation. This is then linked to remuneration guidelines, which are applied in a consistent and fair manner. The intangible rewards at this level include open communication with employees and treating all individuals and groups with dignity and respect.

Level 3 - Self-esteem

Employees at this level are typically concerned with professional growth and recognition. Excessive focus at this level could manifest as status consciousness, image building and arrogance.

From a reward perspective, employees would like to see their efforts recognised. This ideally takes the form of tangible as well as intangible rewards.

Tangible rewards for performance have historically been provided via salary increases in excess of inflation. In an era of single digit inflation it is difficult to truly differentiate increase levels. There is a growing trend to recognise performance tangibly through short term incentives.

Intangible rewards take the form of opportunities for learning and professional development as well as public recognition of achievement and contribution.

An excessive focus from an individual at this level is likely to manifest in a mind set of earning and bargaining or individual performance being achieved at the cost of the collective. Other unhealthy expressions include internal competition and a focus on the trappings of success.

A healthy expression of level 3 remuneration practices balances the needs of levels 1 and 2. Incentive pay is appropriate to the type of work, the time horizon of the work and the performance aligned with organisation objectives, while encouraging constructive co-operation between employees as well as healthy client and supplier relationships. Promotion is not provided as a reward for performance, but is only used when the person takes on a different role with more responsibility or complexity.

At the intangible reward levels, recognition, either private or public, for outstanding performance is highly valued as is the opportunity to learn and develop. Internal and external training programs relevant to the employee's development are congruent with the needs at this level.

Level 4 - Transformation

Individuation is characteristic of the level of transformation and a growing awareness of the importance of personal growth. At this level employees display a growing awareness of context and interdependency.

Individuals at this level often reflect on what is truly important to them and become aware of the need for balance between tangible and intangible rewards, the balance between self-interest and the common good as well as the need for work/life balance.

At this level, individuals accept and understand the imperatives for tangible rewards at the previous levels, but question the need to have the package structuring prescribed. The concept of flexible benefits and total cost of employment are typical issues to be raised at this level.

As individuals increasingly understand their own impact on collective efforts and value the contribution of other individuals, a leaning towards team performance recognition in remuneration emerges at this level.

The traditional definition of rewards is challenged and a more holistic view emerges which includes a total reward approach. This moves beyond financial rewards such as guaranteed pay and variable pay. Learning and development and quality of work life become important components of rewards. An awareness of the importance of relating to the organisation's values (as they manifest in behaviour) emerges at this level.

A healthy expression of remuneration practices at this level will take cognisance of the previous three building blocks of remuneration while providing appropriate levels of flexibility to allow for the unique needs of individuals. It will further take into account the individual's contribution to collective efforts. Short term incentive schemes at this level are generally a combination of individual performance and team contribution or individual performance within the context of organisational ethos.

Level 5 - Internal Cohesion

Level 5 concerns the individual's search for meaning and community. Individuals at this level transcend the concept of a career and think of a mission or a purpose in life. At this level, creativity, enthusiasm, excellence and generosity are valued.

These individuals typically view the workplace as a community and will view the interaction between the internal stakeholder from the perspective of contributing to the sense of community or not.

Employees focused at this level will understand and respect the building blocks of the previous levels in remuneration, but look beyond these. At this level, employees will develop discomfort with practices that they see as detrimental to internal community building.

The recent outcry concerning large incentive bonuses for executives following mass retrenchments in the same organisation, could come from individuals with a focus at this level. Individuals at this level are also likely to consider the equity between various levels in the organisation.

The building of internal community also stretches to ensuring that the organisation is congruent in its proclaimed values and the values and behaviours that are rewarded. These individuals are likely to feel discomfort when one set of values (such as team work) are espoused by the organisation while another set of behaviours (such as individual performance) is rewarded.

From an intangible reward perspective, individuals at this level need to feel that their work has meaning, that it resonates with their personal values and that it builds internal community.

It is difficult for organisations focusing exclusively on the first four levels of reward practices to retain individuals who are focused at this level.

Level 6 - Making a difference

Level 6 consciousness is about making a difference in the world and individuals who are focused at this level are often actively involved in the local community. These individuals value environmental awareness and show empathy in dealings with others.

Individuals at this level show understanding for the needs of both tangible and intangible rewards at the previous levels. These individuals are generally motivated more by intangible rewards than tangible rewards, and remuneration is seldom their primary reason for working as they have the perspective of a life purpose, rather than a career.

These individuals are likely to view tangible remuneration practices from the perspective of its appropriateness within a particular social context. Recent concerns expressed by employees at this level include the appropriateness of levels of salary increases that are significantly in excess of inflation when there is more than 30% unemployment in South Africa.

The intangible rewards that are likely to appeal to individuals at this level relate to the ability to make a difference to society. Time off work for community work, environmental projects and social enterprises is likely to be valued.

Individuals that have a calling to make a difference are likely to resonate with organisations that have a strong community and environmental awareness and programs that give expression to this.

Level 7 - Service

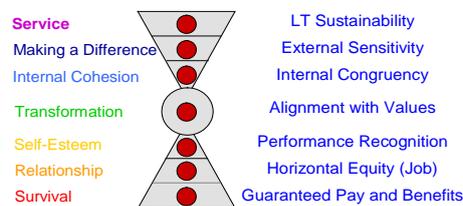
Level 7 reflects the highest order of internal and external connectedness. Individuals operating at this level focus on service to others. These individuals value wisdom, compassion and forgiveness. They have a long term perspective and are concerned with issues such as social justice and human rights.

Individuals at this level find it hard to work for organisations that violate any of the lower level needs of employees and are insensitive to society or the planet.

Remuneration practices are viewed from a long term sustainability perspective. Recent criticism of share incentive schemes that are not sustainable over the long term is an example of this.

Employees with a focus at this level are likely to identify with employers that show a global awareness, a balance between long term and short term success indicators (both financial and non-financial) and balance the needs of this generation of stakeholders with the needs of future generations.

Full-Spectrum Tangible Rewards



The implications for business

Continued research fails to show a correlation between absolute levels of remuneration and business success or employee satisfaction. At the same time, research is increasingly finding a link between corporate culture, employee satisfaction and success.

Thus, in attracting, retaining and motivating talented employees, understanding the corporate culture that will appeal to these individuals is the first step. This is ideally followed by building such a culture and ensuring congruency between the desired culture and rewards (both tangible and intangible).

Reward strategy, in the final analysis, is thus not one of 'best practice', but one that is appropriate to the organisation's desired culture and resonance with the level of consciousness of those employees the organisation is wanting to attract, retain and motivate.