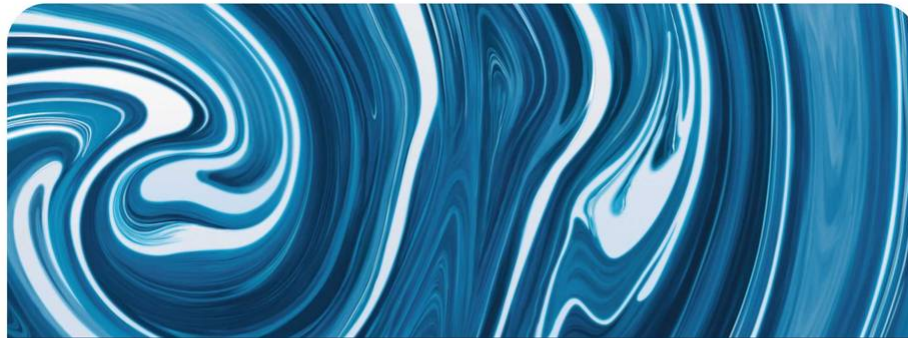


## Recognition Culture

- What is Recognition?
- What Is Meant By A Recognition Culture?
- A Case For a Recognition Culture : Convincing Leadership
- Expected Outcomes
- Design and Implementation Proposal
- The Activator Recognition Programme
- Results





## What is Recognition?



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### Recognition is:

Any thought, word or deed towards making someone feel appreciated for who they are and for what they do.

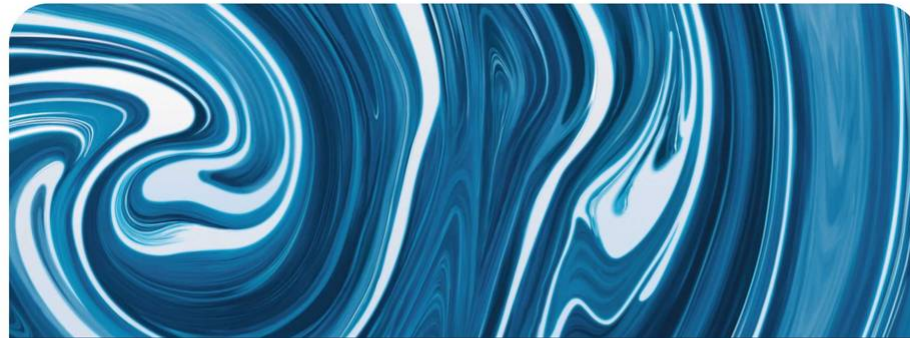
Identifying and reinforcing positive work performance and attitudes.

It affirms the energy and spirit, specifically the involvement, initiative and creativity that underlie any worthy achievement.



Robert Half International Inc. (independent research ; includes responses from 150 executives from USA's 1,000 largest companies). Society for the Advancement of Education. May, 2000





## What is meant by a Recognition Culture?



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## What is a recognition culture?

A working environment where

- o employees feel that their contributions are recognised and celebrated.
- o employees and management constantly look out for colleagues displaying the behaviours required by the organisation
- o that employees will feel free to give their best;
- o employees will be enabled to learn and develop to their full potential

**Show Appreciation!**



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## How will we know that we have a recognition rich culture?

- Employees believe their supervisors and peers are effective at showing appreciation for quality work and behaviours.
- Employees show appreciation to their peers for quality work
- Employees believe they are rewarded fairly.
- All employees have the opportunity to feel like “winners.”
- Employees believe it’s a “Great Place to work.”



## The Case For A Recognition Culture Convincing Leadership



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## Convincing Leadership

- Number of recognition initiatives in 'pockets' in the organization
- Uncoordinated
- Unfocussed
- Inconsistent criteria
- Exclusive
- Inconsistent approach to rewards
- Pointed out by employees as a weakness



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## Money is not Enough

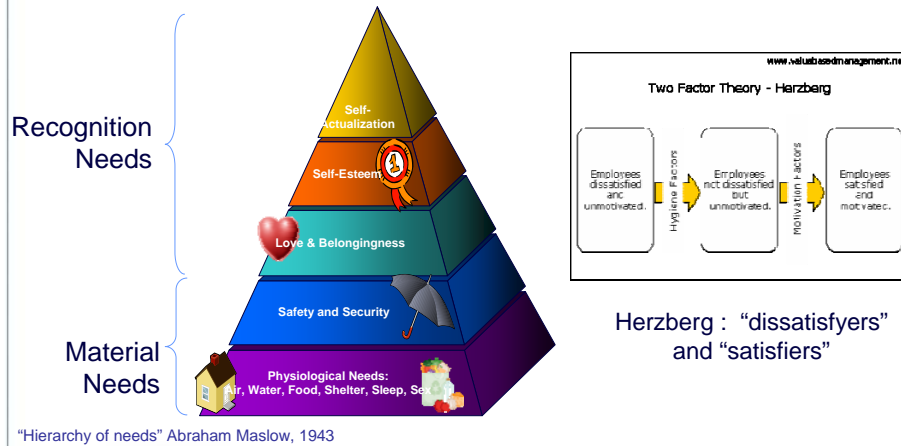
- “Companies that believe money is an employee’s sole motivation for working are destined to lose some of their best people.”
- “Employees want to be valued and appreciated for the work they do.”
- “Praising accomplishments provides psychological rewards that are critical to satisfaction in any professional setting.”

*Robert Half International Inc. May, 2000*



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## What do employees really want?..... The old masters say recognition is vital



"I can live for **two months**  
on a **good compliment.**"

Mark Twain

## What went wrong ... how did we get where we are?

	Business Environment	Impact in Employees
1970's	<b>Balance</b> the interests of multiple stakeholders	Employees managed as an <b>asset</b>
1980's	Outlook narrows to <b>shareholders interests</b>	Demand for <b>increased performance</b>
1990's	Increased global competition and <b>reorganization</b>	Business <b>restructuring</b> and <b>downsizing</b> ; focus on ' <b>core business</b> ' - <b>outsourcing</b>
2000's	Increased Shareholder pressure	Employees managed as a <b>commodity</b>



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## Comment on Changing attitudes in the corporate world

“All indications are that management have **strained the bonds** of the relationship between themselves and their employees to breaking point. In recent years management’s focus on growing shareholder value has transmitted confusing messages.”

Daniel Yankelovich : Profit with Honor: The New Stage of Market Capitalism 2007



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## Employee response

Despite sophisticated pay philosophy and system, survey confirms that

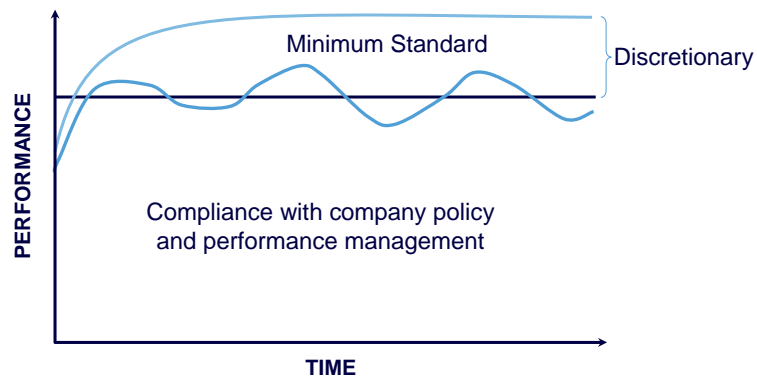
- Employees no longer believe in employer loyalty and concern.
- Employees no longer believe in jobs for life.
- Suspect that expertise gained through effort and learning is no longer valued - just an expensive resource.
- A growing recognition that increasing shareholder value means stripping out costs ( devaluation of the employee by the corporation).
- Final shift in employee thinking is that work has become a less reliable source of satisfaction and rewards.

Daniel Yankelovich : Profit with Honor: The New Stage of Market Capitalism 2007



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## Now we know what happened to discretionary effort!!



DE = Personal Capability – Minimum Requirement



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## Do we have a motivation crisis?

- Has passion left the work place?
- Will the work-life seesaw tip in favour of life?
- How can we make coming to work worthwhile again?
- **Warning:** Companies investing increasingly in recognition schemes ... *but programmes cannot replace **genuine interest in people, sincerity and enthusiasm to recognize passion for excellent achievements and required behaviours.....driven from the top!***

*Now greater need for Recognition than ever!*



Expected outcomes



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## Outcomes of Recognition

### Research shows that results include:

- Positive work environment
- Reinforced desired behaviors
- Motivate high performance
- Builds morale (Employees feel valued)
- Create awareness of organization mission/values
- Live the values
- Reduced turnover
- Greater loyalty
- Increased quality and productivity
- Reduce Absenteeism

"Employee Recognition Survey" .WorldAtWork & NAER (Sample: US companies), 2002  
"Recognition at Work". G. Michael Barton, 2002;  
Robert Half International Inc, Society for the Advancement of Education.May,2000



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## Motivate Employees

Lots of untapped potential...

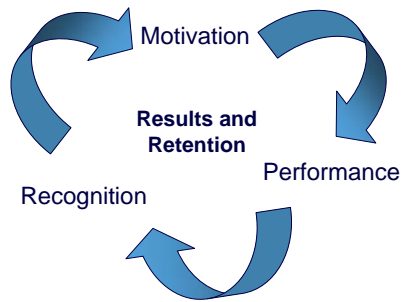
- Workers on average report that they can do up to 26% more work.
- 25% of workers report that they can do 50% more work!

HR Now, April 2005



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**Reduce Turnover : The average employees turnover rate for SA companies is **13.8%****



**Recognition, motivation & retention are intertwined**

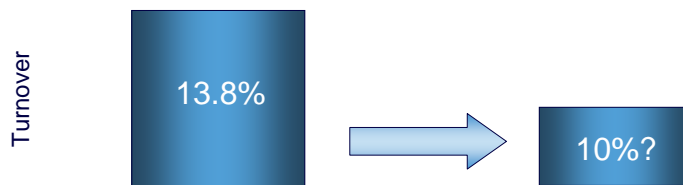
- recognition motivates employees
- motivated employees are inspired to achieve
- achievements are recognized
- recognition motivates employees ...



**Reduce Turnover**

Sanlam Personal Finance:

Recognition can be a contributing factor in reduced turnover



## The Effect of High Employee Turnover

- It can cost up to **150% of an employee's salary** to replace the employee (advertising, extra effort, recruitment process, agents, training, lost productivity)
- Employee turnover **reduces productivity**
- Employee turnover **affects your customer loyalty.**

"Workforce Turnover & Firm Performance." Corporate Leadership Council, 1998



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## Reduce Turnover / Improve Retention

### Calculating the cost of turnover

- 2008 Average rate of turnover in SA 13.8% \*
- Company A 4000 employees
- Annual Turnover 552 (13.8%)
- Avg. package per employee R200,000
- Annual Cost of turnover  
(1.5 x package\*\* x 552 employees) **R165,600,000**

**3.8% reduction would save R45,600,000**

\* South African remuneration survey. Sept, 2008

\*\* "Workforce Turnover & Firm Performance." Corporate Leadership Council, 1998



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## Recognition is good PR

- Employees are ambassadors to the community
- Employee Recognition advertises that a company values its people



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**Deloitte** The Best Company to Work For



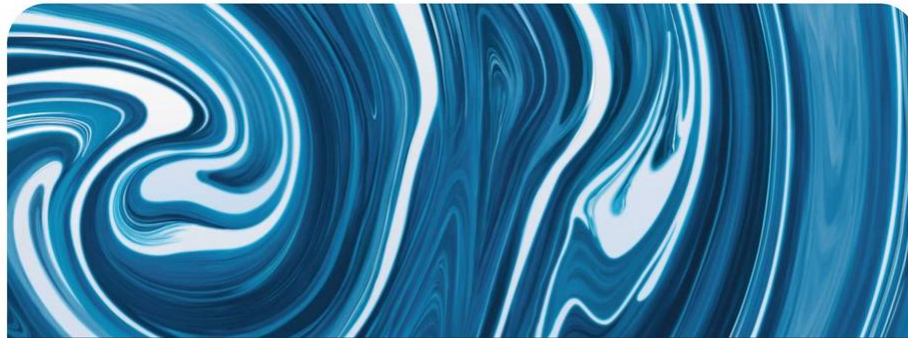
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## Relative Low Cost

- Budget small percentage of total reward account
- Recognition money goes much further than remuneration & incentives
- Impact and results much greater



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## Proposed Design & Implementation



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### The Task Team

**Design:** Conducted a workshop with line managers, HR  
Benchmarked programs elsewhere Crafted a proposal for  
Executive Team

#### Implementation & Maintenance:

- IT
- Marketing
- Communications
- Business HR
- Business : Line Management/ Business Champion
- HR Remuneration



## Design & Implementation Plan

- Task Team
- Recognition Programme Goals
- Focus Areas
- Criteria, Principles
- Communication
- Rewards Criteria
- Budget
- Programme Evaluation Strategy



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## Our Goals

The “new” recognition system should:

- Re-align, consolidate and focus present schemes
- Focus on company values and business strategy
- Recognize individual and group contributions
- Provide for immediate, sincere and respectful recognition and motivation (stimulate improvement) as well as more formal programmes
- Provide for monetary and non monetary recognition



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## Our Goals (cont.)

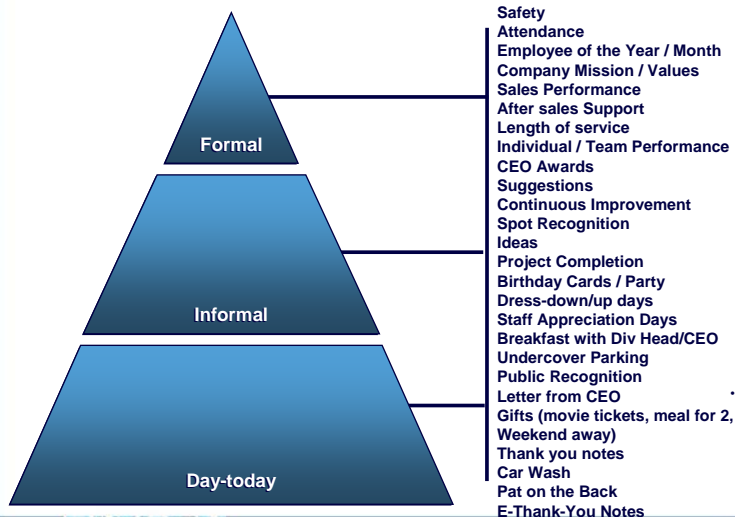
- Include all our employees – awarding and receiving (Recognition is everyone's responsibility)
- Be simple, easy to access, and quick
- Be computer driven to ease administration
- Achieve a recognition rich culture – not mechanistic process
- Recognize real "value creation" only. Should not devalue the currency!
- Deliver real measurable benefits to the company



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## Focus Areas

### Typical focus areas for Recognition Programmes



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## Focus : Accentuate and Support Living the Values

- Lead with courage
- Serve with pride
- Care because we respect others
- Grow shareholder value through innovation and superior performance
- *Act with integrity and accountability*



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## Criteria & Principles

- Clearly defined objectives and criteria - Specific
- Well communicated and publicized
- Multi dimensional and well integrated
- Mix of formal and informal elements
- Timely and specific
- Sincere
- Personal and meaningful
- Creative, fun
- Enthusiastic/ authentic corporate support



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## Communication

### Confirm CEO & Executive ownership

- Communicate program objectives
- Rollout plan
- Publicize employee achievements
- Recognition Site
- Use the following media:
  - Intranet
  - Newsletters
  - e-Mail : Free launch Points
  - Posters
  - Hall of Fame – Real and Virtual
  - Competitions
  - Booklet
  - Orientation



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## Rewards Criteria

***Recognition more important than reward.***

- Company branded
- Personal
- Practical
- Administration & Stock value
- Recognition Currency
- Cash or something tangible



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## Budget

Multi functional – discretionary effort

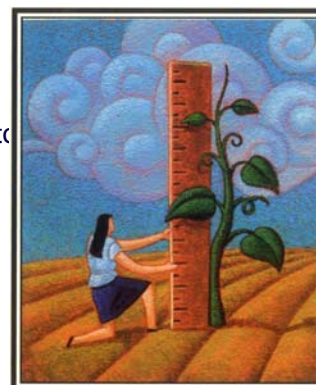
- o 5% Research, planning, administration
- o 5% Communication and promotion
- o 68% Awards
- o 22% Tax



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## Programme Evaluation Strategy

- Employee satisfaction surveys
- Employee feedback
- Participation rates
- Quality of nominations and award monitoring
- Labour Turnover
- Customer surveys
- Productivity
- Absenteeism
- ROI



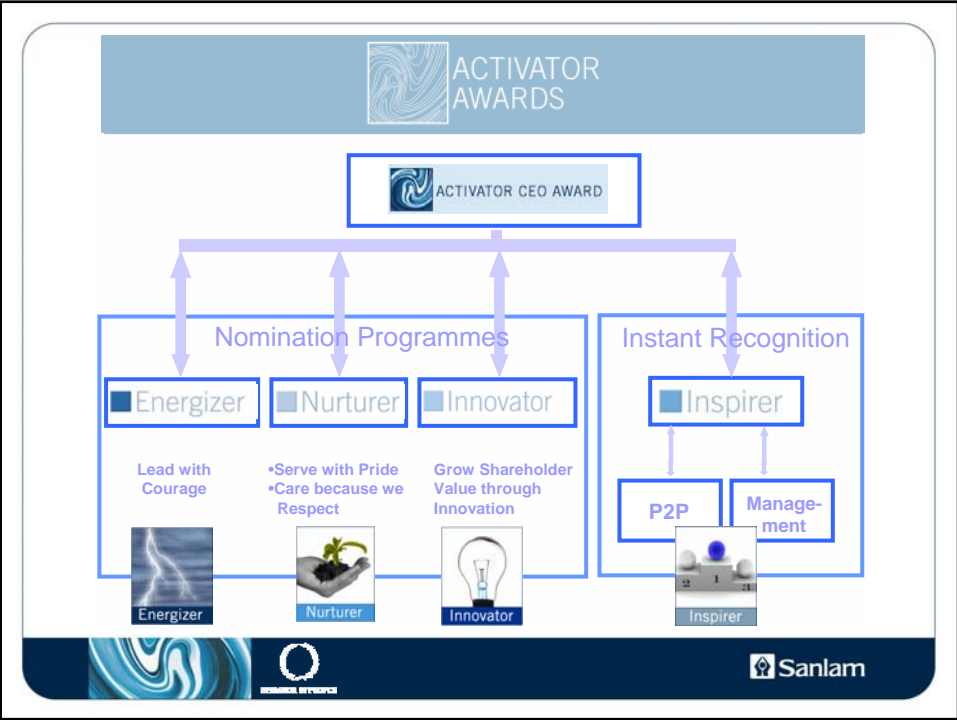
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## The Programme: The Activator Awards




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## Nomination Awards

**Activator**



3 Annual winners  
R60 000 value per winner  
(e120,000)



**Innovator**

12 Monthly winners @  
R2000 value (e4,000)+ 'runners-  
up'  
Annually: 1 winner @ R30 000  
(e60,000)



**Energizer**

Quarterly - 4 Winners @  
R2500 value (e5000)  
+ 6 x R200 'runners-up' (e4,000)  
Annual - 1 winner @  
R30 000 (e60,000)



**Nurturer**

Quarterly - 4 Winners @  
R2500 value (e5000)  
+ 6 x R200 'runners-up' (e4,000)  
Annual - 1 winner @  
R30 000 (e60,000)



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## Instant Recognition



**Peer-to-Peer**

100 Enkosi  
per employee pm

**Management**

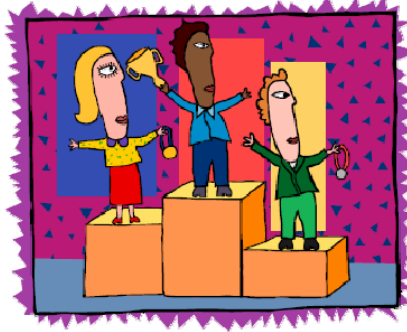
100 Enkosi per  
reporting employee pm



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## Gala Celebration Event

- CEO & Executive Team
- Nominees
- Special Awards
  - Most nominations
  - Most recognised
  - Team
  - Recognition Culture BU – Charity Award
- Line Management
- Evaluators and Volunteer Contributors
- Mass Events : Video/ Broadcasts



## Instant Awards

DIY Brights  
Canal Walk  
Cape Gate  
Checkers  
Clicks  
Restaurants  
Edgars  
Car Wash  
Exclusive Books  
Kathy's Gift Shop  
Movie Tickets  
Mr Price Home  
Musica  
Outdoor Warehouse  
Pick & Pay  
Somerset Mall  
Spa car wash - Valets  
Toys R Us  
Tyger Valley  
Woolworths


Enkosi voucher values ranging  
between e100 – e1000





**Results**

- Investor In People
- Employee Survey
- Employee Comments
- Participation Rate
- Turnover Rate
- Absenteeism



## Utilization

Messages	
Type	Total
Peer to Peer	69,673
Management	23,266
Ad Hoc	824
<b>Total</b>	<b>93,763</b>

Visits	
Type	Total
<b>Total Visits</b>	<b>113,332</b>
Ave visits per day	312
Ave visits per week	2,184
<b>Ave visits per month</b>	<b>9,470</b>



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Nominations per award	
Innovator	249
Nurturer	267
Energizer	127
Activator	41
	684



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## Reduce Turnover / Improve Retention

### Calculating the cost of turnover

- 2008 Average rate of turnover in SA 13.8% \*
- Company A 4000 employees
- Annual Turnover 552 (13.8%)
- Avg. package per employee R200,000
- Annual Cost of turnover  
(1.5 x package\*\* x 552 employees) **R165,600,000**

**9% Turnover = 4.8% below SA rate : Saving R57,600,000**  
**Reduction of 3% in own turnover : Saving: R36,000,000**

\* South African remuneration survey. Sept, 2008

\*\* "Workforce Turnover & Firm Performance." Corporate Leadership Council, 1998



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**“We realize that our greatest asset is our  
employees and that we will only grow as an  
organization to the extent that we appreciate this  
asset”**

**Lize Lambrechts, CEO**



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