

Employee Recognition Policy - Background Paper

This background document was created to support the development of the employee recognition policy. The information may be helpful to you as it provides; the context for recognition in the Nova Scotia government; a brief summary of recognition activities taking place corporately and departmentally, and a snapshot of employee recognition in other jurisdictions.

Introduction:

The Government of Nova Scotia values its employees and recognizes and appreciates them for the achievements and contributions they make in support of government's values and overall business goals and objectives. Employee recognition in the Government of Nova Scotia includes two main components:

1. A corporate component that includes government-wide recognition activities/programs.
2. A departmental component that includes department-specific recognition activities/programs.

Examples of corporate recognition activities are the Premier's Award of Excellence and Long Service Awards. Examples of department recognition activities are Minister Awards, Staff Appreciation Awards and recognition of service milestones.

The two components will be connected by a common employee recognition policy, guiding principles, objectives, and criteria. This will provide the overall structure for employee recognition in government, encourage the consistent practice of both formal and informal recognition, provide a business case to defend recognition activities and related budgets, and provide departments with tools and resources to create department-specific programs. This overall structure for corporate and department recognition builds upon the success of recognition activities currently taking place in various government departments, with the objective of creating a culture of recognition within the Nova Scotia public service.

This overall approach for employee recognition will seek to:

- ★ Better position government to attract and retain a talented and skilled workforce and enhance government's status as a preferred employer.
- ★ Encourage a healthy workplace culture and a supportive work environment.
- ★ Create a recognition culture where employees are regularly acknowledged, feel valued and take pride in their work.
- ★ Reinforce and communicate linkages between desired employee performance and department and government-wide business goals and objectives.
- ★ Respond to employee perceptions expressed in the employee surveys and improve employee engagement.
- ★ Provide an opportunity to internally and publicly showcase employee talents and exceptional teamwork.
- ★ Complement and encourage the daily practice of corporate human resource values of respect, integrity, diversity, accountability and the public good.
- ★ Build employee loyalty, boost morale, and foster creativity and motivation for achievement.
- ★ Link activities that are already underway in the area of employee recognition.

The Public Service Commission will:

- ★ Establish a recognition policy including department guidelines, as well as guidelines for corporate recognition.
- ★ Establish a common set of principles and objectives.
- ★ Develop and implement a toolkit to assist departments in their recognition efforts.
- ★ Provide advice and support to government departments and their employees.

- ★ Encourage the development and implementation of department and/or program-specific recognition activities.
- ★ Coordinate and communicate corporate recognition activities.

Purpose:

The purpose of this paper is to provide an overview of employee recognition best practices in the workplace by looking at what is going on within the Nova Scotia Government, across jurisdictions and in private industry. This information will inform the development of the employee recognition policy and supporting guidelines, and the overall structure for employee recognition in government.

Background:

Recognition is an essential part of creating a supportive work environment where employees feel valued and respected for who they are, and acknowledged for the fine work they do. Employee performance is key to an organization's success and to providing quality client service. Research indicates that effective employee recognition enhances employee motivation and satisfaction, leads to increased employee productivity and contributes to overall organizational performance. Recognition is a tool employers can use to recognize, reinforce and promote positive behaviours that support values, and business goals and objectives. Employee recognition activities also enhance employee engagement and support an organization's attraction and retention strategies.

Recognition activities can be categorized as either formal or informal. Formal recognition refers to structured, scheduled activities or events with specific criteria used to recognize employee contributions for desired performance. Informal recognition refers to spontaneous gestures of sincere thanks from managers and colleagues about positive employee performance. Informal recognition affects an employee's identification with an organization and has an impact on employee engagement. A combination of both formal and informal recognition activities is essential to an effective recognition program.

Nova Scotia Government Context:

★ In 2001, in response to department interest, PSC staff met with the HR Executive Forum to discuss the development of an employee recognition program for government. Consultations with HR Directors resulted in consensus regarding the implementation of an overall corporate structure and policy. It was agreed that a 'guided approach' was most suitable, and that a corporate policy should be established with parameters that would give departments flexibility and options when developing department specific recognition programs. As a result of the consultations, it was recommended that any program should start small, only non-monetary forms of recognition be permitted, recognition be linked to departmental business needs, consultations take place with senior management teams, and training be provided. In 2002 an Employee Recognition Program Guidebook was developed. Due to conflicting priorities and organizational readiness, this initiative was not pursued further at the time.

★ Nova Scotia's Corporate Human Resource Plan 2005-2010 has identified providing a safe and supportive work environment for employees as one of its five goals. To achieve this goal, the PSC has adopted the National Quality Institute's (NQI) comprehensive healthy workplace model. In the NQI model, employee feedback and recognition/rewards are encouraged as a means to creating a positive workplace culture and supportive environment for employees.

★ Nova Scotia's Corporate Human Resource Plan 2005-2010 has also identified being a preferred employer as one of its five goals. To achieve this goal, various recruitment and retention strategies have been outlined. A core activity of the retention strategies is the development of employee recognition programs.

★ The Public Service Commission's Business Plan 2006 – 2007 has identified attraction and retention as one of seven strategic goals for the year. As a preferred employer, government needs to attract and

retain the required talent to ensure that it meets its goals and continues to deliver high quality services. To meet this need, the PSC will complete the design, and begin the implementation of a corporate attraction and retention framework. A key element of this framework is employee recognition.

★ The Human Resources Management Manual policy on performance management identifies as one of its goals, the promotion of job satisfaction in a motivating environment and the recognizing and rewarding of good performance. In order for recognition efforts to be effective, they need to be contingent. Managers have a role to play by providing employees with ongoing feedback and coaching regarding their performance and for recognizing and supporting good employee performance.

★ In the 2004 Nova Scotia Government employee survey, when asked if they feel valued for their contributions at work, 54 per cent of respondents provided favourable responses, while 81% indicated that it was important for them to feel valued. When asked if they receive recognition from their supervisor for a job well done, 57 per cent of respondents provided favourable responses, while 80% indicated that it was important for them to receive recognition.

★ In the 2005 Nova Scotia Government employee survey, when asked if they feel valued for their contributions at work, again 54 per cent of respondents provided favourable responses, while 91% indicated that it was important for them to feel valued. When asked if they receive recognition from their supervisor for a job well done, 61 per cent of respondents provided favourable responses, while 93% indicated that it was important for them to receive recognition.

★ In the 2006 Nova Scotia Government employee survey, when asked if they feel valued for their contributions at work, 56 per cent of respondents provided favourable responses, while 93 per cent indicated that it was important for them to feel valued. When asked if they receive recognition from their supervisor for a job well done, 63 per cent of respondents provided favourable responses, while 90 per cent indicated that it was important for them to receive recognition. When asked for the first time if they received meaningful recognition for work well done, 50 per cent of respondents provided favourable response, while 90 per cent indicated that it was important for them to receive meaningful recognition for work well done.

★ On June 6, 2006, employees and managers representing government departments and agencies came together to discuss employee recognition, network and share best practices at a Recognition Learning/Networking event co-hosted by the PSC and Community Services. Participants involved in focus group sessions at the event revealed a desire to have the PSC develop consistent guidelines and parameters while allowing departments the flexibility to tailor recognition activities to their specific needs. They also asked for practical tools, support, and a business case to defend recognition activities and related budgets.

★ Informal discussions with department representatives and general anecdotal information, has indicated that there is an appetite for both formal and informal recognition activities in government. The Department of Community Services and the Department of Service Nova Scotia and Municipal Relations, are solicited regularly by other government departments who want to find out about their program activities and lessons learned.

★ An overall employee recognition structure and recognition policy will provide a vehicle for information exchange, consistency to the recognition movement in government, and validation to existing recognition activities.

What Is Happening At A Corporate And Department Level?

- ★ The following corporate activities are coordinated by the PSC:
- Premier's Award of Excellence
 - Long Service Awards (for service greater than 25 years)

★ Over the past few years various government departments and/or divisions have initiated formal recognition programs. Some examples of departments and/or divisions that conduct formal recognition activities are:

- Community Services
- Service Nova Scotia & Municipal Relations
- Justice - Court Services & Correctional Services
- Transportation & Public Works - Regional Operations & Highway Workers
- Sydney Tar Ponds
- Tourism, Culture & Heritage
- Environment & Labour
- Health
- Economic Development

★ Other departments/divisions, agencies, boards and commissions are currently in the process of developing recognition programs and activities. For example Communications Nova Scotia and Treasury Policy Board will be incorporating recognition activities in their business plan and/or healthy workplace plan.

★ The June 6th Recognition Learning/Networking event revealed that most departments practice some form of informal employee recognition. Examples include; letters of praise from senior leaders and/or supervisors, bulletin boards in departments highlighting staff accomplishments and the acknowledgement of employee achievements at regular staff meetings.

What Is Happening In Other Jurisdictions?

★ A review of employee recognition activities in jurisdictions across Canada was conducted over the past few months. The research sought to learn; the types of recognition programs found in other provincial governments, the types of formal and informal recognition activities they engage in, the types of supports that are offered to government departments, whether or not they have a recognition policy and/or guidelines, and whether or not reporting structures have been established. The review consisted of a thorough Internet search, followed by telephone calls to appropriate staff where more information was required. Information was obtained from eleven provinces and territories. Information was not obtained from the Province of Quebec (QC).

★ Research revealed that all provinces and territories have formal recognition programs consisting of a combination of Long Service Awards, Premier's Award of Excellence or equivalent, and in some jurisdictions, other corporate awards as well. For example, in addition to Long Service and Premier's Awards, British Columbia (BC) has an Improvement Awards Program. The IAP awards sums of cash to employees who initiate processes that result in cost-savings. Saskatchewan (SK) has Superior Performance Awards and Prince Edward Island (PEI) has a Diversity Award and Employee Innovation Awards.

★ The majority of jurisdictions provide departments with some type of supports/tools to carry out recognition activities. The supports are provided via the Internet and include best practices, research, templates, toolkits and other resources.

★ Eight jurisdictions have some form of directive, policy and/or guidelines related to employee recognition. BC, SK, Manitoba (MB) and Northwest Territories (NT) have corporate employee recognition policies. Yukon (YK) and Nunavut (NU) have a policy for Long Service Awards only, Alberta (AB) has a directive on employee recognition, New Brunswick (NB) has a recognition program document and Ontario is in the process of developing an employee recognition policy and guidelines. PEI, and Newfoundland/Labrador do not currently have any policies related to recognition. SK and NT are the only two jurisdictions that require departments to develop employee recognition programs.

★ The majority of jurisdictions do not have a formal corporate reporting process for recognition activities. In BC and NT formal recognition activities are recorded at the department level and provided to the Public Service Agency and Corporate HR Services respectively, on an annual basis. An inventory of activities and progress is then reported to senior leaders. The report includes information such as; award type, recipient name, reason for award and value of award. In the absence of a corporate reporting system in other provinces, departments have created their own internal inventory or summary of activities. Formal reporting structures have been established where large sums of cash are awarded, as with BC's Improvement Awards Program and PEI's Innovation Awards.

★ Information on financial guidelines was obtained for nine of twelve provinces and territories. Financial information specific to employee recognition was not obtained from QC, Newfoundland (NL) and NU.

- BC, AB and PEI permit cash awards for employee recognition programs. Other provinces permit non-cash awards (i.e. merchandise) only. In BC and PEI, cash awards are permitted for their Improvement/Innovation Award programs where large sums of cash may be awarded to employees/teams for making cost-saving suggestions. AB permits both cash and non-cash awards for employee recognition, within the limits prescribed by Canada Revenue Agency (CRA).
- BC, NWT and MB have identified specific financial guidelines for department employee recognition. For example, MB allows a maximum non-cash award of \$15.00/person, per year for employee appreciation. BC allows a maximum non-cash award of \$100 per employee, per occasion for employee recognition. NT allows a maximum non-cash award of \$75.00 per employee for formal recognition and maximum non-cash award of \$25.00 per employee for informal recognition.
- Some jurisdictions have identified financial guidelines for retiring and departing employees. As an example, SK and MB permit employees with 10 years of service or more to receive a gift valued at a maximum of \$5.00/year of service. NB and BC permit retirees to receive a non-cash gift valued at a maximum of \$10/year of service. BC places an additional cap of \$100, or \$200 if approved by the Deputy Head.
- In all jurisdictions departments are responsible for costs related to their own employee recognition programs. In the absence of corporate guidelines for recognition-related expenses, departments have developed their own guidelines.

★ The employee recognition policy proposed for the Government of Nova Scotia will provide a broad set of parameters to allow departments the flexibility to develop recognition budgets tailored to their specific needs and work environments. The proposed policy outlines parameters such as non-cash awards, Deputy Head approval of recognition-related expenses and compliance with CRA rules.

★ CRA permits employers to give their employees, on a tax-free basis, two non-cash awards per year to mark employment achievements. The total cost including taxes of the two awards cannot exceed \$500 per employee.

What Does Research Say About Employee Engagement and Recognition?

Results from the Government of Nova Scotia's 2004 and 2005 employee surveys indicate that there are improvements to be made in the area of employee engagement. Employees reported moderately favourable responses when asked if they feel recognized for their contributions, feel valued, feel they have the opportunity to provide input into decisions that affect their job, and feel they are aware of their department's goals and objectives. Survey results indicate that employees are neither actively engaged nor actively disengaged, and that there is a concern that those who are not completely engaged could easily become disengaged.

Research reveals that many successful businesses offer their employee's recognition as one way to motivate staff, to make them feel valued, to increase morale and improve the overall attraction and retention of employees. Research also reveals that recognition and appreciation is an important driver of employee engagement.

★ Hewitt and Associate's research revealed "employee recognition is a key driver to employee engagement and ultimately company growth."

★ In a 2005 report, British Columbia's Auditor General states that BC's public service employees are only moderately engaged in their work. The report identifies 'individual recognition' as one of four areas that provide the best opportunity to improve employee engagement. The report also acknowledges that although both formal and informal recognition have their place, it's informal recognition, the day-to-day praise or encouragement given by supervisors and co-workers, that has the greatest impact on engagement.

★ Findings from a 1997 Gallup survey revealed that employees who receive recognition are much more likely to be extremely satisfied with their employer and employee satisfaction is linked to profitability, productivity, employee retention and customer satisfaction".

Successful companies understand the benefit of having employees that are engaged, and the overall positive reverberations it has on client service, productivity and overall organizational success. An article from President and CEO Magazine states that "recognizing the right things in the right ways can have a dramatic impact on the attitudes and behaviours that create customer loyalty and drive profitable growth". According to Robert Levering, who along with Milton Moskowitz oversees the Fortune magazine Best Companies Project, "no company can have a great place to work without having good ways to show appreciation to employees." Bob Nelson, president of Nelson Motivation states that "when recognition is executed properly, the benefits can far exceed the time and money put into it."

Recommendations:

★ That an employee recognition policy be developed that will encourage and sustain the practice of acknowledging employees for their contributions and accomplishments through formal and informal recognition activities.

★ That the employee recognition policy include guidelines to provide a foundation for the development of program descriptions and materials for corporate and department recognition activities.

★ That departments be provided with broad parameters and the flexibility to develop recognition programs and budgets that are tailored to their specific needs, culture and work environment.

★ That support be provided by the PSC to departments to encourage the consistent practice of employee recognition across government.

Recognition is a good HR practice that is linked to an organization's values, goals and objectives. Recognition contributes to shaping an organization's culture and values through positive reinforcement of desired practices, actions and results. There are several recognition activities already occurring within the Nova Scotia government and new programs/activities are actively being developed. A corporate recognition policy will provide a foundation for recognition activities in government, and provide departments with the consistency, validation, support and flexibility they desire.