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Recognizing & Engaging Employees

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- **Use employee recognition to drive unprecedented results**
- **Take employee engagement to new levels in your organization**
- **Increase employee performance, productivity, retention, and morale**

Dr. Bob Nelson

Leading expert on employee engagement, recognition, and rewards



***Recognizing
& Engaging
Employees***

FOR
DUMMIES[®]
A Wiley Brand

by Bob Nelson, PhD

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DUMMIES[®]
A Wiley Brand

Recognizing & Engaging Employees For Dummies®

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Introduction

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*You get the best effort from others not by lighting a fire beneath them,
but by building a fire within them.*

According to the Harvard Business Review, companies spend over \$720 million each year on employee engagement — an amount that is projected to rise to over \$1.5 billion per year — yet, employee engagement is at record lows. Just 30 percent of employees are currently considered engaged, according to the Gallup Organization, roughly the same percentage as when Gallup first started measuring the topic over 15 years ago.

What's wrong with this picture? Why is increasing employee engagement so difficult? There's no refuting Gallup's extensive longitudinal research that systematically identified the core variables that distinguish high-performing organizations from their competitive also-rans in the marketplace. But knowing what those organizational pressure points are and positively impacting those variables apparently is more difficult than anyone could have predicted.

Or are these engagement scores the proverbial tail wagging the dog? Are companies spending extraordinary amounts of effort (and money) to chase higher engagement scores while overlooking the fundamentals that are necessary for actually better engaging today's employees?

A painting entitled *The Treachery of Images*, by Rene Magritte, the Belgian surrealist, hangs in the Los Angeles County Museum of Art . . . The work depicts a man's smoking pipe over the words *Ceci n'est pas une pipe* ("This is not a pipe"). It's basically making the point that the representation of something is not the thing itself. In the same way, engagement scores that represent employee engagement are not engagement itself. Perhaps it's time to focus on the behaviors that truly impact employee engagement, and not just the scores that measure it. This book seeks to do just that.

About This Book

Recognizing and Engaging Employees For Dummies is a reference book that contains a wealth of ideas, suggestions, tools, techniques and best practices of engagement, recognition, and motivation. There are lots of examples and

some case studies — many from my own experience in applying these concepts with hundreds of organizations. You can dip into this book anywhere to find advice, examples, and best practices that can instantly provide you help today. Sidebars are skippable, but you won't *want* to skip them, because they provide interesting tangents, tips, and real-life stories that help to bring these topics to life.

I conceived this book to better address the specific actions needed to increase employee recognition and engagement of your employees. I want this book to be helpful to you, whether you are a manager, a team leader, a human resources professional, an executive, or a front-line employee — regardless of your level of experience with employee recognition and engagement.

Although there are many other good books available to supplement this one, including some that I authored — such as *1501 Ways to Reward Employees*, *The 1001 Rewards & Recognition Fieldbook*, *1001 Ways to Energize Employees* (all published by Workman Publishing Company), and *The Management Bible* and *Managing For Dummies*, 3rd Edition, published by John Wiley & Sons — I wanted this book to stand alone as an ongoing resource and an application guide to help you get the best results from your recognition and engagement efforts.

Many of the items I discuss in this book direct you back to your employees for answers as to how they best like to be recognized, ways you can better involve them in decisions, discussions you should have with them about their work preferences, plans and ambitions as well as to just generally get to know them better!

Foolish Assumptions

By purchasing this book I'm assuming that you're a manager, business owner, or human resource professional that is looking for answers and ideas about what you can do to better motivate and engage your employees. You might also be a front-line employee who's looking for ways to get your boss to be a better manager to work for, one who makes time for you, supports and encourages you, and thanks and recognizes you more when you've done good work. Perhaps you're a coach or consultant who works with managers and organizations, trying to help them improve their recognition, engagement, and motivation efforts.

If my assumptions are correct, you'll find that there is something within these pages for you, so long as you are open to considering some new ideas and willing to experiment to learn how best to apply the ideas I include here in your work with others.

Icons Used in This Book



Throughout this book, you'll come across icons that call out different kinds of information. Keep your eyes out for these icons as you're reading:

This icon indicates an especially useful insight or practical nugget of advice. It's usually something quick you can put into action right away.



This icon calls out something that is especially worth retaining. It's usually a key principle or concept that is critical to your success on the topic being discussed.



This icon relays a personal story or company example I've had in my work that relates to the topic being discussed. These are usually fun and interesting asides!



This icon accompanies slightly longer company examples.



When you see this icon, be aware! It describes a mistake or problem you should try to avoid.

Beyond the Book

In addition to the contents of this book, you can access some really great, related material online that you can access anytime at www.dummies.com/extras/recognizingandengagingemployees. These extra web goodies are shorter than the book, and give you quick bit of information and guidance on-demand.

The eCheat Sheet gives you a quick rundown of 14 different engaged workplace behaviors, and the ways in which you should recognize your employees to get them. Sometimes, when a recognition issue arises, you're right in the thick of things at work and may not have time to go back through this book to find the right chapter. The eCheat Sheet articles present info like how to recognize and incentivize employees from different generations in an efficient way so you can solve the problem and keep moving. To access the eCheat Sheet, go to www.dummies.com/cheatsheet/recognizingandengagingemployees.

You can also access some additional helpful bits of information, such as how to get certain business results through recognition, ways to recognize core values, do's and don'ts of workplace recognition, trends that impact managers' roles today, and ten common questions about rewards and recognition.

Where to Go from Here

One of the great things about this book (and most *For Dummies* books) is that it's written in a modular format in which each chapter stands on its own, enabling you to jump around in the book however you prefer. Of course, you can also read it through from beginning to end as well!

Along the way, if you have any questions or comments about what is discussed, please send me an email at bob@drbobnelson.com, and I'll do my best to answer your question. If you're potentially interested in having me present or consult on the topics discussed in this book to your management team, association, or conference, you can contact me directly about that as well. My direct phone number is (858) 673-0690, and I'm based in sunny San Diego, California, USA. Thank you!

Part I

Enhancing Employee Engagement through Recognition

getting started
with

**recognizing
employees**



Head to www.dummies.com for more Dummies content online.

In this part . . .

- ✓ Discover the current climate of workplace engagement and determine whether your company aligns with current trends
- ✓ Identify different methods of keeping your employees engaged at work
- ✓ Get the ins and outs on how to maintain open lines of communication, involve employees in decisions, and provide employees the autonomy they need to do their best work
- ✓ Understand how recognition drives employee engagement and how you can use this phenomenon to enhance your company's culture

Chapter 1

The Quest for Engagement

In This Chapter

- ▶ Uncovering what employee engagement is
 - ▶ Recognizing why engagement is important
 - ▶ Exploring ways to best impact engagement
-

Employee engagement has become an ever elusive holy grail in the management of human resources. It seems that the more companies strive to attain it, the more it slips from their grasp. But the quest continues because the topic is too important to ignore. Without an engaged staff, managers have a tough time accomplishing anything, let alone the best work possible. To reach and surpass business goals, managers and executives must make sure their employees are active, inspired, and feel good about their work.

Despite its importance, few organizations understand what employee engagement is and how it can drive business outcomes. According to the Aberdeen Group (a research firm specializing in employee engagement), engagement levels are dangerously low for many organizations. Now is the time to fix that. In this chapter, I give you a general overview of employee engagement and explore how some of the best organizations are addressing this topic with much success.

Why Engagement Is Important

Some say that employee engagement is simply the use of discretionary effort by employees. Others say it's all about employee connection or productivity or retention. Still others say that it's simply a score on a survey. I feel employee engagement is the alignment of individual and organizational goals and values to better drive business results.

Engagement leads to productivity

As human resources consulting company Towers Watson has noted, “Four out of every five workers are not delivering their full potential to help their organizations succeed.” A big reason for that is that workers aren’t fully engaged. According to the Gallup Organization, when you compare nonengaged employees to highly engaged ones, you see that the highly engaged employees are

- ✓ 27 percent less prone to absenteeism
- ✓ 62 percent less likely to be involved in job accidents
- ✓ 51 percent less likely to leave their jobs
- ✓ 31 percent less likely to leave in high-turnover organizations

Organizations that make employee engagement a priority see increased organizational productivity, flexibility, and employee retention. Productivity doesn’t depend on the number of hours someone spends at work; what really matters is how engaged your employees are during those hours. Employees who are engaged in their work have a greater desire to work harder and are thus more productive.

Engagement creates trust

Most organizations need greater flexibility and agility to handle a changing competitive landscape. Employee engagement creates trust between the organization and its employees so that employees are more apt to be flexible and adapt to changing business circumstances and needs.

Sixty-five percent of hires in a recent year were *contingent employees*, that is, part-time or project-based workers. This trend is projected to represent 30 to 50 percent of the workforce in the future. In addition, 75 percent of all current organizations have employees who work remotely, and 45 percent of companies anticipate increasing that number. This increase in independent workers is forcing organizations to consider how best to manage both full-time and contingent workers within the same organization. Regardless of how their work is structured, organizations will continue to need workers who are engaged and dedicated to do their best to meet or exceed the needs and expectations of their jobs (I talk more about engaging contingent and other nontraditional workers in Chapters 4 and 5).

A few definitions

Here are a few key terms related to employees and the workplace that you'll see throughout this book. If you are uncertain of their definitions, read on:

Engagement: The simplest definition is tapping into employee discretionary efforts, that is, an employee's willingness to go above and beyond in doing his or her job. A definition that's a bit broader is offered by Wikipedia: "Employee engagement is a property of the relationship between an organization and its employees. An 'engaged employee' is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests."

Recognition: Recognition is a positive consequence provided to a person for a behavior or result. Recognition can take the form of acknowledgment, approval, or the expression of gratitude. It means appreciating someone for something he or she has done for you, your group, or your organization. You can give recognition as someone strives to achieve a certain goal or behavior or upon completion of that goal or behavior. Using recognition, organizations can build engagement and drive success for the company, including all stakeholders. Recognition comes in all shapes and sizes, but the major categories of recognition include the following:

- ✓ *Interpersonal recognition:* A personal or written thank you from one's manager or peers.

- ✓ *Social recognition:* Acknowledgement, public praise, or thanks provided on social media such as Facebook, LinkedIn, or Twitter.

- ✓ *Tangible recognition:* A certificate, plaque, trophy, paperweight, coffee mug, or other memento.

- ✓ *Intangible recognition:* The granting of more involvement in decision-making, autonomy, flexibility, or choice of working assignment.

Reward: Something with monetary value (but not necessarily money) that is provided for desired behavior or performance, often with accompanying recognition. A reward can be an item or an experience. Harvard Business School professor Rosabeth Moss Kanter defines a reward as "something special — a special gain for special achievements, a treat for doing something above-and-beyond."

Incentive: Recognition or a reward that is promised in advance for an anticipated achievement that meets certain criteria. Incentives create anticipation and excitement and thus can result in stronger, clearer motivation.

Motivation: The internal human energy available to inspire a person to act.

Motivator: Anything that increases motivational energy.

Demotivator: Anything that reduces motivational energy and/or triggers negative behaviors.

Engagement helps you retain top talent

As the U.S. economy continues to improve, and as current employees seek new job opportunities, holding on to talent will be critical, and doing so can have a major impact on the success of any organization. Engaged employees

are more likely to stay longer in their jobs and bring resilience to their organizations. Top employees who are truly engaged remain more committed to staying in their organizations and are less willing to seek other opportunities. Head to Chapter 17 for more on how to better engage and retain high-potential employees.

Looking at Factors Impacting Employee Engagement

There are many factors that impact the design, rollout, and effectiveness of employee engagement efforts. Here, I present an overview of six drivers of employee engagement; in Chapter 2, I discuss specific strategies and actions that companies are taking to most improve in these areas.

Employee fit: Alignment of employee's goals with organizational goals

The number one factor impacting employee performance and engagement is how well an individual employee's performance (and personal) goals align with the overall organizational goals, mission, and core values. This factor is so crucial, in fact, that it might be hard for you to gain support for engagement initiatives unless they are directly tied to performance goals that drive the organization's success and profitability. Therefore, as a manager, you have to act as a liaison to connect the organization's strategic mission with individual values and behaviors of employees.

Having a process in place by which employees and managers agree on performance goals helps drive significant organizational performance. Top-performing companies even support managers with tools and technologies to help initiate performance and goal-setting conversations that better result in this link between individual efforts and organizational goals.

Moving toward a more engaged, accountable workforce doesn't happen overnight. It requires continual and ongoing effort to change ingrained beliefs and behaviors about the role of employees and leaders in an organization so that employees eventually can say — and truly believe — the following:

- ✓ "I play a vital role in this organization and am responsible for what happens here."
- ✓ "If I see a problem, it is my duty to fix it."
- ✓ "My job is justified only if I make a valuable contribution."

Employee communication

Communication is the lubricant of any well-run organization, and it's especially vital for successful employee engagement. In my research, communication ranked highest (95 percent) of all motivational factors that employees most want in their jobs today. Communication needs to be consistent, bidirectional, involve all levels of the organization, and cover all lengths of time (here-and-now, upcoming, and long term).

Of course, managers and executives must be willing to receive and truly listen to honest and open feedback from employees regarding what they, the employees, most need to be engaged. All staff members should be informed about things critical to the company's success and how they each can contribute to that success. Through strong communication, employees feel a sense of responsibility for the success of the organization and can better champion the organization's mission and values, as well as its products and services.

Employee expectations

"What do you expect from me in my job?" is the starting point for all performance and engagement. Therefore, setting clear goals and expectations is vital. These expectations typically come from one's manager. We know from research that the best goals have these characteristics:

- ✓ **They are few in number and specific in purpose:** After all, any of us can only focus on one thing at a time.
- ✓ **They are "stretch" goals:** That is, they are not too easy and are not too difficult. Instead, they have a good chance (some studies suggest about 70 percent) of being achieved with a dedicated focus by the employee.
- ✓ **They are collaborative:** They involve one or more discussions between the employee and his or her manager.



The days of just telling employees what to do and expecting it to be done as expected are pretty much over. To motivate employees to do their best work, you need to explain to them the "why" of their work — its significance and relation to the organizational goals and customers — and engage them by asking them what they expect of themselves (and of you, their manager!). The process of collaboratively setting clear employee expectations creates a strong bond and motivation between managers and employees.



Employees today are inherently motivated to do a good job where they work. I've never yet met an employee who gets up in the morning and says, "I hope I make a mess of things at work today!" They want to help the organization be successful and prosper as best they can, but they can't do this in a vacuum. They need the leadership and support of management to help create the context for their success.

Employee support

Studies have shown that the most important relationship for an employee at work is the relationship between the employee and his or her direct manager. "If you have a good boss, you have a good job" rings true around the world. If employees don't have support from their managers to be fully engaged, they won't fully engage. Therefore, as a manager, your primary responsibility is to support your employees. This could mean modeling engagement and recognition, being there when they want or need to communicate, being available to discuss problems, finding ways for your employees to get extra training and development, and so on.

As a manager, you are also the primary communication link between your employees and the rest of the organization and, as such, can help employees develop so that, over time, they can take on new roles and responsibilities in the organization.

Employee development

Although all development is self-development — that is, employees have to have the ambition, motivation, and skills to want to learn new things in their jobs — your employee engagement strategies should incorporate development opportunities for employees. In most organizations, the role of employee development increasingly falls to one's manager, with the human resources and training and development departments providing guidance as needed.



Employees are more likely to invest in an organization that invests time, energy, training, and so on in them. Career development is the way individuals manage their career paths. It requires the involvement of their managers and others in the organization to help structure opportunities for their learning and growth. Career development is thus a collaborative effort between the organization and the employee that, ultimately, creates greater engagement.

Employee recognition

Employee recognition is fundamental to ongoing support and motivation of any individual employee or group. As I explain in the upcoming chapters, the key to driving an engagement culture is to systematically recognize employees based on their performance. Although money and other forms of compensation are important to employees, what tends to motivate them to perform at their highest levels are the thoughtful, timely, personal kinds of recognition that signify true appreciation for a job well done. Yet managers and organizations struggle to create an organizational culture that systematically recognizes employee performance when it happens. This book will help you to address that challenge.

Employee recognition programs are quickly becoming one of the fastest growing areas of talent management and a key driver of business success.

I discuss employee recognition extensively throughout this book, and I examine the link between recognition and employee engagement much more thoroughly in Chapter 3.

Why Employee Engagement Is So Elusive

As indicated in the introduction of this book, the percentage of engaged employees in the workforce has remained roughly constant at about 30 percent for at least the last 20 years, even though an increasing amount of time, energy, focus, and financial investment has been exerted annually to expand that percentage. Why is this?

Assuming that organizations sincerely do care about their employees and not just about business success and profits, four reasons come to mind: 1) measured engagement variables are too intangible and subjective, 2) the focus of corrective actions are misplaced, 3) one size does not fit all, and 4) the management of change is too complex.

Measured variables are too intangible

Assessing engagement often involves measuring intangible variables, such as employee perceptions, and this may explain why engagement has lagged. Measuring individual perceptions is a slippery slope. The scoring is subjective and can vary due to many circumstances, yet the aggregate scores are treated as objective facts.

How do you systematically impact employees' perceptions of engagement variables like "At work, my opinions seem to count." A company can do 100 things that it hopes will impact employees' perceptions with no guarantees that any of those efforts will work. Quite likely, the company would need to do different things for different people to get a more favorable response. One person may just need to have a comment validated by a manager or executive ("Great insight, Gary!"), while another employee may not believe his opinion counts until a manager acts on the input or idea that was provided.

These observations may explain why organizations are moving away from traditional engagement surveys as the primary means of managing engagement strategies. Although surveys are a valuable way to gauge engagement levels, they do not always yield the kind of information that enables organizations to improve their recognition and engagement efforts. In Chapter 8, I talk more about how to measure recognition and engagement in meaningful and useful ways.

Corrective actions are misplaced

Measuring one set of variables but then focusing elsewhere to try to impact those variables seems like a fool's errand, yet this is exactly how most engagement strategies are structured. Placing the onus of action on the organization and its management rather than the employees themselves with managerial support is a no-win proposition.

Suppose, for example, that you ask employees, "Are you using your full potential at work?" and they report, "No, I am not." How can any manager alone fix that situation? Any potential solutions will at best be a guessing game, and it makes it a little too easy for employees to report, "No, you still haven't got it right — try again" the next time they are surveyed.

Notice how the picture changes if you recast the question to, "Are you taking measures to use your full potential at work?" The focus for change is now on those individuals whose negative perceptions were the driving force behind your decision to take action to begin with.

A better strategy is to focus on the behaviors you want to see more of in employees. You can do that by systematically recognizing and reinforcing behaviors that have the greatest impact on this particular variable.



When writing your engagement survey questions, consider changing the focus of the questions from being *passive* to being *active* so that the questions focus more on your employees' actions. Instead of a statement like, "I'm given adequate information on issues of importance to my job by management," include this statement: "I seek the information I most need to do my job."