

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

**Best Practices in Rewarding
and
Recognising Employee Achievements**

Submitted in partial fulfilment of the requirements of the degree of
Masters of Philosophy

Institute of Technology and Engineering
College of Sciences
Massey University
New Zealand
27 March, 2008

Nicola Campbell-Allen

2007

Declaration

The research in this thesis constitutes work carried out by the candidate unless otherwise stated. The thesis is less than 30,000 words in length, exclusive of tables, figures, bibliography and appendices, and complies with the stipulations set out for the degree of Masters of Philosophy by Massey University.

Thesis Abstract

Managers and Human Resource professionals are constantly seeking answers to the question of how best to reward and recognise their employees. Whilst there is a raft of international information the need for New Zealand-based research and answers has been identified. The focus of this study is on Reward and Recognition (R & R) practices in New Zealand organisations so that key findings, best practices and/or recommendations in this important area can be identified and shared with other New Zealand organisations.

This study involved a three phase methodology (1) a review of international and national literature on R & R, (2) the collection and analysis of quantitative data using an electronic e-mail survey, and (3) the collection and analysis of qualitative data using a structured interview process with eight organisations considered to be best practice.

This thesis provides discussion on:

- The impetus for this study;
- Key themes from the literature;
- The development of a model for rewarding and recognising employees;
- Quantitative results from the survey;
- Qualitative findings from the interview process; and
- Key findings for organisations wishing to implement a R & R strategy.

Table of Contents

Declaration	
Thesis Abstract.....	
Table of Contents	
i. Acknowledgments.....	i
ii. List of Tables	ii
iii. List of Figures	iii
iv. Key Definitions and Abbreviations.....	iv
v. Publications	vii
1. Introduction	1
1.1 Introduction and Background to the Study	1
1.2 Statement of the Problem	2
1.3 The National Need for This Study	4
1.4 Research Aims and Objectives	5
1.4.1 NZBC HRFW Benchmarking Project Aims	5
1.4.2 Thesis Project Aims	5
1.4.3 Project Objectives	6
1.5 Thesis Structure	6
2. Background	8
2.1 The New Zealand Benchmarking Club (NZBC)	8
2.2 The Baldrige CPE.....	9
2.3 Project Selection.....	12

3. Review of the Literature.....	15
3.1 Motivation Theory.....	15
3.1.1 Motivation Defined	16
3.1.2 Abraham Maslow	17
3.1.3 Frederick Herzberg.....	19
3.1.4 Douglas McGregor	21
3.2 Synergy Between Organisational/Individual Goals	22
3.3 What Employers/Employees Consider Important Job Factors....	27
3.4 The Focus on Money	32
3.5 Individual versus Team Rewards	35
3.6 Tailoring of Rewards and Recognition	38
3.7 Development of a R & R Model.....	42
4. Methodology	47
4.1 Benchmarking.....	47
4.2 The TRADE Workgroup Process	49
4.3 Benchmarking of Best Practice: A Three Phase Approach	51
4.4 Phase Two - The Survey.....	58
4.5 Phase Three – The Interviews	62
5. Data Analysis and Findings.....	66
5.1 The Survey	66
5.2 The Interviews.....	82
6. Discussion and Recommendations for Best Practice	94
7. Conclusion.....	107
8. Appendices	110
9. Bibliography	111

i. Acknowledgments

I would like to acknowledge the following people for their contribution to this project and thesis:

1. Dr. Don Houston – Senior Lecturer, Institute of Technology and Engineering, Massey University.
2. Dr. Nigel Grigg – Senior Lecturer, Institute of Technology and Engineering, Massey University.
3. Dr. Robin Mann – Director, Centre for Organisational Excellence Research, Massey University.
4. NZ Benchmarking Club Human Resource Workgroup members
5. Organisations who participated in the survey and interview process.

ii. List of Tables

1. Table 1: The iDeal Methodology (Poster and Scannella 2001).
2. Table 2: Components of a Reward Strategy (Gross and Nalbantian 2002).
3. Table 3: The 6 Degrees at a Glance (Moses 2000).
4. Table 4: Questions Used to Determine the Organisations to be Interviewed.
5. Table 5: What Employees Get Rewarded and Recognised For.
6. Table 6: Reasons for Having R & R Practices.
7. Table 7: How Individuals Contributions are Rewarded and Recognised.
8. Table 8: How Workgroup and Project Team Contributions are Rewarded and Recognised.
9. Table 9: Who Provides Rewards and Recognition.
10. Table 10: Sample Comments re 'Key Factors Hindering Success of R & R Strategies'.
11. Table 11: Sample Comments re 'Key Factors Promoting Success of R & R Strategies'.
12. Table 12: Sample Comments re 'Recommendations to Others Who May Wish to Implement R & R Strategies'.
13. Table 13: Ratings of Success of R & R Strategies.

iii. List of Figures

1. Figure 1: Baldrige Criteria for Performance Excellence Framework: A Systems Perspective (NZBEF 2002, pg 5)
2. Figure 2: NZBC HRFW - R & R Model.
3. Figure 3: NZBC Benchmarking Process Adapted From Codling (1992)
4. Figure 4: The Generic Workgroup Process Used by Workgroups of the NZBC
5. Figure 5: Research Methodology and Investigation Methods.
6. Figure 6: Actions Taken to R & R Employees.
7. Figure 7: How the Success of R & R Strategies is Measured.
8. Figure 8: Planning and Evaluating R & R Strategies – Mean Importance & Effectiveness Scores by Question.
9. Figure 9: Planning and Evaluating R & R Strategies – Mean Importance & Effectiveness Scores by Organisation.

iv. Key Definitions and Abbreviations

The following key definitions were used throughout this study and should be referred to when reading this thesis:

Achievement - when something is successfully carried through, accomplished, attained, fulfilled, reached or made.

Benchmarking - Is a systematic process for identifying and implementing best or better practices. Although experts break benchmarking into several types, there exist two main types of benchmarking: (1) Performance/competitive benchmarking – involving comparing the performance levels of organisations for a specific process in order to identifying opportunities for improvement and/or set performance targets or benchmarks, and (2) Best practice benchmarking; - where organisations search for and study organisations that are high performers in particular areas of interest. The processes and performance levels of these organisations are studied in order to identify, capture, analyse, and then implement best practices.

Business Process Improvement Resource.com (BPIR.com) - The BPIR.com website was launched in April 2002 by the COER. Its vision is to be the essential Internet resource for performance improvement. The BPIR.com aims to assist organisations world-wide to improve their performance by providing a web-site resource that includes the quick provision of relevant information on the latest thinking/research into organisational improvement in areas such as benchmarking, best practices, performance improvement activities, performance measures. Various business excellence models such as the CPE are used as the frameworks for structuring the information.

Centre for Organisational Excellence Research (COER) - The Centre for Organisational Excellence Research (COER), Massey University (New Zealand) was formed in February 2001 to integrate a number of initiatives

aimed at helping organisations to significantly improve their business performance. These initiatives are all focused on benchmarking, best practices, and organisational excellence using the strategies of acquiring, sharing, and applying knowledge on organisational excellence.

Criteria for Performance Excellence (CPE) - The CPE is the framework used and managed by the NZBEF and provides an internationally recognised framework for organisational assessment and improvement. Adopted from the National Institute of Science and Technology (NIST). It is the framework behind the US Malcolm Baldrige National Quality Award, and is the basis for over 60 other national Business Excellence/Quality awards around the world. In New Zealand it is known as the New Zealand Business Excellence Framework.

Innovation - to propose or implement new, unique or fresh methods, ideas or approaches (or the like), to make changes, to do something differently, to invent, discover or create a new idea or item, to improve something.

New Zealand Benchmarking Club (NZBC) – Managed by the COER, the Club consisted of organisations that were striving to achieve an ambitious vision of "World-class performance by members, and widespread adoption of excellent business practices within NZ". The Club's processes were centred on benchmarking and the CPE, and included workshops for sharing best practices, workgroups for undertaking focussed benchmarking studies, benchmarking training, production of best practice reports, an annual business excellence assessment against the CPE, and benchmarking research support. Activities are measured using the Baldrige Criteria for Performance Excellence or CPE.

New Zealand Business Excellence Foundation (NZBEF) - The NZBEF is a not-for-profit charitable trust set up by private and public enterprise to help improve the overall performance of New Zealand organisations in a range of sectors. The Foundation's mandate is to assist New Zealand organisations improve their performance and capabilities by providing a best practice

business framework also known as the Criteria for Performance Excellence (CPE) and by offering support, training, self assessments and networking with like-minded managers.

Recognition - the act of formally or informally acknowledging, crediting, rewarding, thanking, praising, or identifying someone or something previously seen or known.

Reward - anything that satisfies or pleases, that is given (and received), in return for something done e.g. a monetary sum or other form of compensation or remuneration, recognition, due credit, acknowledgment, thanks, a tribute, praise, or honour for certain actions.

Special project team members – individuals who are brought together to work on a specific, planned and time-bound project.

Workgroup – a group of people, such as in a department or section, who work together everyday (except when referring to the New Zealand Benchmarking Club Human Resource Focus workgroup).

v. Publications

Publications arising from this thesis:

1. Campbell-Allen, N.M. (2004) Best Practices in Reward and Recognition of Employee Innovation and Achievement - Preliminary Research Results, New Zealand Benchmarking Club Conference, Conference Presentation and Proceedings, 28th November 2002, Auckland, New Zealand.
2. Campbell-Allen, N.M., Houston, D., & Mann, R., (2005) Best Practices in Reward and Recognition of Employee Innovation and Achievement, Qualcon Conference Presentation and Proceedings, 31st October – 2nd November 2005, Sydney, Australia
3. Campbell-Allen, N.M., Houston, D., & Mann, R., (2006) Best Practices in Reward and Recognition of Employee Innovation and Achievement, 11th World Congress for Total Quality Management Presentation and Proceedings, 4th – 6th December 2006, Wellington, New Zealand
4. Pending - Campbell-Allen, N.M., Houston, D., & Mann, R., (2008), Best Practices in Reward and Recognition of Employee Innovation and Achievement , which has been accepted for publication is due to appear in a 2008 special issue of the TOTAL QUALITY MANAGEMENT & BUSINESS EXCELLENCE JOURNAL

1. Introduction

1.1 Introduction and Background to the Study

Managers and Human Resource professionals are constantly seeking answers to the issue of how best to reward and recognise (R & R) their employees. Whilst there is a raft of international information the need for New Zealand-based research has been identified. The focus of this study is on Reward and Recognition (R & R) practices in New Zealand organisations so that key findings, best practices and/or recommendations in this important area can be identified and shared with other New Zealand organisations.

This study involved the collection and analysis of quantitative data via an electronic e-mail survey sent to organisations belonging to the New Zealand Business Excellence Foundation (NZBEF), members of the Centre for Organisational Excellence Research (COER) and the Business Process Improvement Resource (BPIR.com). Based on survey responses eight organisations considered to have potential best practices were chosen to further identify key learnings. This was undertaken by means of a qualitative process using a structured interview.

This thesis provides discussion on:

- The impetus for this study;
- Key themes from the literature;
- The development of a model for rewarding and recognising employees;
- Quantitative results from the survey;
- Qualitative findings from the interview process; and
- Key findings for organisations wishing to implement a R & R strategy.

1.2 Statement of the Problem

Many writers (MacKay 1993, Ambrose 1999, Kohn 1999, Bragg 2000, Stredwick 2000, Gross & Nalbantian 2002), both internationally and within New Zealand have focused on the issues surrounding rewarding and recognising employee contributions within the workplace. Organisations (such as the Remuneration Network; Remnet), have also been established to assist and provide support to Human Resource (HR) professionals and organisational leaders as they try to determine and implement strategies that fit their organisations. Many companies have also looked for role model organisations against which to benchmark or from whom to copy practices that they consider are either workable strategies or best practices. However, despite such initiatives many organisational leaders and HR professionals still struggle or express uncertainty about what is best to do.

Gross and Nalbantian (2002) clearly express the sentiments of these individuals in their comment that organisations struggle "...to define the right equation: how to pay the right people, the right amount, for the right reason at the right time", and "...just as you are what you eat, organisations become what they reward".

Cave (2002a) highlights the importance of workplace motivation and reward within organisations. He states "The search for what motivates staff has become something of a crusade...Many are recognising that money is not – and possibly never was – the best motivator. Employees are looking for more". In the Australian context he further comments that "Corporate Australia has begun to recognise that motivation does not materialise out of thin air – companies must work hard to maintain the interest and energy level of their most talented employees or they will simply disappear" and that "Motivation is now a make-or-break proposition...It comes down to a simple equation: a satisfied workforce equals a motivated workforce, and a motivated workforce makes more money".

Macky (1993) comments that "Designing reward systems....is not easy...Finding the right mix for your organisation....is a key challenge currently facing pay specialists...It is a complex area and the potential for failure is large...On the other hand, well-designed interventions in organisational systems work...that indicate powerful benefits for organisations in productivity and human terms".

What appears to make R & R a significant problem is that organisational and individual success is said to rely on employees who are motivated, working towards achievement of organisational and individual goals, have achievement of these as a top priority in their daily work practices, and have a mindset and approach that focuses on continuously improving what they do. Stredwick (2000, pg 9) comments that the evolution of the concept of Human Resource Management in the mid 1980's "...led to the recognition that the workforce was one of the key areas of competitive advantage", and "How that workforce is recruited, trained, challenged and involved became critical components in ultimate organisational success". As a result of this thought evolution "...reward issues need to play a major part to produce a well-oiled high-performance people machine focused on organisation objectives"

A study of employee attitudes undertaken by the Gallup Organisation (Anonymous 1998 cited IOMA), with more than 100,000 respondents in 12 industries using 12 statements, showed that employees who have a positive attitude toward their work are 50% more likely to achieve customer loyalty and 44% more likely to produce above-average profitability. Companies whose support of the 12 statements ranked in the top 25%, averaged 24% higher profitability, 29% higher revenues and 10% lower employee turnover.

It appears that for many organisations and HR professionals the issues include - how do we reward and recognise our staff so that their own and the companies goals are met, they are successful, we are successful, motivation is maintained or enhanced, and employees give their best? In reviewing the literature, the issues appear to go even further – what needs to go into the

mix to achieve these successes and a R & R programme that meets everyone's needs - fixed pay, bonus payments, sabbaticals, training and development opportunities, job challenge, special work projects, gifts, incentive plans, gain/profit sharing plans, stocks and bonds, award ceremonies? As there appear to be so many aspects – what should be included and how can it be made to work the most effectively?

1.3 The National Need for This Study

Within the New Zealand context, the need for R & R solutions that fit, and are based on the needs of this country's social and work cultures was identified as an area of concern by members of the New Zealand Benchmarking Club (NZBC) at the start of 2002 (background information on the NZBC and their project identification processes are described in Chapter 2). Each year members of The Club used a brainstorming and prioritisation process to identify key issues within The Club's member organisations.

The Criteria for Performance Excellence (CPE) (NZBEF 2002) was used as the decision-making and work practice framework by the members. The resulting priority areas became the focus for Workgroup activities and were aimed at researching and identifying information, models, activities or best practices that could be implemented to improve business success and progress towards business excellence within the member organisations. The CPE is used by the New Zealand Business Excellence Foundation (NZBEF) as the framework for both national, regional and Industry specific improvement initiatives and award processes. It is used by many successful businesses throughout New Zealand as the basis for assessing, determining and implementing organisational improvements. Category 5 of the CPE is devoted to Human Resource Focus. The process of project selection and benchmarking used by the NZBC, and which forms part of the methodological basis of this research, is fully discussed in Chapter 3.

As a result of the project selection process the NZBC Human Resource Focus Workgroup (NZBC HRFW) was established. This workgroup was

facilitated and managed by the writer whom provided all academic and research services. Members of the NZBC HRFW contributed their time, advice and support to the project process. Both the NZBC and NZBC HRFW provided the impetus, support and vehicle to allow this thesis to be undertaken. This thesis provides discussion on the research process and findings, and gives background to the projects origination with the NZBC.

1.4 Research Aims and Objectives

The aims of the overall benchmarking study were determined by the NZBC HRFW and were as follows:

1.4.1 NZBC HRFW Benchmarking Project Aims

- Aim 1 To identify best practices for recognising and rewarding innovation and achievement in delivering business success; and
- Aim 2 To write a project report so that other individuals and organisations can benefit from the work and learning of this project.

1.4.2 Thesis Project Aims

In terms of this thesis however, the research aims are expressed as follows:

- Aim 1 To review literature and gain an understanding of R & R theory and practices;
- Aim 2 To identify current and best practices for recognising and rewarding employees in New Zealand organisations; and
- Aim 3 To develop recommendations for the implementation of successful R & R practices within New Zealand organisations.

1.4.3 Project Objectives

The following objectives relate to the above aims, and form the research objectives of this thesis. To:

- Develop a R & R model from literature and theory;
- Identify who and what is rewarded and recognized e.g. individuals, groups/teams, specific organisational activities, projects;
- Identify approaches being used and how they are used e.g. the types of R & R strategies being used, and their parameters and criteria;
- Determine what contextual factors may promote or hinder success;
- Identify how the approaches motivate and incentivise employees to achieve personal and business success;
- Identify costs associated with strategies being used;
- Identify how the success of strategies is measured and determined;
- Determine what is considered best practice in R & R;
- Identify organisations that have best practice R & R programmes so that key lessons can be learnt, understood and benchmarked; and
- Develop a R & R model that can be used by New Zealand organisations to develop and structure their R & R strategies.

1.5 Thesis Structure

This thesis has the following structure:

- Chapter 2 provides background to the NZBC, and the CPE. The rationale for the choice of this subject area as a project and thesis topic will be detailed.
- Chapter 3 discusses relevant literature surrounding the topic of R&R, and includes research on motivation theory, the need for synergy between organisational and individual goals, what employers and employees consider important job factors, the importance of money in R & R, individual versus team rewards, and tailoring of R & R. The review results in the presentation of a theoretical model of R&R practices.

- Chapter 4 discusses in detail the methodology adopted by the writer and the NZBC for this and all other projects undertaken by the NZBC. This will include discussion of benchmarking and the TRADE workgroup process. In addition discussion will focus on the three phase research methodology specifically used by the writer.
- Chapter 5 presents the data analysis and key findings from phases two and three of the methodology used, namely the survey and interview processes.
- Chapter 6 provides discussion on the results and findings of this study relation to this study, and their relevance to the literature reviewed and the conceptual model discussed in chapter 3.
- Chapter 7 presents overall conclusions and recommendations resulting from the study.

2. Background

2.1 The New Zealand Benchmarking Club (NZBC)

The NZBC was originally established in order to assist like-minded organisations towards the objective of "world-class performance by members". Formed in May 2000 it was a partnership between Massey University and the NZBEF, and was managed by the COER. The club consisted of 18 New Zealand organisations that were committed to becoming world-class performers using the CPE. Although the member organisations were different in size, age, ownership/governance, and industry sector, they attempted to successfully work together to acquire, share and apply knowledge of best practices.

Best practices has been defined by the American Productivity and Quality Centre (1997) as "Those practices that have been shown to produce superior results; selected by a systematic process; and judged as exemplary, good, or successfully demonstrated". While there are a large number of potential best practices in relation to R & R used by organisations around the world, identifying both who they are, and what they are, can be a problematic task as they are often not publicly known. Where an organisation has been considered to have best practices for their performance in a particular area and becomes a standard against which others measure themselves, these organisations may become known via the media, through publications, through awards etc. However, in many cases they may remain unknown to the general public.

The reasons an organisation joins groups that provide a support or education network like the NZBEF, the NZBC or the COER may be many and varied. This may be for the learning they can get or give to others, for networking purposes etc. It may also be because they may not consider themselves to rate highly in an area, and membership is actually an active effort to increase their knowledge and skill levels and thus improve part or all of their

organisation. As such, the use of workgroups and projects may meet many needs including learning about others outside of their organisation as occurred with the NZBC HRFW.

The process of benchmarking formed the basis for much of the work done by the member organisations and was the framework used by the NZBC HRFW and this writer (fuller details on benchmarking can be found in Chapter 4).

2.2 The Baldrige CPE

Benchmarking is closely associated with the use of Business Excellence models. Mann (cited COER 2002) suggests that "For organisations to reach performance levels judged as "world-class" the various business excellence models indicate clearly, through their scoring systems, the importance of benchmarks and the process of benchmarking. Czarnecki (1998 cited COER 2002), concluded that over half the points available were related to benchmarking activities.

The criteria consist of seven categories that include leadership, strategic planning, customer and market focus, measurement, analysis, and knowledge management, human resource focus, process management and business results.

These 7 categories are further split into sub-sections, covering different aspects of the category in further detail, and focusing an organisation's attention further. The model below highlights how the criteria treat an organisation as a system with each area interdependent on one another, supported by measurement and knowledge management.

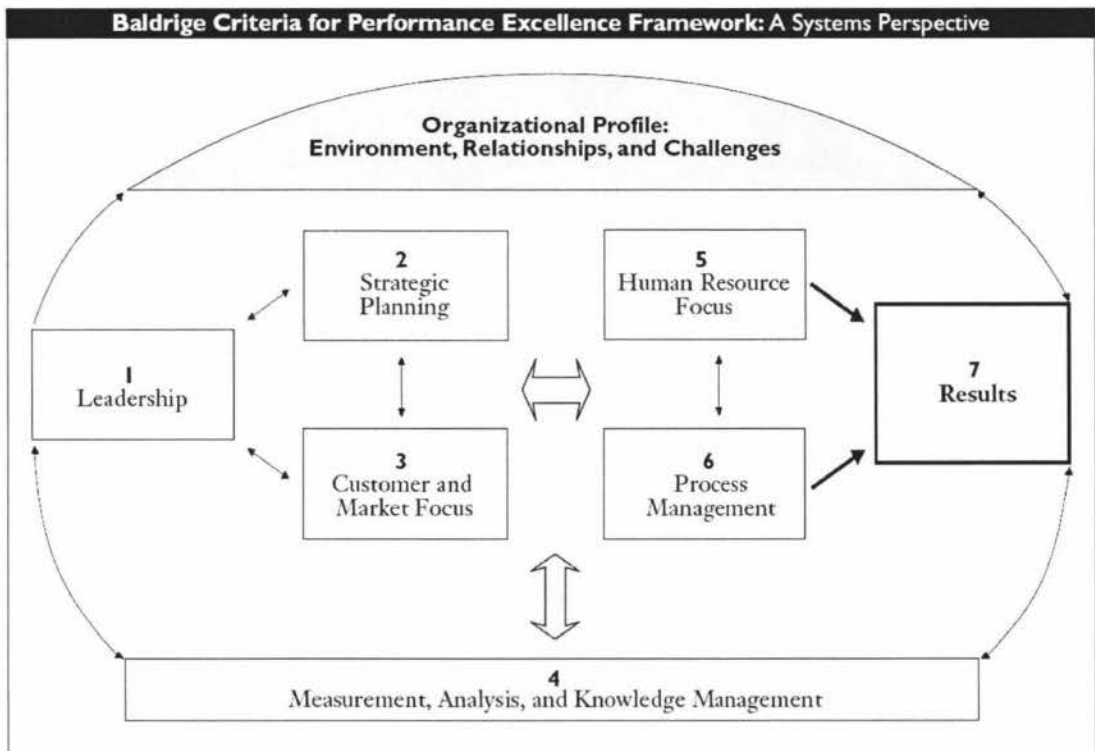


Figure 1: Baldrige Criteria for Performance Excellence Framework: A Systems Perspective (NZBEF 2002, pg 5)

The Criteria for Performance Excellence (CPE) is used by the NZBEF as the framework for both national, regional and industry-specific improvement initiatives and award processes.

In line with the NZBC practice of linking workgroup projects to the CPE this project was aligned with Category 5: Human Resource Focus and its 3 Items, all of which contain reference to R & R. An interpretation of the Category and its three items is given below:

Category 5: Human Resource Focus 85 points total

This Category addresses key human resource practices that are directed toward creating and maintaining a high-performance workplace, and toward developing employees to enable them and the organisation to adapt to change. Covered is the integration of human resource planning as part of overall planning, human resource development and management, the work environment and employee support climate.

Item 5.1: Work Systems 35 points

This Item is concerned with an organisation's systems for work and jobs; communication, employee compensation, career progression, performance management, recognition, and hiring. An overall aim is that these practices enable and encourage all employees to contribute effectively and to the best of their ability. The systems used are intended to foster high performance, that results in individual and organisational learning, and that enables adaptation to change - thus contributing to a successful and sustainable organisation

Item 5.2: Employee Learning and Motivation 25 points

This Item examines the education, training, and on-the-job reinforcement of knowledge and skills. It also considers the systems used for motivation and employee career development with the aim of meeting the ongoing needs of employees and a high-performance workplace.

Item 5.3: Employee Wellbeing and Satisfaction 25 points

This Item examines an organisation's work environment, employee support climate, and how employee satisfaction is determined. The aim of this item is the fostering of the well-being, satisfaction, and motivation of all employees while recognising their diverse needs. The item also includes an organisation's capabilities for handling emergencies or disasters with the aim of employee protection and workplace safety.

Each category (and item within a category) is given a score - with a total possible score of 1000 points being available. The use of this scoring framework allows the performance of an organisation to be judged (and benchmarked) against other organisations, and helps monitor their performance improvements over time.

When scoring, a number of factors are considered including:

1. How the item is approached and deployed throughout the organisation;
2. What is learnt through cycles of evaluation and improvement,
3. How approaches are integrated to be in line with current systems and or measures;
4. The current performance, trends and levels of business results; and
5. How the organisation performs relative to benchmarks.

The CPE is used by both the NZBEF and NZBC as the framework for assessing an organisations strengths and opportunities for improvement so that continuous improvement activities can be implemented. In this study the CPE was used to determine the Categories and the items that specifically discussed R & R, so that the project could most adequately be aligned with the main ways in which the NZBC structured and completed their workgroup research and tasks.

2.3 Project Selection

In March 2002 the representatives of the 18 NZBC member organisations determined priority areas for best practice benchmarking and case study projects for the 2002–2003 years. Using a brainstorming and voting methodology, improvement of the HR practices of the members was identified as an area of concern. In line with the NZBC practice of linking workgroup projects to the CPE this project was aligned with Category 5: Human Resource Focus and the 3 Items contained in that Category, namely (1) work systems, (2) employee learning and motivation and (3) employee well-being and satisfaction.

A team of nine was established from the members of the NZBC with experience or interest in this area. The workgroup became known as the New Zealand Benchmarking Club Human Resource Focus Workgroup or NZBC HRFW.

At the first meeting of the NZBC HRFW a brainstorming approach was used to identify the current approaches used by each organisation when rewarding and recognising staff achievements, and the challenges that they faced when implementing these approaches. A rating and voting system was then used to identify the top issues of concern to all members present (the results of these activities are included in Appendix 1).

The concerns of the NZBC HRFW supported the need for New Zealand-based research. At the same time, these rankings supported the early thread of concern identified by international researchers and writers, that is knowing what, when, who, why and how to reward, in a way that is fair, reliable, interesting, realistic, appropriate, incentivises and motivates employees, promotes individual and organisational success, and leads to improved business results.

This workgroup was facilitated and managed by the writer who provided all academic and research services including:

- Facilitation of all project meetings;
- Writing and distribution of minutes;
- Literature searches and reviews;
- R & R model development;
- Survey development, distribution and analysis; and
- Interview development, implementation and analysis.

The NZBC HRFW and writer met 6 times between May 2002 and September 2003. During this time:

- Full terms of reference and an action plan for the project were written (Appendix 1);
- Research (both International and New Zealand-based) was undertaken;

- Guest speakers (with an interest or skill in remuneration) were invited to present their thoughts;
- A best practice R & R model was developed;
- A survey was designed, tested and distributed;
- Survey results were analysed and reported to participants;
- Potential best-practice organisations were selected and interviewed (based on the results from the survey); and
- Results were reported to the NZBC membership.

3. Review of the Literature

Whilst conducting the research and review section of the TRADE process, it became apparent that there were a number of separate research areas that impacted upon the study of reward and recognition. These ranged from motivation theory, organisational goal setting, tailoring of R & R practices, to determining the needs of both employers and employees. As a result, the literature review presented below is divided into subcategories which deal with the issues considered to have had an impact on this area.

3.1 Motivation Theory

Individuals responsible for managing staff have a variety of key responsibilities. Of significance is the need to get things done through others in order that organisational and personal goals can be completed. To help achieve this, a committed and motivated workforce is seen as critical, with highly motivated employees seeking to work beyond the usual boundaries of their work roles in order to not only achieve the objectives of the organisation and their manager, but also to improve themselves. A good manager is seen as one who is able to inspire and motivate their staff, who can encourage them to strive for superior (or excellent) performance, who promotes productivity, and ensures continuation of work outputs even during times of organisational difficulty, increasing market competition, and economic changes.

Motivating others is seen as a challenge however, and managers are required to have an understanding of what motivates employees if personal and organisational success is to ensue. In fact, Kohn (1999, pg 13) writes "The livelihood of a veritable herd of consultants is based on devising fresh formula for computing bonuses or dreaming up new money substitutes to dangle in front of employees: vacations, banquets, special parking spaces, cute plaques – the list of variations on a single, simple model of motivation is limitless", with between 75 – 94% of American organisations having some form of incentive or merit-pay plan in place.

The techniques that are used to motivate staff are many and varied. A significant goal of using motivation techniques is said to be to increase personal and organisational productivity (MacKay 1993, Stredwick 2000, Poster and Scanella 2001, Gross & Nalbantian 2002). However, a highly motivated workforce can also lead to other outcomes "... such as reduced absenteeism and turnover, increased innovation, employee satisfaction and an enhanced corporate image. These can then translate into higher quality products or services, increased customer satisfaction and enhanced financial performance" (Campbell-Allen & Welch 2004).

Frederick (2001) notes "Motivation is a topic that generates a lot of debate.... Irrespective of the business sector, motivation will always be an issue to be addressed by management". He further states "...it is essential for managers to understand the concept of motivation. An understanding of motivation may contribute to a more co-operative working environment and an increase in employee productivity".

3.1.1 Motivation Defined

Motivation has been defined as:

1. The inner force that drives individuals to accomplish personal and organisational goals (Campbell-Allen & Welch 2004);
2. The psychological process that gives behavior purpose and direction (Kreitner, 1995 cited Lindner 1998);
3. The will to achieve (Bedeian, 1993 cited Lindner 1998).
4. A predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995 cited Lindner 1998); and
5. The set of internal and external forces that initiate work-related behaviour and determines its form, direction, intensity and duration (Pinder 1998 cited Ambrose (1999).

Further, motivation has been segmented into main two drivers – internal and external motivation. The NZBC HRFW (appendix 6) defined intrinsic motivation as “An internal, built-in, deep seated, inbred desire or get-up-and-go to act, that causes us to participate in an activity for our own enjoyment, rather than for any tangible reward that it will bring us, such as when the task itself seems rewarding and meets a person’s needs or goals”. Extrinsic motivation was identified as referring to “...external encouragement, impetus, or pressure to act in order to meet a final reward, or that causes us to do something for a tangible reward”. Thus motivation is considered to be a driver of behaviour that has either internal or external forces compelling us to act in a certain way, and is thus likely to vary from individual to individual. Frederick (2001) supports this notion and explains that motivation is a personal phenomenon, not a homogenous commodity held by all individuals, and that everyone has different motivators driving their action.

There are many definitions and theories of motivation. Three of the most commonly known, related to workplace motivation, are those of Abraham Maslow, Frederick Herzberg and Douglas McGregor. A summary of the main concepts of these three theorists gathered from secondary sources follows.

3.1.2 Abraham Maslow

Abraham Maslow (a sociologist, and regarded as the first person to develop a theory of motivation) proposed that all humans have 5 differing levels of universal needs. These needs could be categorized and predicted, with those at lower levels having to be met prior to those at higher levels. This theory may be applicable to modern management and workplace motivation and reward and recognition practices as follows:

1. Physiological needs – these are the needs required to ensure personal survival and include the needs for food and shelter etc. It can be considered that money received for work we do can provide the ability to pay for these basic needs of survival.
2. Safety and security needs – needs at level 2 include finding safety, security, stability, protection, and a need for structure, order, limits, and

ways of preventing or reducing fears and anxieties. In an employment scenario this may demonstrate as the need for employment security, reliable transport to and from our place of work, savings and a retirement plan, health insurance, or anything that may be considered to contribute to order and certainty. A feeling of safety may be gained from the security that employment may bring and the income that can be used to acquire such things.

3. Love and belonging needs – after level one and two needs are in the main met, individuals are considered to seek out affiliation with others. This traditionally has included the need for friends, marriage, children, affectionate relationships and a sense of community belonging. Work can provide opportunities for individuals to gain a sense of belonging and identity through involvement in work teams, project groups and larger organisations groupings.
4. Self-esteem needs – level four includes meeting needs for such things as respect from others, status, recognition, appreciation, dignity, confidence, competence, achievement, mastery, independence, personal status or self-respect and freedom. Such needs may be satisfied in the work situation by recognition from peers, mentors and employers. This level may include the meeting of these needs via raises in pay, bonuses, certificates for educational or work achievements, praise from peers or superiors, the type of work done and its organisational or societal status, the type of organisation worked for, and for some individuals, even their job titles.
5. Self-actualisation needs – these needs involve the desire to fulfil our potential and to 'be all the person that we can be', becoming the most complete person possible etc. Achievement at this level may be from achieving career goals or ambitions, and such things as seeing completion of work tasks and projects that are important to the individual.

Although Maslow's motivation model has been given a lot of attention, it is not universally or completely accepted. Criticism surrounding its inability to consider cultural, age and gender differences has been considered to

impede its wider use. In the workplace Frederick (2001) highlights that Maslow's model is subject to criticism as it assumes a natural progression from one need level to the next, that single motivators do not drive individuals at all times – that there may be many, that the dominant motivator varies between people, may be different for the managers and the employees, and that often the workplace is not always appropriate or conducive to enabling individuals to meet the higher needs contained in Maslow's theory.

3.1.3 Frederick Herzberg

Fredrick Herzberg's Two-factor Theory (or Motivator-Hygiene Theory) has been used to explain the motivations of workers. The basic hypotheses are that there are two types of motivators - one that results in job satisfaction (*'motivators', 'motivational factors' or 'intrinsic motivators'*), and the second that merely prevents dissatisfaction (*'hygienes', 'maintenance factors' or 'extrinsic motivators'*). Herzberg considered the 'motivator' factors that lead to job satisfaction, and that allow for psychological growth and development on the job, included such things as advancement and promotions, a sense of achievement, interesting and challenging work, responsibility; opportunities to extend oneself to the fullest, the ability to achieve accomplishments, and to be recognised as having done something meaningful and valuable. These could be considered as the 'contents of the job'. Campbell-Allen & Welch (2004) comment that "...it's no big deal if they are not there but it's a big deal if they are" because of their ability to contribute to motivation.

The 'hygiene' (or maintenance) factors are those that are considered to prevent dissatisfaction, and describe the 'conditions' of work rather than the work itself. If applied effectively, they can at best prevent dissatisfaction. If applied poorly they can result in negative feelings about the job. Herzberg believed these to include such factors as pay levels and money, working conditions, job security, interpersonal relations, status, fringe benefits, company policy and administration, and supervision. With hygiene factors it

can be considered that they are “no big deal if they are there, but it's a big deal if they are not” (Campbell-Allen & Welch 2004).

Herzberg contended that if you want to motivate people, concern must be for the ‘job itself’, and that attention should be on the individuals in jobs, not on the things that we surround them with. He asserts that we tend to think that motivation and individual growth and development will occur if we provide good working conditions, status, security and administration, but in fact what does stimulate individuals are opportunities for responsibility, achievement, advancement and recognition. Key methods for achieving these were considered to be ‘job enrichment’ and ‘vertical job loading’ - where a job is redesigned to make it more interesting and employees are given increased authority and challenge within their jobs, alongside more feedback on performance.

Frederick ((2001) considers that the two factors do not in fact function as separate entities and that the motivational factors are influenced by the hygiene factors (or prevailing organisational environment). He sees this as much like a car driving along a road “...these hygiene factors could be considered as the road down which motivation drives. The absence of a suitable road surface prohibits motivation driving along. The implication for the organisation that it cannot afford to neglect the road surface at the expense of the vehicle” with both factors needing to be considered, managed and maintained at regular intervals.

Ambrose (1999) notes that Herzberg's theory continues to have considerable appeal particularly in organisations where managers have limited access to financial motivators as “Individuals consistently express preferences for intrinsic job attributes” - the motivators’ or ‘motivational factors’

3.1.4 Douglas McGregor

McGregor's 'The Human Side of Enterprise' (1960) discussed his theories on behaviour of individuals at work, and his two main models of why he felt managers took the approaches they did towards employees. His Theory X and Theory Y assumptions are still widely discussed and taught. He contends that a manager holding Theory X assumptions would be inclined to believe that individuals inherently do not like work, prefer to be directed, and must be coerced or controlled in order to ensure that they achieve work or organisational objectives. "Managers holding this view of work and their employees would most likely use rewards, promises, incentives, close supervision, rules and regulations, perhaps even threats and sanctions in order to control workers" (Campbell-Allen & Welch 2004).

In contrast, a manager holding Theory Y assumptions would tend to believe that individuals see work as being a natural part of life, will be self-directed and take control of achieving objectives and goals they are committed to, and learn to accept and seek responsibility at work. He also stated that imagination, creativity and ingenuity are abilities that are widely distributed in the work force and can be used to solve work problems, with the intellectual potential of the average person being only partially utilized in modern organisations. "Managers holding this view of work and their employees would most likely demonstrate trust in their employees, use explanations and joint problem-solving methods, give staff room to interpret and implement organisational objectives for themselves, act as a facilitator, provide opportunities for growth and job enrichment, allow staff to use their creative abilities and remove restrictions to doing a good job" (Campbell-Allen & Welch 2004).

The concept of motivation in the workplace has been researched by many scholars and practitioners. Many of these works have been used as frameworks and models by organisational leaders in their attempts to get their employees to work harder and with more passion for their work. Despite this, leaders and HR professionals still continue to look for answers

to how best to motivate and recognise and reward employees for their work. This apparent continued inability to find a model that fits all scenarios is perhaps summarised by Frederick (2001) who highlights the importance of remembering that despite the raft of research and writings on motivation and reward and recognition, a key factor remains – that motivation is a personal phenomenon with individuals having different motivators driving their actions. He concludes, “Underlying any discussion on motivation, it is necessary to understand that generic models are unable to provide a total explanation of individual behaviour because motivation is a personal experience”.

3.2 Synergy Between Organisational/Individual Goals

Limited academic research appears to have been completed on the need for (or effectiveness of), R & R programmes to reward the activities and practices of employees in working towards (and meeting), the goals of organisations. This concept however is understood and agreed upon by organisational leaders and HR professionals, and programmes that are related to rewarding and recognising goal attainment, such as pay for performance systems are in place in many organisations. Such programmes are supported by review processes that establish, and by some means, measure goals, key results and key outputs of individuals. This is typically referred to as a ‘performance appraisal process’. The linking of such individual goals to organisational goals appears in many cases to be by default rather than design. Categories 1 and 5 of the CPE try to remedy this with key items related to ensuring organisational, business unit and individual performance are synchronised. Items also deal with how the organisation ensures organisational and individual goals are identified, types of skills that are needed to ensure the goals are met, the employment and training of employees to ensure goal achievement, and the link of goals and rewards with employee motivation. However, most comments related to such linkages in organisations appear to be anecdotal or organisational examples of practice rather than academic research.

Despite this noted limitation, a number of writers do highlight this important area. Bragg (2000) for instance, in outlining his six key principles for effective reward systems, has as number one the need for rewards that support both the organisations goals and the behaviour of employees that the organisation wants repeated. An initial step in being able to do this is suggested to be the identification of the types of behaviours that will help the organisation meet its goals.

Stredwick (2000) comments on the need for rewards to be focused on organisational goals and highlights the importance of 'alignment'. He notes that reward policies have often been made on an ad hoc basis "...resulting from immediate difficulties in the labour market or to pave the way to settle awkward negotiations with employees. This has led to the collection of reward practices being out of line with each other and with the overall needs of the business" (Stredwick (2000, pg 9).

Poster and Scanella (2001) believe that the execution of an organisations strategy is heavily dependent on a workforce that is stable, competent and energised, but that workforces with such characteristics are becoming increasingly difficult to achieve. They put this down (in part) to a low unemployment rate but high turnover, competition for employees, and the inability of ad hoc individual pay deals being enough to retain and motivate talented employees. In their view "These days loyalty is too weak a corporate value" but the "...solution is a total employment relationship that embodies the needs and values of the company's target employees and at the same time supports the company's business strategy". They refer to this as the 'iDeal' – a relationship whereby equilibrium is achieved between competing goals and where employee and employer goals are mutually aligned. In their view "Companies that find a way to embrace their target employees' values without sacrificing their economic and organisational needs will be the winners in the talent war". To ensure that this occurs they propose a three-stage methodology with eight steps. Stage one involves understanding the current 'game' of the organisation and comprises 4 steps that lead to understanding the company's strategic objectives, developing a

vision and metrics for maximising value, and understanding the components of the iDeal wanted by various segments of employees. Stage two involves two steps that lead to changing the 'game' by prioritising and developing the components of the iDeal for the differing segments as determined by stage one. Stage three 'winning consistently' covers implementation of the 'game plan' and changing it as 'the game changes'. This model is depicted below:

Understanding the Current Game	<ol style="list-style-type: none"> 1. Assess the company's strategic objectives and develop vision and metrics for maximising value; 2. Identify the key employee segments within the organisation; 3. For each segment, understand the components of the Deal; and 4. For each segment, understand the expectations of the company and individual components.
Changing the Game	<ol style="list-style-type: none"> 5. For each segment, measure and prioritize the components; and 6. Develop the winning game plan for each segment.
Winning Consistently	<ol style="list-style-type: none"> 7. Implement the game plan for each segment; and 8. Change as the game changes

Table 1: The iDeal Methodology (Poster and Scannella 2001).

The importance of linking the needs/wants of both the organisation and the individuals working in it is highlighted by the fact that the first four of the eight steps relate to identifying and understanding what is required.

Gross and Nalbantian (2002) point out that reward and recognition programmes have typically been the domain of HR departments. As a result, reward programmes "...have been managed discretely rather than as part of an overall strategy". With the increasing awareness that keeping, motivating and developing employees is a key factor in business success,

HR departments are starting to be under increasing pressure from business leaders to produce solutions that link more closely with business strategy. These writers outline a seven-step plan for developing a holistic reward strategy and highlight the need to accurately measure before implementing any strategy. Their steps are:

1. Review the business environment – external factors e.g. economic, political, labour, geographic;
2. Assess the organisations business design – establish goals, context, key performance drivers;
3. Examine critical human capital implications – the role of people and workforce practices in executing the business strategy;
4. Measure internal human capital reality – determine what is rewarded (quantitatively and qualitatively);
5. Identify gaps and priorities for action;
6. Develop an action plan; and
7. Implement and monitor results.

As with Poster and Scanella (2001) and Stredwick (2000) Gross and Nalbantian’s (2002) model encourages business leaders and HR professionals to carefully plan and link their reward and recognition strategies. Their rewards framework consists of 3 main streams:

Pay	Benefits	Careers
Base pay	Retirement	Skills enhancement
Overtime pay	Health	training/development
Short-term incentives	Paid time off	Career advancement/promotion
Other lump sums	Income protection	Employment stability
Cash profit sharing	Death	Nature of work
Long-term incentive	Work/life	
Performance plans	programmes	
Equity	Other HR policies	

Table 2: Components of a Reward Strategy (Gross and Nalbantian 2002).

Work undertaken by Watson Wyatt New Zealand Limited as presented by Ison (2002) follows a similar theme to Poster and Scanella, and Gross and Nalbantian. Their model encompasses four main segments, each clearly identifying the inputs that feed into the next stage. These phases/stages involve establishing and determining the:

1. Business strategy – organisational structure, work design, desired culture and systems;
2. People strategy;
3. Employment deal; and
4. Total rewards strategy – including both intrinsic and extrinsic rewards such as base pay, benefits and incentives, training, performance management etc.,

and in doing so, the reward strategy that most closely fits the needs of the organisation and its people.

A method commonly used (and encouraged), by organisations' in determining their R & R solutions, is the use of benchmarking against, or with, what they consider best practice organisations. However, this practice has come under scrutiny as a means of establishing practices that can be implemented. Gross and Nalbantian (2002) comment "The current tools typically used to manage reward investments (e.g. employee sensing, industry benchmarking, 'best practice' reviews) do not provide complete answers..." and as a result lead to such things as piecemeal solutions, cost management strategies, squeaky wheel syndrome and implementing tactics that just do not fit". This again, highlights the importance of linking strategies with the organisations overall goals, culture etc. However, benchmarking is a commonly accepted practice and is used by many organisations in their efforts to improve their businesses and its processes.

The works of Poster and Scannella (2001), Stredwick (2000), Gross and Nalbantian (2002), and Ison (2002) highlight the importance of linking R & R

practices to the goals and objectives of the organisation if the strategies to be implemented are to be of the greatest service to both the organisation and those working in it. This does indicate that such strategies need to be tailored to the organisation, its specific culture, the individuals and groups within it, and its own unique set of circumstances.

3.3 What Employers/Employees Consider Important Job Factors

Along with the major works of Maslow, Herzberg and McGregor numerous other authors have studied how motivation can affect and influence employees, and what both employers and employees consider to be important aspects of their work. In what has been considered to be one of the most elaborate studies conducted on employee motivation, the Minneapolis Gas Company sought to determine what their potential employees desired most from a job. Carried out from 1945-1965, this 20-year study involved 31,000 men and 13,000 women. The study concluded that the primary motivator of both men and woman was job security, with advancement at 2nd place, type of work 3rd and being proud to work for the company rating 4th. Factors such as working conditions, money and benefits were given a low rating by both men and women.

The loss of employees due to individuals voluntarily choosing to leave an organisation can have significant financial impacts on a company. Boxall, Macky and Rasmussen (2003, pg 2) citing Singler (1999) state "Voluntary employee turnover is expensive for employers, and particularly so in the case of talented employees whose productivity is difficult to match". They assert that retention of highly skilled and productive employees is an issue for New Zealand organisations with tight labour markets being an issue in this country. In their research on those who moved or stayed in their jobs, their literature review highlighted antecedents and correlates of employee turnover. They remark "...people who enjoy their work, particularly its intrinsic features, are more likely to be retained by their employer" (Boxall et al 2003, pg 3). Employees who feel that their employers care about their well being, and that their contributions are valued also positively affects their

staying with the organisation. Remuneration is also seen as an important factor in employee turnover with group or organisation-based incentive plans increasing turnover, and individual merit, skill or knowledge-based systems being associated with retention. Results from the survey itself indicate that the main reasons for employees leaving an organisation were for more interesting work, because employers did not recognise the employees merit, better training opportunities and better work/life balance. In relation to staying in a job, 90.4% of respondents saw the role of interesting work as either a major or minor reason for staying. In conclusion, they note "...interesting work is an important retainer in the New Zealand labour market. The lack of interesting work is an important reason for leaving one's employment. Interesting work therefore serves as both a 'push' factor for employee turnover and a 'pull' factor for employee retention" (Boxall et al, 2003, pg 12). Along with interesting work, they also conclude that there is a strong expectation by employees to be recognised for their merit and their contributions to not only their own performance and development, but also to organisational success - "Not only do New Zealand workers like personal growth but they also seek due recognition of that growth" (Boxall et al, 2003, pg 12).

In a 2005 New Zealand study (part of the International Social Survey Programme), Gendall, Banks and Wohn (2005 pg 4) conclude that for New Zealand respondents, "The most important characteristic of a job is that it is interesting; while income is important it is less so than non-monetary considerations such as the opportunity to work independently, to help other people and be useful to society". In fact, they state that for most of the paid workforce in this country "...paid work is more than a way of earning money; it is a source of pride and satisfaction" with most being proud not only of what they do, but also who they work for. In this study 65% said they would be willing to work harder in order to help their organisation succeed, and 25% would turn down a job with higher pay to stay with their current employer. This may be attributable to how people see their job and themselves within that job. Wrzesniewski and Dutton (2001, pg 180) discuss the concept of 'work identity' and how individuals define themselves as a

result of the work that they do. They comment that individuals make claims about who they are and why what they do matters, and that this is a result of their thoughts about what they do for, and at, work.

Research conducted by Lindner (1998) sought to determine the ranked importance of ten motivating factors on employees in his organisation. The final ranked order of these factors was:

1. Interesting work;
2. Good wages;
3. Full appreciation of work done.
4. Job security;
5. Good working conditions;
6. Promotions and growth in the organisation;
7. Feelings of being in on things;
8. Personal loyalty to employees;
9. Tactful discipline; and
10. Sympathetic help with personal problems.

In two studies cited by Lindner (a) interesting work, (b) full appreciation of work done and (c) a feeling of being in on things (Kovach 1987 cited Lindner), and (a) interesting work, (b) good wages and (c) job security (Harpaz 1990 cited Lindner), ranked as the top motivational factors of employees.

The work of researchers Lindner, Kovach and Harpaz is supported by a more recent 2000 survey by Barney (2002 cited BPIR.com) of 3400 American health workers. Asked what factors they considered very important in their current jobs the answers given by respondents were:

1. Open communications;
2. Opportunities to balance work and life; and
3. Meaningful work.

A study by Throop (cited in an IOMA report from the BPIR.com) involving computer programmers, asked participants to identify the top 10 factors that provided the highest degree of motivation in their jobs – these were:

1. Full appreciation for work done;
2. Feeling that they were in on things; and
3. Sympathetic help with personal problems.

These differed from the responses of their managers who thought the top motivators would be:

1. Wages;
2. Working conditions; and
3. Fair discipline.

In a study conducted by Smith (2002), into the main causes of employee dissatisfaction at work, he found that the factors that de-motivated employees included:

1. Lack of appreciation (33%);
2. Poor pay and benefits (22%);
3. Lack of opportunity (20%); and
4. A boring job (9%).

The factors that employees thought were the most effective actions a firm could take to improve worker retention included:

1. Listen more (28%);
2. Pay more (23%);
3. Select managers better (22%);
4. Hire better people (18%); and
5. Improve benefits (13%).

Author of '1001 ways to Reward Employees', Neilson (cited Bragg 2000), states that the two top forms of reward that employees want are firstly verbal

and secondly written appreciation or praise from their immediate boss. Bragg (2000) suggests that rewarding staff is "...not rocket science...Appreciation is the closest thing we have to a universal motivator. Appreciation usually works better than the fancy programmes we think should work better".

Drawing from his own and others' research, Lindner (1998) concludes: "The discrepancies in these research findings supports the idea that what motivates employees differs given the context in which the employee works. What is clear, however, is that employees rank interesting work as the most important motivational factor". This stance also appears to be supported by the works of Kovach (1987), Harpaz (1990), Barney (2002), Throop ((cited in an IOMA report from the BPIR.com), Smith (2002), Boxall et al (2003), and Gendall et al (2005). These pieces of research highlight some important aspects for managers - employees want interesting work where they are given responsibility, autonomy, challenges and the opportunity to learn. Good working conditions, job security and pay are important, appreciation should be shown and regular feedback should be given on an employee's performance. These outcomes also support the theories of employee motivation of Maslow, Herzburg and McGregor.

From a practical perspective Poster and Scanella (2001) discuss the concept of the 'iDeal' – a relationship between employers and employees where the goals of both are in equilibrium. This is in part based on the organisation understanding what components employees' value and that will make them motivated, stay with the organisation, and work to meet both their own and the organisations goals. They have identified that there are four key segments:

1. *Total rewards*: e.g. cash/salary, incentives, retirement/medical and other benefits etc.;
2. *Culture*: this aspect covers such things as the values and work rules of the organisation, work/life flexibility, calibre of other employees, degree of autonomy, communication and leadership, the extent to

which staff are engaged and passionate about the business and its mission;

3. *Performance*: this includes the job content, performance parameters and design of the employees work; and
4. *Opportunity*: provision for opportunities to develop a career and enhance an employees curriculum vitae e.g. career pathways, learning and promotional measures, skill acquisition, mentoring etc.

They note that if employees are generally satisfied with the three other aspects, dissatisfaction with 'total rewards' will generally not cause employees to leave. However, if they are dissatisfied with any other component, no amount of money will encourage them to stay. They comment "...case-by-case analyses generally show that employees leave for a significant improvement in another component of the employment deal".

3.4 The Focus on Money

Despite research concluding that money is not the highest motivational factor for employees, organisational leaders still have this as a key focus when managing their staff. In relation to monetary compensation or rewards for work done, a variety of options are available and used to varying degrees by organisations. Strategies fall into two main categories:

1. Fixed pay – a base payment made that is often referred to as wages or salary; and
2. Variable pay - incentive pay (sometimes referred to as pay for performance, at risk pay, merit pay, competency/skill-based pay) that may be paid as a bonus (or lump sum), or as a higher level of pay for a period of time.

Frederick (2001) notes that "The re-emergence of performance related pay (PRP) in the last two decades has somewhat raised the need for an awareness and understanding of motivation. Implicit in the notion of PRP is

the assumption that individuals in the 21st century are solely driven by money”

Pfeffer (1998 cited Anonymous 1998) argues that individual incentive pay “undermines performance – of both the individual and the organisation” and that this type of approach “...undermines teamwork, encourages a short-term focus, and leads people to believe that pay is not related to performance at all but to having the ‘right’ relationships and an ingratiating personality”. He makes a case that “People do work for money – but they work even more for meaning in their lives. In fact, they work to have fun”. He cites research by William M. Mercer, Inc., which states that “most individual merit or performance-based plans share two common attributes: They absorb vast amounts of management time and resources, and they make everybody unhappy”. Smith (cited Anonymous 2002) supports this - “Money may get them in the front door, but you need to keep them from going out the back door” through other reward and recognition tactics”.

Payments based on performance or contingent on meeting certain goals does not appear to have the overall important effect of motivating all employees to excel as organisational managers might hope. Issues arise when money is attributed with more importance than it actually has, and is made more prominent than it needs to be. Yancey et al. (1992 cite Ambrose 1999) notes that “...high levels of expectance coupled with high levels of incentives may create high levels of arousal and actually lead to decreased performance. Leavitt (2003) has found that extrinsic rewards, such as money, can actually impede innovation. The conclusion is that as extrinsic motivation - or the perception by the person that they are acting because of extrinsic motivation - increases, intrinsic motivation can decline.

Cave (2002b) also comments that incentives that have been in place for a number of years stop being seen as an incentive, instead becoming something that is taken for granted. Bragg (2000) also sees this as an issue “People do their jobs for money but money rarely spurs people to peak performance for a long time....it is only a short-term motivator at best. Over

time, the psychology of entitlement takes over, and money quickly loses its effectiveness as a motivator”.

In contrast, Cave (2002b) warns employers not to underestimate the impact of money on employee's motivation. Although he comments that money may not be the most important motivational driver, he sees it as critical to workplace motivation – “The truth is we all like to be paid well and we like the things money can do for us. No matter how much we love our jobs, salary now – more than ever – plays a key role in the way we view our work”. This he notes is because our attitudes towards work and pay have changed over time with jobs now being less secure, employees being more mobile, there being decreasing numbers of trade-skilled employees, and people being more materialistic and better informed about where they are in the pay scale. He further comments that these days, it seems that “Unless there is a substantial base salary, short-term bonuses, long-term incentives, a laptop, a mobile phone and maybe even an office car, we feel we are poorly done by. The culture of salary – the whole issue of how we feel about the money – has been transformed”.

Stajkovic and Luthans (2001) also highlight the significant to individuals of money, and state that money is the number one performance enhancing incentive motivator used by organisations (followed by social recognition and performance feedback). They consider that money is important to individuals because of its exchange function – it can be exchanged for other goods and services and other privileges. They comment “As a result, people are attracted to well-paying jobs, extend extra effort to perform the activities that bring them more pay, and become agitated if their pay is threatened or decreased” (Stajkovic and Luthans 2001, pg 581). However, they do note that despite the frequent use of pay for performance, there are doubts, mixed, and confusing evidence about its effectiveness, with most proof regarding its use being based on “...anecdotal testimonials and one-time company cases, rather than on methodologically more rigorous empirical studies” (Stajkovic and Luthans 2001, pg 582).

3.5 Individual versus Team Rewards

Money is obviously, certainly an issue for many employees. This is particularly so if they do not believe that what they are being paid is equitable compared to others - either in their own organisation or in their field of practice. Kovach (1987 cited Lindner 1998) suggests that as an employees income increases that money becomes less of a motivator. Harder (1991 cited Ambrose 1999) from his studies related to major league baseball players in the USA concludes that "Individuals faced with under-compensation choose an avenue of decreased performance, but only to the extent that it does not affect future rewards".

Harvey (cited Cave 2002b), CEO of Mt Eliza Business School in Australia refers to this theme as the 'comparative wage justice issue', whereby "People are happy to work on x dollars until they realise the next bloke is on 2x...Our egalitarian culture says: 'I'm as good as him, so I demand as much money as him". In motivation terms, this concept has been studied under the term 'equity and justice theory'. Accordingly individuals respond to situations in which they consider themselves to be treated more or less favourably in comparison to a 'referent other'. Ambrose (1999) states "According to the theory, inequitable comparisons result in a state of dissonance or tension that motivates the person to engage in behaviour designed to relieve the tension". Research cited by Ambrose indicates that where employees believe they are being under-compensated in comparison to others, that they will lower their performance, develop negative attitudes, be less committed to the organisation, likely leave, and have lower job satisfaction. In some cases individuals will resort to illegal behaviours in their efforts to maintain equity.

Equity and comparative wage justice has particular importance in today's organisations where there is an ever increasing focus on teams, team R & R practices and individual pay for performance schemes. Sarin and Mahajan (2001) studied the effects of reward structures on the performance of cross-functional product development teams (CFPDTs), which they see as having

become an increasingly popular mechanism for achieving greater integration and cooperation in organisations involved in new product development. Their field interviews identified two major issues that managers struggle with in relation to rewarding such teams "...how to distribute rewards among team members and on what criteria the team rewards should be based". They comment that this is typically done by distributing the reward equally among team members, or on the basis of the position or status of the individual within the team, as a result of the outcome produced by the team or through it adhering to a certain process – what they refer to as equal/position-based rewards and process/outcome-based rewards. They also highlight other issues for consideration such as identifying, understanding and being able to accurately assess individual contribution and effort, the amount of risk assumed by members, the responsibility that individuals in the team have, and the issues of justice, fairness and individualism. In conclusion, they note that this is one of the first studies to empirically study such teams and their rewards, that "readers should exercise caution when interpreting the results of this study" and that the area is "...ripe with opportunities for further research" (Sarin and Mahajan, 2001, pg 48).

There is an emerging line of thought that incentives represent a real danger for businesses as they may in fact reinforce organisationally destructive behaviour. For example Cave (2002b) suggests that "Rewards that recognise purely individual performance instead of group performance can drive people to behave out of self-interest, even to undermine the efforts of co-workers. On the other hand, rewards based purely on group performance could allow people to slack off and ride on others' efforts. And too much focus on short-term incentives may compromise the long-term health of the company".

This stance is supported by Bragg (2000) who believes that rewards must focus employees on cooperating together and be encouraging of teamwork. She believes that "Although competition can spur people to great achievement, it can also destroy teamwork because of envy, jealousy and resentment". Competition between people is seen to create a situation in

which there are perceived to be winners and losers. The other side of the same coin is the strategy of rewarding all people equally for their contributions. Bragg (2000) refers to this as 'jelly bean motivation' – whereby people are rewarded equally, often for unequal performance – this having a negative impact on team-building and the motivation of individual employees.

Bragg (2000) also warns that rewards should be for everyone, not just selected groups, and that employees who support others in achieving organisational goals should not be forgotten for their important contributions. This situation can arise when strategies such as bonus payments for achievement of goals is made to an individual. This individual however, may have had to use the resources and skills of others to achieve this goal - yet those same people may go unrecognised and their contribution to the goals achievement denied or minimised.

Although Bragg (2000) does support team reward practices she comments "Sometimes these organisations forget individuals and focus only on teams. They forget that people have their personal and professional goals, objectives and needs". Stredwick (2000, pg 9) sees team and individual rewards as an issue also and comments "...many schemes of performance related pay have a built-in conflict because they have been devised to reward the achievements of individuals while other parts of the human resource policy puts greater emphasis on building up teamworking skills and practice". Bragg (2000) concludes that a reward and recognition strategy that combines team and individual rewards is the most effective strategy an organisation can implement with the need to promote and reward teamwork, but also the "...individual effort that supports group accomplishments".

3.6 Tailoring of Rewards and Recognition

Informal comments from HR managers suggested that many New Zealand organisations are putting an increasing emphasis on tailoring their R & R strategies to acknowledge the unique situations of their employees. Some of this emphasis is said to be due to the Treaty of Waitangi and the Equal Employment Legislation in this country. Others state it as a way of recognising that their staff members are unique individuals and not all driven by the same factors. In other cases, it is said to be attributed to the growing acknowledgement that the different genders and age generations may be driven and motivated by quite separate issues.

Hansford (2002) suggests that if managers were to assess their organisations that they would find that there may be 2-3 different generations working side by side, each with their own set of work ethics, values and perspectives. His stance is that having a greater insight into what motivates the different generations, "...the more successful you'll be at managing and motivating an age-diverse work force". Such diversity in an organisation could cause problems, but if a manager has a greater "understanding of the dynamics that come into play during encounters, fewer generational barriers will be faced, resulting in a more productive workforce" and a tremendous business advantage.

Further argument and reason for tailoring may be to avoid the potential negative responses that managers may receive from their well intentioned strategies. This is highlighted by Moses (2000) who comments "...rewards can go awry from intention to reception..." as what a manager believes to be an ideal reward may not be seen in the same way by the employee receiving it. Lindner (1998) noting a point raised by Bowen and Rahjakrishna (1991 cited Lindner 1998) also highlights how R & R can raise disappointments - "Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employee's changes constantly".

Moses (2000) believes that “rewards can delight individuals when they are customized to individual needs and preferences”. Her premise is based upon her belief that there is really no such thing as a “...clearly definable new worker. Today’s workers do have certain shared experiences, attitudes, and beliefs...But they also bring to the table a complex constellation of psychological motivators...People are different...this is hardly news...the range of motivators driving today’s new workers is broader than ever”.

Simmons (2002) agrees that tailoring and individualisation of rewards should be used - “Our trouble as managers is that we label rewards in our own terms - we need to determine and talk the same language as our staff”.

Moses (2000) divides workers into six idealized profiles with key motivations and welcomed rewards. Included are ‘careerists’, whose main motivation is advancement and who may value opportunities to head high-profile projects, to ‘life-stylers’ whose main motivators may be flexibility and additional vacation days or flexi-time – as highlighted in Table 3 below.

Type	Motivation	Personal Statements	Welcomed Reward
Independent thinkers or entrepreneurs	Autonomy	"I need to be free to choose and be in charge of what I do, for whom and when"	Bonus, commission, or other pay for performance
Life-stylers	Flexibility	"I work to live, not live to work. I want to enjoy my work, but it's also a means to an end. I want the flexibility to pursue my own personal passions"	Additional vacation days or flexi-time
Personal developers	Learning/ growth	"As long as I'm learning, I'm happy"	Money towards a course or skill-building seminar
Careerists	Advancement	"I want to get ahead, and I am willing to make the necessary sacrifices"	Opportunity to head a high-profile project
Authenticity seekers	Self-expression	"I have got to be me"	Gift certificates for merchandise at a favourite shop
Collegiate seekers	Belonging/ loyalty to a team	"I need to work with people – I am a people person"	A certificate, commemorative plaque or photo with other team members)

Table 3: The 6 Degrees at a Glance (Moses 2000).

This theme of individualising and tailoring is also highlighted by Varespej (1999) who identifies 3 generations of workers and their main motivations for staying or going from an organisation. These are:

1. Baby boomers (45-54) – work environment;
2. Baby busters (35-44) – balance between work and personal life;
3. Generation X's (25-35) – opportunities for career advancement.

Hansford (2002) adds a further two to this list - 'Veterans' (those born before 1940) and 'Generation Y's' or 'Millennials' (those born between 1980 and 2000), who, although motivated by money, are more concerned with career and learning opportunities, a team environment and frequent performance feedback.

Tailoring of rewards to the unique needs and wishes of employees appears to be gaining in popularity, and the use of such tailored rewards to increase motivation is being recognised. Strategies that appear to be used throughout the world range from payment for training and development, parking spaces closer to the office, movie tickets, meal vouchers, the chance to work on key organisational projects, additional annual leave etc.

Not all writers in the area of R & R encourage, or are positive about its use in encouraging employee motivation in the workplace. Kohn (1999) has written much on the negative influences of using such practices. Critiquing the works of Skinner, McGregor, Maslow and others, he provides 14 reasons why incentive and merit plans fail. Although acknowledging the wide existence and use of R & R plans he notes "...there exists a deeply and rarely questioned commitment to the belief that offering people rewards will cause them to do a better job. Evidence, however, suggests that extrinsic motivators in the workplace are not only ineffective but positively counterproductive" (Kohn, pg 119). Kohn's rational being that R & R encourages power disparities between employers and employees, managers and front line workers; it decreases curiosity, creativity, innovation, motivation and teamwork, and encourages obedience. Kohn advises that people must have a desire to do something – that this cannot be imposed via such things as external rewards – and that "All we can do is set up certain conditions that will maximise the probability of their developing an interest in what they are doing and remove the conditions that function as constraints" (pg 181). These conditions include paying people generously, decoupling the task from the compensation for it, distancing feedback on performance from pay-related discussions, giving people the chance to engage in meaningful work, and allowing people choices and involvement in what happens at their organisation and with their job.

3.7 Development of a R & R Model

Based upon the key themes that were determined from the literature review and research phase (the 'R' of the TRADE Workgroup Process), a R & R model was developed (figure 2). It was anticipated that this model could be used as a framework to guide organisational decision making when determining R & R components for implementation.

The model has been divided into four sections as demonstrated by the broken lines. The first two sections appear as divisions between the upper and lower halves and represent:

1. Work by the organisation to define their business strategy in order to allow them to more clearly define their employment 'iDeal'; and
2. The definition and implementation of the organisations 'Total Rewards Strategy'.

The third and fourth sections represent the division between extrinsic and intrinsic motivation theories, and potential R & R strategies that may be used within these two distinct groupings.

Within the models visual and conceptual design are integral components of the Watson Wyatt model presented by Ison (2002), the 'Employment iDeal' concept and methodology of Poster and Scannella (2001), and the steps to developing a holistic rewards strategy as outlined by Gross and Nalbantian (2002). This reflects the themes discussed by these writers on the need for synergy between the goals of the organisation and those of the individual.

The Watson Wyatt model highlights the importance of linking an organisations 'Total Rewards Strategy' back to their 'People Strategy', which is in turn a result of the business's overarching 'Business strategy'. This link was also noted by Poster and Scannella (2001), who identify that their 'iDeal' must result from a clear consideration of the 'current game' within the organisation. This understanding results from assessing the company's strategic objectives, developing a vision and metrics for maximising employee value, identify the key

employee segments within the organisation, and for each segment, understanding the components of the 'iDeal'.

Gross and Nalbantian (2002) also highlight the importance of developing a broader rewards and rewards strategy, and viewing them holistically. They note the need to accurately measure before implementing any strategy, and suggest that the process for developing a successful reward strategy involves creating more value by linking people practices to economic results e.g. operational, financial and marketplace outcomes and bottom lines, and through careful statistical analysis of data.

These concepts, and the work the organisation needs to undertake to achieve these are thus presented as the top section of the model whereby the overarching 'Business Strategy' leads to the development of a 'People Strategy', and then onto the 'Employment iDeal'.

Gross and Nalbantian's (2002) R & R framework consists of 3 main streams:

1. Pay;
2. Benefits; and
3. Careers

which are further defined from implementing their seven-step action plan for developing a R & R strategy.

The concept of a 'Total Rewards Strategy' falls into the second main section of the model. In the development of this section of the model, consideration was given to the models and thoughts developed by these authors. In addition, the model was based upon the theories and concepts of:

1. Motivation theory – as discussed by, and identified with Maslow, Herzberg, and McGregor. This is represented by the lower section being divided into 2 halves, each representing the potential extrinsic and intrinsic behavioural drivers that organisations might use to motivate employees.

2. What employers and employees consider as important factors in a job - e.g. interesting work, responsibility and autonomy, challenges, opportunities to learn, effective leadership, regular feedback and appreciation, good working conditions and pay etc. These considerations are covered within the 'Intrinsic Motivators' section under opportunity', 'environment', 'leadership', 'performance', 'motivation and rewards', and 'recognition and celebration'.
3. The focus on money – the importance of money is covered within the 'Extrinsic Motivators' section of the model. Key themes from the research highlighted three areas for consideration and inclusion in the model (1) fixed or base pay (in the form of a wage or salary), (2) variable pay components (such as incentives and merit pay); and (3) other additional benefits (including cars, medical insurance, share schemes etc).
4. Individual versus team rewards – in recognition of the importance being placed upon teams as a means of meeting goals in today's organisations, the model includes allowance for assessing, developing and implementing strategies related to (1) teams or work groups, (2) project teams, and (3) individuals. Such strategies also need to consider both the internal and external factors that drive individuals within groups and teams. As a result the three categories are set above the extrinsic/intrinsic reward section of the model.
5. Tailoring of rewards and recognition – increasingly organisations are tailoring their R & R to individuals, as research indicates the positive effect of doing so for both the individual's motivation and the achievements of the organisations goals. This concept is included within the model as 'Age/life stage', 'Gender' and 'Work role/profession'. These factors feed into what an organisation would consider (and develop), as part of their 'Total Rewards Strategy' in the lower half of the model. As such, tailoring will influence 'individual', 'team/group' and 'project team' rewards, as well as the components within the 'Extrinsic' and 'Intrinsic' motivators sections.

In developing this models content, an attempt has been made to incorporate what have been considered the key themes from the literature review and research phase. The focuses of the qualitative and quantitative research undertaken was:

1. In the lower section, that of identifying what New Zealand organisations have within their 'Total Rewards Strategy'.
2. In the upper section, consideration was given to how these strategies were developed and the factors that influenced the organisations decisions e.g. their 'Business Strategy', 'People Strategy', 'Employment iDeal,' and 'Tailoring' factors.

An overarching aim of Phases Two and Three was establishing through data and information collection if the model fitted current organisational activities, or would be valid for use by HR practitioners and organisational leaders in planning and imlementing R & R strategies.

NZBC HRFW Reward & Recognition Model

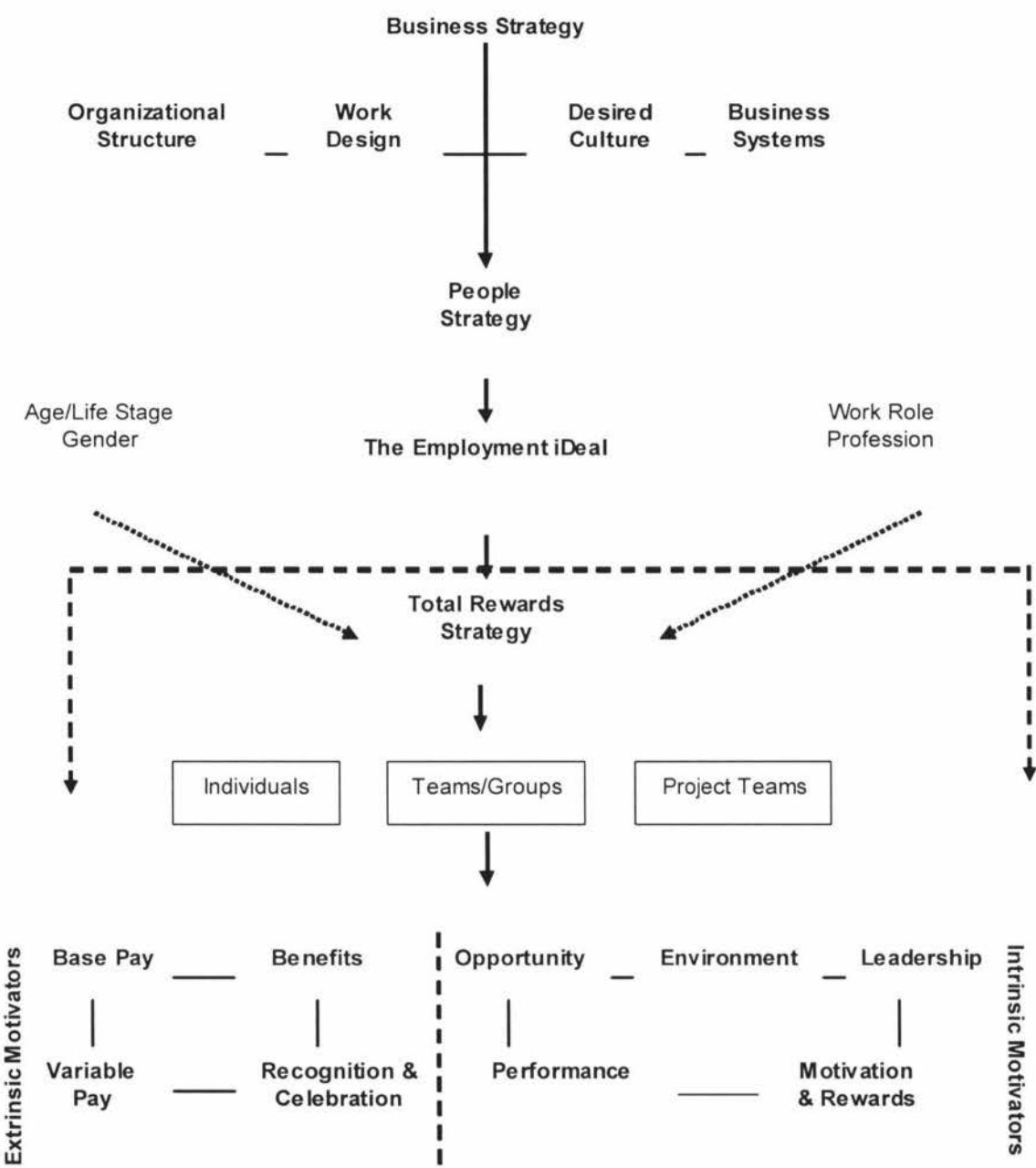


Figure 2: NZBC HRFW - R & R Model.

4. Methodology

This study followed the NZBC three stage benchmarking methodology and TRADE workgroup process (that was used by the NZBC in all of its projects). In addition, a further three phase approach was developed and used to enhance and complement the NZBC processes. The following sections discuss the research methodologies that were adopted and used for this thesis.

4.1 Benchmarking

World at Work (1995) identifies benchmarking as "...a powerful tool to align an organisation's rewards programs with its business imperatives" and that it "...can help compensation designers support and, in some cases, drive their organisation's change efforts". They identify five key advantages to benchmarking rewards:

1. Determining what competitive programs and practices – in part or in whole – can benefit the organisation;
2. Gaining in-depth understanding of how specific rewards elements are used and integrated;
3. Learning how successful organisations have used rewards elements effectively to support key values, changes and results;
4. Assessing the organisations practices and results versus benchmarked companies' practices and results; and
5. Applying lessons learned to develop, recommend and implement high-value changes to rewards systems.

Gross and Nalbantian (2002) identify that Corporate America tend to look at rewards ineffectively and tend to use 'piecemeal solutions' (due to time and resource constraints), 'cost management views', the 'squeaky wheel' (in which managers who speak the loudest may have undue influence over employee practices), and the concept of 'looking inside out'. With this in mind, the NZBC HRFW started the process of benchmarking and searching

for best practices knowing that even if specific practices were not implemented, key lessons and learning's might be found that could act as a base for organisation specific practices.

The overall benchmarking approach that was used may be described as a 'non-competitive, external, best practice, process benchmarking' type. That is, a methodology assessing measures, functions, and processes of non-competing, external organisations (large or small, public or private), so that best practices that deliver improved performance can be identified, understood and implemented.

Although, benchmark organisations can come from anywhere in the world, the writer chose to only identify and compare New Zealand organisations. This was as a result of a desire to see truly New Zealand-based research that would identify organisations and best practices that could be learned from and emulated and be based on that Nations work ethics, practices, culture and values.

The 12-step benchmarking process of Codling (1992) was used as the framework for the stages that needed to be completed during the studies research activities. This model is divided into three areas based upon who within the NZBC undertakes certain activities within a project - this is shown in Figure 3.

The process of the NZBC model for benchmarking began at the regular core group meetings where all Club members examined the CPE and their own relationship to it. A workgroup of voluntary members was then formed to address the topic. The workgroup set its own Terms of Reference and determined how it would operate and achieve its aim(s). Research was then undertaken by the group (using the TRADE model as shown below). The third and final phase of benchmarking occurred when the individual organisations reviewed the findings of the workgroup and adapted and/or adopted the practices found to suitable for their own use.

BENCHMARKING PROCESS

used by the NZ Benchmarking Club

(1) The Club

Selects a subject area from a
core group meeting

Project Selection

(3) The Members

Establishes process differences
Targets future performance
Communicates information
Sets and adjusts the goal
Implements changes
Reviews process and sets future goals

Application



(2) The Workgroup

Defines the process
Profiles potential partners
Identifies data sources
Collects data
Establishes best practice and
performance gaps

Benchmarking

Adapted from Codling's 12 steps

Figure 3: NZBC Benchmarking Process Adapted From Codling (1992)

4.2 The TRADE Workgroup Process

In setting the finer research aims for this study the TRADE model, which was developed by the NZBC (to act as an overall guide to research conducted by workgroups), was used:

WORKGROUP PROCESS

T TERMS OF REFERENCE

R RESEARCH and REVIEW Literature (and current member's practices)

A ACT and ANALYSE - define information needs, gather and analyse results.

D DEVELOP reports and recommendations

E EVALUATE the process and outcomes

Figure 4: The Generic Workgroup Process Used by Workgroups of the NZBC

Input was obtained from the NZBC HRFW for 'T' and 'R', but much of the work in 'R', 'A' and 'D' was undertaken and completed by the writer. This was due to time constraints of the members, and the eventual disintegration of the workgroup.

To start the implementation of the project and the 'T' (terms of reference) and 'R' (research and review) steps of the TRADE model, at its inaugural meeting a brainstorming approach was used by members to identify:

1. The current approaches used by each organisation when rewarding and recognising staff achievements; and
2. The challenges that they faced when implementing these approaches.

A rating and voting system (nominal group technique using assigned points) was then used to identify the top issues of concern to all members present. These were used to drive the writing of the Terms of Reference, and in identifying the research parameters (full details of this process can be found in Appendix 2).

These rankings further supported the need for New Zealand-based research and the early findings of a literature search conducted by the writer prior to the group's first meeting. The outcomes of this exercise were also then used as the basis for further research activities and structuring of a questionnaire to determine what other organisations within New Zealand were doing.

4.3 Benchmarking of Best Practice: A Three Phase Approach

In order to understand R & R practices in more detail, determine best practices and develop a New Zealand R & R model, a three phase triangulated (or multiple method), research methodology was developed.

Phase One consisted of the literature review and collection of information from subject experts via attendance at seminars. This phase was aimed at obtaining an understanding of the field of R & R, what theory suggested were important considerations when implementing R & R strategies, to discover what might be best practices in R & R, and to become familiar with what organisations nationally and internationally were implementing. Phase One established the basis for understanding the significant issues or themes that would become the influencers and critical components required for carrying out Phases Two and Three. Four key overarching questions were used to guide the review and research process in Phase One:

1. WHAT methods are used?
2. WHEN / WHERE/ HOW are they used?
3. WHO Is using them?
4. WHY / WHY NOT using methods?

Phase Two involved the collection and analysis of quantitative data. The survey used in this phase attempted to provide quantitative and measurable data on what New Zealand organisations were actually doing in practice and why. It was considered to be an 'exploratory' study. Robson (2002, cited Saunders, Lewis, and Thornhill, (2007, pg 133) suggest such studies are a valuable for finding out "what is happening; to seek new insights; to ask questions and to assess phenomena in a new light".

Phase Three involved the collection and analysis of qualitative data via eight interviews with organisations who had completed the survey and were deemed to possibly have 'best practices' (organisations were chosen via a

selection process as outlined later in this chapter). The interviews were aimed at obtaining more explicit and comprehensive information about R & R practices in the chosen organisations, than was provided in the survey. This Phase can be considered a 'descriptive' study. Robson (2002, cited Saunders, Lewis, and Thornhill, (2007, pg 134) describes the objective of such a study as being "...to portray an accurate profile of persons, events or situations". Saunders, Lewis, and Thornhill, (2007, pg 134), note that descriptive research is often used as an extension to exploratory research and that it is necessary to have a clear picture of the phenomena prior to collection of data.

As with Phase One, the four key questions provided a means for guiding Phases Two and Three. The Research Methodology and Investigation Methods Model used for this study is represented graphically in Figure 5.

Scandura and Williams (2000) comment that for management research to progress and provide rigorous conclusions for application and theory, the choice, design and appropriate and rigorous use of research methods is vital. Without this rigour the conclusions that can be drawn, and the resulting accumulation of knowledge, may be limited. They also note that "...it is not possible to do an unflawed study. Any research method will have inherent flaws, and the choice of that method will limit the conclusions that can be drawn". Scandura et al (2000, pg 1249). They identify nine research strategies that can be used including literature reviews, sample surveys, laboratory experiments field studies and experiments, and computer simulations.

Denzin and Lincoln (1994, cited Sale et al 2002, pg 44), note that for quantitative methods "The goal is to measure and analyse causal relationships between variables within a value-free framework". This can be achieved as this methodologies results, being statistical, are more objective and free from human perceptions. A popular quantitative measurement methodology is the survey.

Saunders et al (2007) write that use of the survey method is popular in business and management research "...and is most frequently used to answer who, what, where, how much and how many questions" (Saunders, Lewis, and Thornhill, 2007, pg 138). They note the following reasons for this:

1. It allows collection of data from a large population in an economical way;
2. The data are standardised and allow easy comparison;
3. It is perceived as authoritative by people in general; and
4. It enables the research to operate without depending upon others.

Scandura et al (2000 pg 1250) suggests however, that "...surveys maximise population generalisability but are low on realism of context and precision of measurement".

Whilst surveys can provide highly valuable and reliable quantitative data on the nature and extent of industry practices in areas such as R & R, the data obtained may not indicate or reveal information about the underlying causes or variations in industry practice. The use of case interviews with selected organisations in their own setting or environment can be used to address such concerns. Voss, Tsikriktsis and Frohlich (2002 pg 196) suggest that case research should be used more often as "...it is not only good at investigating how and why questions, but also it is particularly suitable for developing new theory and ideas and can also be used for theory testing and refinement". Meredith (1998 cited Voss et al 2002, pg 197) suggests that there are three outstanding strengths in this method (1) the phenomena is studied in its own natural setting and through observing actual practice, meaningful and relevant theory can be created, (2) the method answers the why, what and how questions and provides a relatively full understanding of the nature and complexity of the complete phenomenon, and (3) the method is suitable for early, exploratory investigations where the variables may still be unknown or not understood at all. Thus, a case interview process can be used to get beneath the surface and provide a greater depth of

understanding, and provide insights that statistics alone cannot. In addition, Voss et al (2002) remark that such a method also enriches the researchers themselves through the individuals being exposed to real organisational problems, varied contexts and cases, and the creative insights of those people from the organisation under study.

Qualitative case interview methodologies are not without challenges. Both Sale, Lohfeld and Brazil (2002) and Voss et al (2002) note that interviews have a subjective influence due to the nature of the human interactions that are involved, and the degree of interpretation required to analyse the information obtained. Sale et al (2002, pg 45) believe "The emphasis of qualitative research is on process and meanings". Sample sizes are smaller than those used for quantitative research, and "Samples are not meant to represent large populations. Rather, small purposeful samples of articulate respondents are used because they can provide important information, not because they are representative of a larger group" (Reid 1996, Cited Sale et al 2002, pg 45). On the other hand, Scandura et al (2000) see this as an issue "This strategy maximises realism of context since it is conducted in a field setting, but it can be low on precision of measurement and control of behavioural variables...It can also be low on generalizability to the population (with the study population not representative of the target population".

Case research can also be a time consuming methodology as it may involve travel and time away from the research base, and interviews may need to be conducted over an extended period of time. Voss et al (2002 pg 195) also suggest that skilled interviewers are needed, as is care in the drawing of generalizable conclusions from a limited number of cases. Even though these drawbacks do exist, they comment "Despite this, the results of case research can have a very high impact. Unconstrained by the rigid limits of questionnaires and models, it can lead to new and creative insights, development of new theory, and have high validity with practitioners – the ultimate user of research. Through triangulation with multiple means of data collection, the validity can be increased further". The interview process was

thus used to attempt to complement, add to, and for some questions, more fully extend on answers supplied in the survey.

Mathison (1988) notes "Good research practice obligates the researcher to triangulate, that is, to use multiple methods, data sources, and researchers..." as "Triangulation is typically perceived to be a strategy for improving the validity of research or evaluation findings...", and "...will aid in the elimination of bias" (pg 13). Scandura et al (2000 pg 1250) comment that triangulation should improve the ability of researchers to draw conclusions from their research, and that the use of a variety of methods "...might result in a more robust and generalisable set of findings...Further, recommendations for managers could be made with greater clarity and confidence". Denizen (cited Mathison) identifies four triangulation types with methodological triangulation (or the use of multiple methods when studying a social phenomenon), being used to "...achieve the best of each while overcoming their unique deficiencies" and to arrive at a single clear view of the subject under study. Sale et al (2002, pg 44) note that "Combining qualitative and quantitative methods in a single study is widely practiced and accepted in many areas..."

Although triangulation is suggested as a methodology for ensuring validity, bias reduction in research, and the achievement of a clear view of the study subject, it has also received criticism, as key assumptions underlying its justification are often not supported (Scriven 1972, House 1980, Patton 1980, Jick 1983 – cited Mathison 1988 pg 14). Patton in fact calls attention to the problematic nature of triangulation and using different methods in order to support research findings "There is no magic in triangulation. The evaluator using different methods to investigate the same programme should not expect that the findings generated by those different methods will automatically come together to produce some integrated whole" (Patton 1980 cited Mathison 1988). Mathison suggests that the assumption that the use of multiple methods will lead to the truth about what is being investigated is not valid. This is due to the inherent subjectivity in all methodologies, that different methods in fact produce different understandings of a phenomenon,

and that use of multiple methods will not necessarily lead to the cancelling out of the weaknesses in the methods employed. In fact, she notes that triangulation can actually lead to convergence, inconsistency of data, and contradictory findings – which are perhaps more valuable to the researcher overall. Sale et al (2002 pg 14) state that qualitative and quantitative methods do not even study the same phenomena. As such “The value of triangulation is not as a technological solution to a data collection and analysis problem, it is as a technique which provides more and better evidence from which researchers can construct meaningful propositions about the social world” (Mathison 1988 pg 15), and in turn be unrestricted in identifying true findings from a research study. Or, as stated by Denzin (1970, cited Sale et al 2002, pg 48) “... - combining two or more theories or sources of data to study the same phenomenon in order to gain a more complete understanding of it”.

As well as providing a research methodology by which this study could be undertaken, use of this three-phase process also attempted to:

- Help balance and increase the comprehensiveness of the obtained by using differing types of data and information collection, thus providing complementary, differing and/or expanded views of R & R, and thus a more comprehensive perspective on R & R.
- Ensure a range of information and data was being obtained on R & R in order to provide extensive findings and recommendations for practice that would be most relevant to New Zealand organisations; and
- Ensure that data and information collected throughout the project would achieve truthful, precise and applicable results for use by New Zealand organisations and HR practitioners.

The three phase research methodology used is presented below as Figure 5.

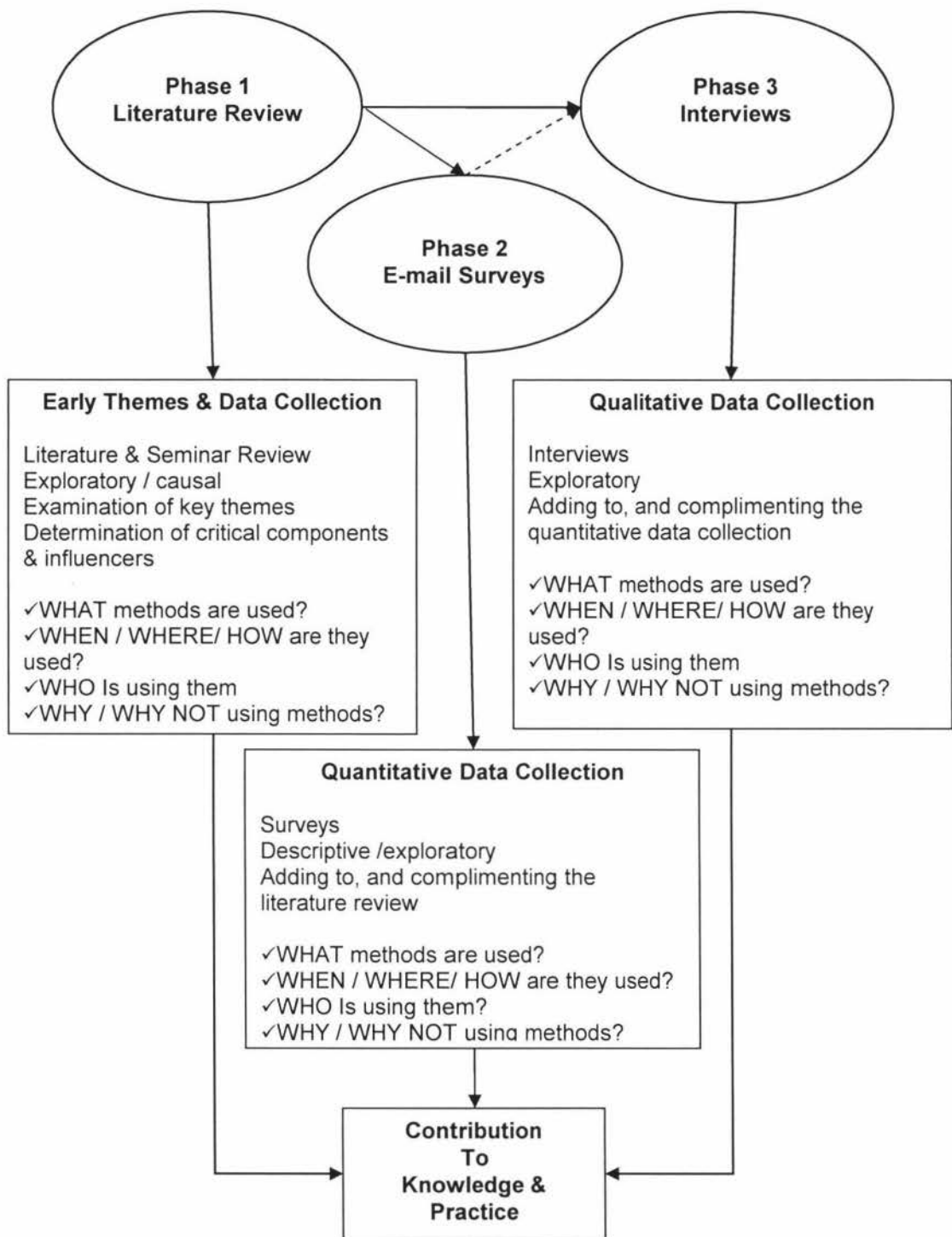


Figure 5: Research Methodology and Investigation Methods.

4.4 Phase Two - The Survey

Quantitative data was collected via an electronic e-mail survey sent to organisations belonging to the NZBEF, members of the COER, and the BPIR.com. Email mailing lists from these organisations were used for this process. Easterby-Smith, Thorpe and Lowe (1996) state that the main purpose of surveys is to obtain information from, or about, a defined set of people or 'population'. Because it is often not feasible to contact everyone in the defined population, a 'sample' is used. They comment "The main aim of sampling is to construct a sub-set of the population which is fully representative of the main areas of interest. It is then possible to infer statistically the likelihood that a pattern observed in the sample will also be replicated in the population" (Easterby-Smith, Thorpe and Lowe 1996, pg 122). The use of these organisations may be considered a 'cluster sample' as defined by Easterby-Smith et al – that is, involving all members of a unit or grouping. In choosing to use these organisations as the targets for the survey, an assumption was made that organisations belonging to these organisations would likely have best practices as they were involved in either Business Excellence initiatives or were making Continuous Improvement efforts based upon use and implementation of the CPE. In fact, this assumption may not be valid. The reasons an organisation joins such a support or education network may be many and varied – including the fact that they may not consider themselves to rate highly in an area, and membership is actually an active effort to increase their knowledge and skill. As a result of this assumption, it is possible that some bias may have come into the results.

An e-mail methodology was chosen for distribution of the survey. It was considered likely that this method would increase the rate of response, and thus reliability of the results, as the survey would be easy and quick to complete, and could be sent, received, completed and returned online. It also enabled organisations over a wide geographical area to be participants. A total 190 organisations were sent the survey via email. 37 responses were received – representing a 19.5% response rate. Sekaran (2003) notes that

response rates for surveys that are sent and received back by mail are typically low, with a 30% response rate being considered acceptable. Also related to this is the difficulty in establishing "...the representativeness of the sample because those responding to the survey may not at all represent the population they are supposed to" (2003, pg 237). The response rate for this survey was below the acceptable 30% level and as such, prudence was taken in analysing the results and in reaching conclusions.

To assist in increasing the response rate, and provide greater context around the importance of completing the survey, a preparatory email introduced the survey (see Appendix 2), and written information about the project and supporting organisations was also supplied. A 'reminder' email was also sent one week prior to the surveys final response date. On receipt of the completed survey, respondents were sent an acknowledgment email reply with a 'participation thankyou' in the form of two of the newsletters that were available from COER, and the monthly BPIR.com update newsletter. In the majority of cases either the organisations HR Manager or other staff member with responsibility for R & R, completed the survey.

Sekaran (2003) also highlights the issue of respondent understanding of survey questions. To minimize this risk, a 'key definitions' section, contact details for enquiries, and as simple as possible survey design were used.

The survey design consisted of 5 parts:

1. A profile of the organisation, including its industry sector, size, and ownership;
2. Confidentiality information and consent to use the organisations name and be contacted for further information;
3. The contact details of the person completing the survey;
4. Section 1 requesting either 'tick box' answers, or short answer statements on current organisational R & R practices; promoting/hindering factors and their recommendations to others wishing to implement R & R strategies; and

5. Section 2 requesting a rating be applied to 17 statements related to planning and evaluating R & R strategies.

The survey used a mix of both open and closed questions in order to obtain both numerical data and rich contextual information. Approximately half the survey required that respondents only tick a box (or boxes) to answer, the other half required the typing (or writing) of short comments. The validity of the contents of Parts 4 and 5 of the survey were determined through the literature review and aimed to cover the key themes identified as important aspects of R & R.

To ensure the final survey was reliable, capable of being understood and easily completed by respondents, and would collect the data required, it was rigorously evaluated, pilot tested and revised. This work was completed by the NZBC HRFW, Massey University lecturing staff, the Director of COER, and the Director of the New Zealand Remuneration Network (RemNet)). In all, there were six drafts as the questionnaire was revised and continuously improved. The final version enabled questions to be 'electronically completed' and returned.

The survey methodology was integral to this research, as it was the only feasible means of obtaining reliable quantitative industry data on R & R practices from a range of organisations in a short space of time. Without this, knowledge and a clearer picture of potential best practices and industry trends would not so easily have been obtained. The results of the individual surveys also facilitated the selection of organisations to enable more in-depth data collection in Phase Three.

Upon receipt of the completed surveys, data was immediately entered into the Statistical Package for the Social Sciences (SPSS) data base and graphs for each 'tick box' question were created. For questions requiring an explanation, all respondents' answers were grouped into tables based upon the question asked. All graphs presented in Appendix 4 related to Phase 2

of the project were generated using SPSS. When presenting the data similar scales were applied to like questions to ensure the ability to read and interpret these like questions in an easy fashion.

Analysis of the data (see Appendix 4) from survey participants involved the production of summary tables and graphs of response distributions. These were used to identify if patterns existed. No statistical tests were completed due to the small number of responses that were received. Some cross-question comparison was completed for questions dealing with similar content.

The use of the survey may be considered the initial stages of the 'A' (ACT and ANALYSE - define information needs, gather and analyse results) stage of the TRADE model. The survey essentially attempted to:

1. Add to, and complement the writers understanding of R & R gained from the literature review;
2. Identify in numerical form what current actions were being taken by New Zealand organisations;
3. Collect evidence to support/refute key findings from the research and literature review phase;
4. Identify and examine key themes for inclusion in the qualitative data collection process;
5. Determine further contacts for interviewing and additional benchmarking efforts; and
6. Ultimately, become familiar with best practices in New Zealand organisations to enable the development of a best practice framework, implementation advice and final report.

4.5 Phase Three – The Interviews

Phase Three of the research methodology involved moving from a method that aimed to provide broad data on R & R practices in New Zealand, to one that would provide rich contextual information (an interview process). The use of the interview methodology may be considered to be part of the ‘A’ (ACT and ANALYSE - define information needs, gather and analyse results) stage of the TRADE model.

Based on survey responses eight organisations considered likely to have best practices were chosen for this further investigative work. Organisations were chosen based on the following criteria:

- 1. Documentation existed that governed all the different types of R & R strategies used (extrinsic and intrinsic motivators);
- 2. R & R was given to individuals, work teams and project teams;
- 3. Tailoring or individualisation of R & R was being implemented; and
- 4. The organisations own rating of their R & R practices - average, good, best – two of the organisations had in fact won national awards.

These equate to the following questions from the survey itself:

Question
Q3. Our organisation rewards and/or recognises: (a-c) The achievement (or exceeding) of individual, or workgroup or project team performance objectives or outcomes (e) Actions that support (or demonstrate that they will support) achievement of the organisation’s objectives and organisational plan (f) Actions or activities that promote teamwork (g) Behaviours that align to organisational values
Q6. Many people within the organisation have the ability to reward and recognise
Q7. The organisation individually tailors their rewards and recognition
Q8. The organisation has documentation that governs <u>all</u> the different types of reward and recognition strategies used
Q9. The success of the organisation’s reward and recognition strategies are measured
Q17. Organisations own rating

Table 4: Questions Used to Determine the Organisations to be Interviewed

The interviews were undertaken in order to:

1. Add to, and compliment the quantitative data collection process;
2. Obtain more focused and rich contextual data related to the survey, both overall and for specific questions;
3. Explore in further detail the actions that were being taken by potential best practice organisations;
4. Determine why potential best practice organisations do what they do and the reasons for their actions; and
5. Determine further contacts for more focused benchmarking efforts.

Eight interviews, using a structured questionnaire (Appendix 5) were undertaken. Saunders et al (2007) identify three data quality issues that may result from using semi-structured or in-depth interviews; (1) reliability, (2) forms of bias, and (3) validity and generalisability (issues of bias have already been discussed in a previous section of this thesis). They note "...the findings derived from using non-standardised research methods are not necessarily intended to be repeatable since they reflect reality at the time they were collected, in a situation which may be subject to change" and that "The assumption behind this type of research is that the circumstances to be explored are complex and dynamic...therefore an attempt to ensure that qualitative, non-standardised research could be replicated by other researchers would not be realistic or feasible" Saunders et al (2007, pg 319). To increase the potential for reliability in this study, a 'structured' interview process was used that if possible could be repeated by another researcher. The generalisability of the findings to other organisations was also planned to be increased by using this structured process.

"A structured interview process is used when "...it is known at the outset what information is needed...The interviewer has a list of predetermined questions...The questions are likely to focus on factors that had surfaced during the unstructured interviews and are considered relevant to the problem" (Sekaran, 2003, pg 227). In this instance, the interview questions were determined from the analysis of the survey results as this Phase aimed

to add to and complement the results of the survey. All questions were asked of all participants, and each interview took approximately one, to one and a half hours to complete. As noted by (Sekaran, 2003) "Sometimes however, based on the exigencies of the situation, the experienced researcher might take a lead from a respondent's answer and ask other relevant questions not on the interview protocol. Through this process, new factors might be identified, resulting in a deeper understanding" (Sekaran, 2003, pg 227). Asking of additional questions that were linked to the interview instrument was done to obtain more indepth information from respondents.

All responses were written and audio-taped for further analysis (Appendix 7). In preparation for the interview, each participant:

- Received a phone call requesting an interview and arranging a suitable time;
- Was sent an email confirming the interview time ;
- Was sent the interview template (Appendix 5);
- Was asked to read information regarding the interview process and to complete a 'Consent Form' (Appendix 6); and
- Was asked to assemble (and send to the interviewer if possible) any documentation that might assist the interview process.

Any documents governing, or related, to the organisations practices were obtained for further analysis. Either the organisations HR Manager or other staff member with responsibility for R & R was interviewed.

Voss et al (2002 pg 212) suggest that coding of observations and data is central to effective case research, and that it is important to try and reduce data into categories that allow a chain of evidence to be established. During the analysis of the interview data, respondent's answers were put into table form for each question asked. Within each question, the same (or similar) answers were grouped together and tallied to provide an overall indication of

the similarity and possible importance of an answer. This process was used in an attempt to give an indication of a potential theme for reporting and to determine if there were cross case patterns that would provide a greater understanding of the what, why, how, who, and when of effective R & R.

The survey aimed to provide numerical data on R & R practices, whereas the interviews were intended to obtain verbal and more personalised information from respondents. This method led to a more comprehensive understanding of potential themes related to R & R than could have been achieved by the survey alone. The interview process was thus used to attempt to complement, add to, and for some questions, more fully extend on answers supplied in the survey.

5. Data Analysis and Findings

The findings presented in this Chapter are from Phases Two and Three of the research methodology, and cover the two investigative methods used – the survey and the interviews. This section may be considered to be part of the concluding stages of the ANALYSE (gather and analyse results) stage of the TRADE model. This Chapter provides an analysis of the main findings, and concludes with the identification of key themes that have become apparent from both methods. The full results from the survey and interviews are found in Appendices 4 and 7.

5.1 The Survey

The major business activities of respondent organisations included manufacturing, agriculture/fisheries, finance/insurance, local government, health, the computer industry, consulting engineering, direct mailing services and research & development. 75% were NZ owned. Of those with overseas ownership, countries of the parent organisation were Australia 8.1%, the United States 8.1%, Finland 2.7%, and Japan 2.7%.

Of the differing organisation types 28.6% were public companies, 25.7% private, 2.9% were classed as State Owned Enterprise (SOE), 22.9% as Local / Regional Authorities, 11.4% as a Crown Entity, 5.7% as a Central Government Agency, and 2.9% as a Tertiary Education Institution.

51% of organisations responding to this survey gave consent to their organisations name being disclosed in reports regarding the surveys results. 81.2% consented to be contacted so that more could be learnt about their organisations strategies.

100% of respondents had strategies, processes or initiatives in place to reward and recognise what their employees were doing, with recognition being for the following (in descending order):

<i>Our Organisation Rewards and/or Recognises:</i>	<i>% of Respondents</i>
1. The achievement (or exceeding) of individual performance objectives or outcomes	86.5
2. The achievement (or exceeding) of workgroup performance objectives or outcomes	67.6
3. Behaviours that align to organisational values	64.9
4. Actions that support (or demonstrate that they will support) achievement of the organisation's objectives and organisational plan	62.2
5. The achievement (or exceeding) of special project members objectives or outcomes	59.5
6. Loyalty	51.5
7. The achievement (or exceeding) of a defined level of quality or quantity	48.6
8. Actions or activities that promote teamwork	45.9
9. Training and development activities	43.2
10. Suggestions made related to improvements to work processes or strategies.	43.2
11. The outcomes of improvement suggestions	35.1
12. Contributions employees make to the local community	29.7
13. Work attendance	16.2
14. Other	5.4

Table 5: What Employees Get Rewarded and Recognised For.

Using a rating scale of 1 (strongly disagree) to 5 (strongly agree), respondents were asked to indicate why they had these strategies in place:

We Have These Strategies in Place Because:	Strongly Disagree		Neutral		Strongly Agree
	1		3		5
	1	2	3	4	5
	%	%	%	%	%
a) It is considered to be a good HR practice	2.8	2.8	25.0	36.1	33.3
b) We want to be seen as a good employer	2.7	-	5.4	43.2	48.6
c) They form part of our methods to attract new staff	15.2	-	33.3	30.3	21.2
d) They form part of our methods to retain the staff we currently have	-	8.1	8.1	35.1	48.6

e) We believe they motivate staff to perform	2.7	8.1	8.1	45.9	35.1
f) We want to reward and recognise the work that staff have done	-	-	-	27.0	73.0
g) We want to assist staff to achieve personal success	2.8	-	8.3	52.8	36.1
h) We want to ensure the organisation meets its objectives and targets	2.7	2.7	2.7	32.4	59.5
i) We want to increase competitiveness amongst staff and therefore encourage higher performance	22.2	19.4	27.8	19.4	11.1
Other (please specify)	2.7				

Table 6: Reasons for Having R & R Practices.

As can be seen, most organisations have these practices in place because they agree or strongly agree that:

- It is good HR practice, and they want to reward & recognise the work that staff have done;
- They wish to be seen as a good employer and use these methods to attract new staff;
- They wish to motivate existing staff to perform and assist staff to achieve personal success; and
- They use R & R to ensure the organisation meets its objectives and targets.

In terms of using R & R to increase competitiveness amongst staff and therefore encourage higher performance 41.6% disagree/disagree strongly that this is the reason, 27.8% were neutral on this issue, with 30.5% agreeing/strongly agreeing that this was their reasoning.

Many strategies were used to reward and recognise staff, either individually or as a result of their contributions to workgroups or project teams. How

individuals are rewarded for what they do is predominantly by (those rating over 60%):

We Reward and Recognise Our Staff By (Individuals):	% of Respondents
Giving <u>formal</u> feedback on performance	89.2
Giving <u>informal</u> feedback on performance	86.5
Giving <u>personalised</u> items like 'thank you' letters and certificates	83.8
Communicating successes through such avenues as newsletters, notice boards, and e-mails	83.8
Giving <u>non-personalised</u> items like gift vouchers	78.4
Giving cash payments such as bonuses or commissions	75.7
Providing further education opportunities such as attendance at conferences, or using education allowances	70.3
Revising or adjusting the level of an individual's base salary and/or benefits	67
Holding award ceremonies or events	62.2

Table 7: How Individuals Contributions are Rewarded and Recognised.

The predominant means for rewarding Workgroups and Project Teams are:

We Reward and Recognise Our Staff By (Workgroups and Project Teams):	% of Respondents	
	Workgroups	Project Teams
Communicating successes e.g. via newsletters, notice boards, e-mails	51.4	48.6
Giving <u>personalised</u> items e.g. thank you letters	48.6	45.9
Holding award ceremonies or events	40.5	35.1

Table 8: How Workgroup and Project Team Contributions are Rewarded and Recognised.

Of note is that the top five individual rewards are essentially non-monetary (or low monetary value) activities. This is also true of the top three Workgroup and Project Team reward strategies.

A number of organisations did state that they have used additional strategies such as passing on compliments received from internal/external customers and taking the whole company away to a special destination for a company conference and/or team building. As can be seen, the types of reward strategies contain a mix of both intrinsic and extrinsic motivational approaches. Graphically, the full data on methods used to reward and recognise employees as individuals and/or through their contributions in team environments is shown as:

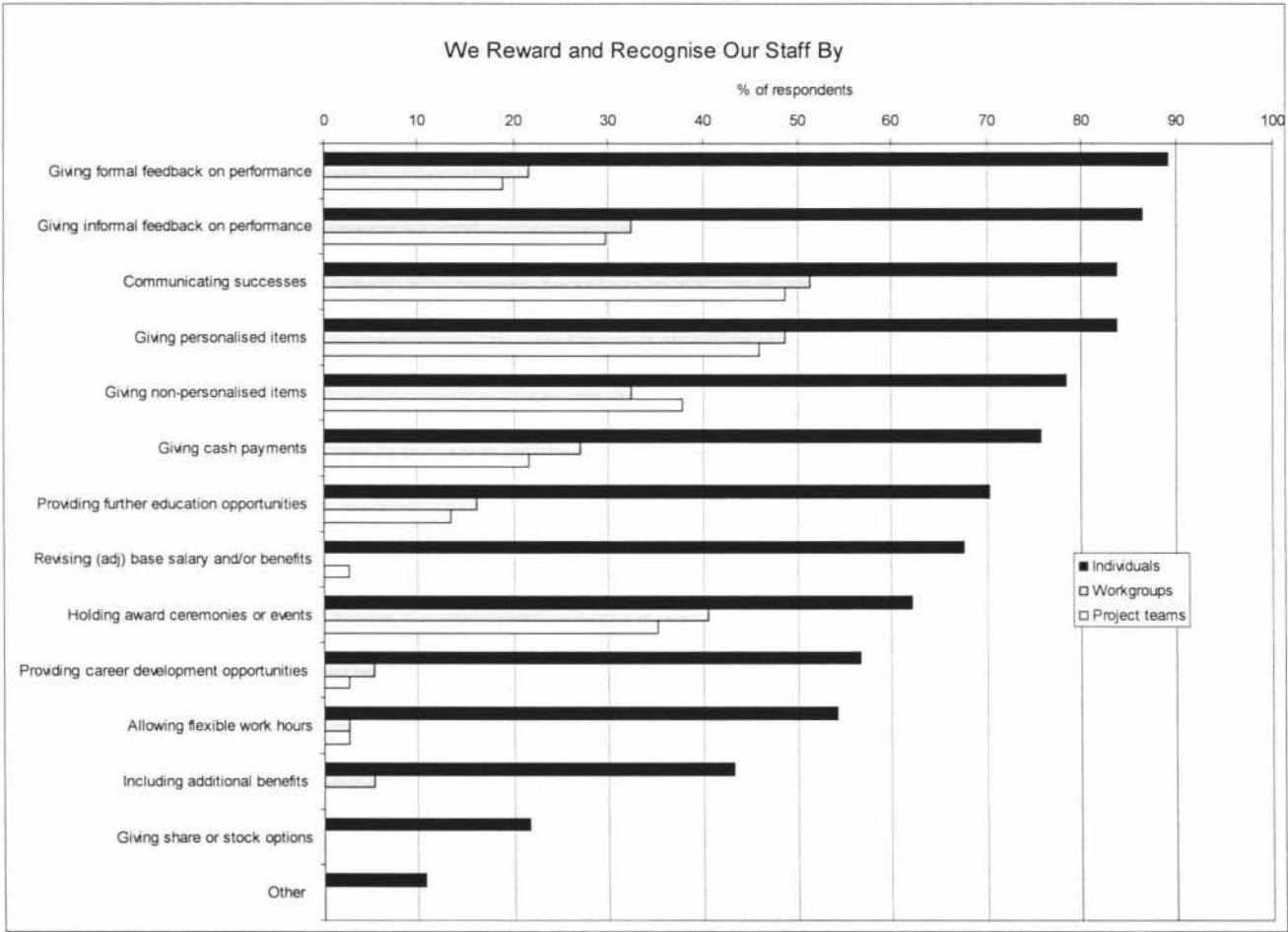


Figure 6: Actions Taken to R & R Employees.

When asked who had the ability to reward and recognise staff achievements and innovations the following replies were gained:

Who Rewards and Recognises	% of Respondents
CEO, Managing Director	94.6
Managers and/or supervisors	89.2
Project team sponsors/facilitators	45.9
Other staff to other staff	40.5
Project team members	18.9
Other e.g. peer nomination	8.1

Table 9: Who Provides Rewards and Recognition.

These figures indicate that control of R & R still appears to lie at the higher levels of organisations - in the hands of senior managers and supervisors. Of note is the 40.5% 'other staff to other staff, and 18.9% 'project team members' recognition practices.

Research from the literature review indicates that tailoring of R & R strategies is an important aspect to consider in ensuring individual and organisational success. In this study, 62.2% of organisations stated that they individually tailor the rewards and recognition that staff members receive. However, the uptake of various possible strategies based on age, gender, individual preferences etc. was not high. Where tailoring is being used this is predominantly according to a person's level within the organisation e.g. management, front line (40.5%). The next likely strategy to be used would be based on the preferences stated by the individual (21.6%).

The survey also attempted to determine the parameters around which R & R practices were structured. This involved identifying if policies, procedures and/or guidelines exist within organisations to assist with the effective planning, implementation, assessment and continuous improvement of such strategies. 61% of surveyed organisations did not have any documentation that governed all the different types of R & R strategies the organisation

used. Of the 39% that did, only 35.1% of those included who is responsible for providing rewards and recognition and how R & R strategies are to be implemented within the organisation. Only 29.7% had a definition for recognition, 27% for reward, and 27% any documentation for how the targets/metrics linked to reward and recognition are established and agreed.

When asked to describe the factors that hindered success of their organisations R & R strategies replies included (full details are available in Appendix 4):

Sample Comments re “Factors Hindering The Success of R & R Strategies”
<ul style="list-style-type: none"> • Lack of consistency. • We do not communicate our strategies. Managers are not consistent in their approach. • Disparity between different business units. • Some divisions have difficulty getting their work recognised because they are inherently innovative etc. • Manager apathy. • Lack of transparency. • Inconsistent decision making. • Lack of promotion. • Culture that providing a good/even exceptional service is just part of their job. • Inconsistent application. • Perceived subjective approach by senior staff. • Inconsistent application by managers. • Conflicting staff views about what is rewarding. • Lack of manager understanding of the importance of R & R, and sometimes lack of capability. • Apathy amongst staff who choose not to engage in the process. • People do not always understand Total Remuneration Package. • Line management not onto it always. • Line management different perceptions of what is worth recognising.

Table 10: Sample Comments re ‘Key Factors Hindering Success of R & R Strategies’.

Emerging themes from this information provide early indications that key hindering factors to the success of R & R strategies include:

- Lack of understanding of the R & R process;
- Lack of consistency and uneven application;
- Perceptions regarding what is rewarded and how to use rewards;
- Lack of promotion; and
- Issues with manager's administration of the process.

When asked to identify those factors that promoted the success of their R & R strategies, respondents included the following comments (full details are available in Appendix 4):

Sample Comment re “Factors Promoting The Success of R & R Strategies”
<ul style="list-style-type: none"> • Staff buy-in. • Simplicity, Flexibility. • Accessible, Communication. • Alignment with company goals. • Consistency in application. • Team & individual R&R. • All staff can nominate, peers decide. • Management promotion. • Leadership, Teamwork. • Staff seeing achievements being recognised. • Objective targets & degrees of stretch. • Informal R&R programme (all staff can give R&R). • Setting company targets/objectives to meet. • Development of a formal pay & performance system. • Having policies to encourage managers to recognise and reward staff - promoting those policies. • Well-established strategies & mechanisms that are understood & recognised. • Recognition of excellent performance, customer service and innovation • Tailored to individual needs. • External recognition - staff have recognised that the incentives we provide are not standard within other organisations. • Use of one-off timely rewards. • Public award ceremonies.

- Clarity of KPI's for performance appraisal.
- Ability of managers to recognise staff immediately
- Business units drive the design of incentives and focus on the activity/behaviour/targets that will make a difference
- Focus on values - service characteristics. Knowledgeable, Innovative, Responsible,
- Promoted by CEO & Senior Managers.
- Staff recognising success of colleagues
- Equity, parity & consistency for all staff
- Providing R & R that are not seen as formal entitlements.
- Positive communication/publicity about options.
- Led by top management.
- Management training.
- Managerial awareness of need to reward and recognise performance.
- Encouraging staff to maintain/increase their competence and knowledge.
- Encourage staff to participate in quality improvement initiatives.
- Rewarding solutions rather than ideas.
- Used sparingly i.e. don't dilute the value & make it an everyday thing - preserve the "specialness".

Table 11: Sample Comments re 'Key Factors Promoting Success of R & R Strategies'.

Early signs (from a data analysis activity involving grouping of similar comments), appear to indicate that key promoting factors to the success of R & R strategies include:

- Manager's administration and understanding of the practice,
- Processes/documentation for the management and administration of R & R;
- Flexibility; and
- Staff buy-in and participation.

For the final question in this section of the survey, respondents were asked what they would recommend to others wishing to implement a R & R strategy within their organisation. Responses included (full details are available in Appendix 4):

<p>Sample Comments re “Recommendations to Others Wishing to Implement Reward and Recognition Strategies”</p>
<ul style="list-style-type: none"> • Set specific measurable targets/goals. • Align R&R strategies with the end goal. • Consult widely and define boundaries clearly. • Make sure it fits with the values and culture of the organisation. • Discuss with all parties prior to implementation. • Find out what really motivates staff and what will make a difference! • Survey staff to understand what motivates staff. • Keep it simple. • Fully explain the purpose and process to all staff involved. • Have a published strategy and set of guidelines that managers follow and staff members know about. Quality control is important • Ensure that the organisations managers/supervisors have the capability to deploy the strategies. • Ensure employees know & have capability to participate in the strategies. • Ensure there is a high-level of open/honest communication - in the organisational culture. • Communicate, communicate, communicate. • Have well-defined structure & criteria easily understood by staff & managers. • Consult staff. • Have clear guidelines & transparent process. • Implement something different that encourages staff to participate and has a high profile within the company. • Get management support. • Communicate the process to employees. • Request suggestions from all staff to obtain 'buy in' from all levels within the organisation. • Have a formalised system that is clearly documented. • Document the various R & R options that they may use. • Have clear criteria to be met.

Table 12: Sample Comments re ‘Recommendations to Others Who May Wish to Implement R & R Strategies’.

Emerging themes from this information (again, from a data analysis activity involving grouping of similar comments), provide indications that key recommendations and the success of R& R strategies from practitioner's perspectives include:

- Keeping R & R simple;
- Having a mix of formal versus informal rewards;
- Obtaining staff input into the development of the programme
- Making sure it is transparent, documented and communicated;
- Linking R & R to organisational goals; and
- Ensuring managers know how to administer the strategy.

Respondents were asked if they measure the success of their R & R strategies - 83.8% of organisations state that they do. As shown in Figure 7, this is predominantly measured by staff feedback, satisfaction and turnover. As indicated by the interviews however, these important factors are often measured via informal comments from staff as opposed to quantitative measurement via satisfaction and/or staff surveys.

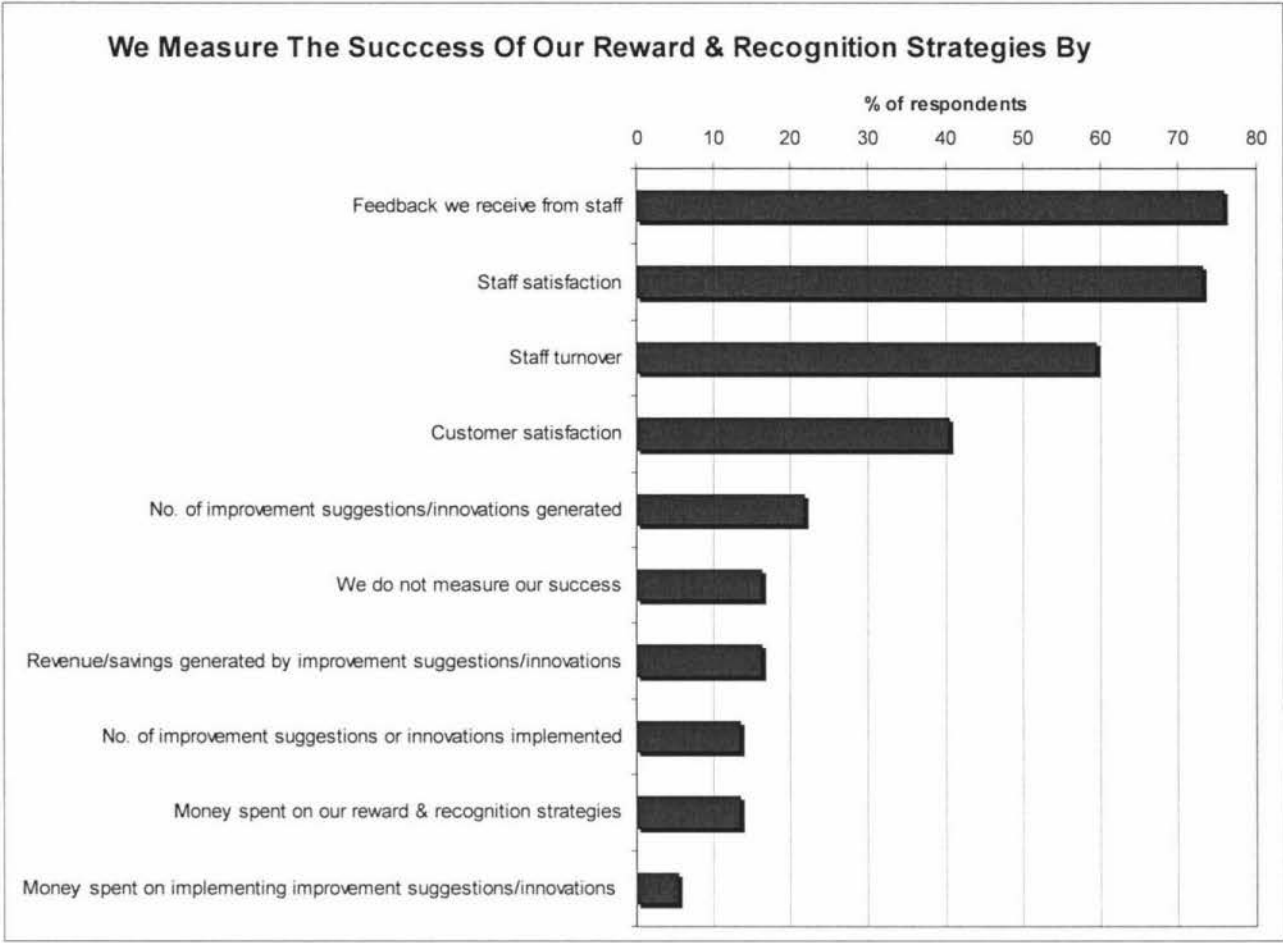


Figure 7: How the Success of R & R Strategies is Measured.

Overall, respondents rated the success of their organisation’s R & R strategies as:

Rating of Success	% of Respondents
Poor	5.4%
Average for our industry	40.5%
Good for our industry	40.5%
Best in our industry	3.5%
Best in New Zealand	0%
World class	0%

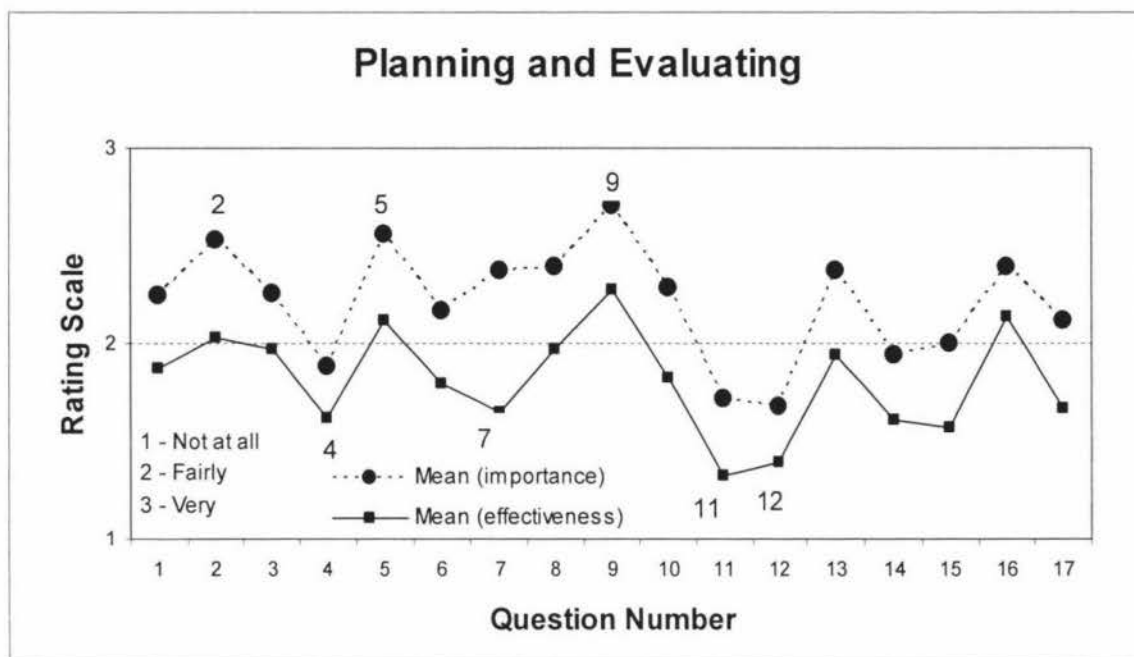
Table 13: Ratings of Success of R & R Strategies.

The discussion and results above, demonstrate that improvement can be made by organisations in relation to the parameters and frameworks by which R & R is planned and administered. The use of policies, procedures and/or guidelines may assist with the effective planning, implementation, assessment and continuous improvement of such strategies. This was also highlighted when organisations' were asked to rank the importance and their effectiveness in relation to 17 questions specifically focussed on this area. For example respondents mean ratings (see figure 8) on a scale of (1) not at all, (2) fairly and (3) very) for:

1. The importance of R & R strategies being selected based on their alignment with strategic needs was 2.5 (fairly to very important), yet their effectiveness was 2.0 (fairly effective). The survey and interview data did indicate that alignment of R & R to organisational strategy was not an area done well by organisations, but was of prime importance to R & R success.
2. Performing a needs analysis when determining the R & R strategies to be implemented was considered 'fairly important' and rated a mean of 1.9. Respondents rated themselves as 'not at all' to 'fairly effective' (1.6).
3. The importance of setting and acknowledging (by all parties) measures and targets to determine the success of R & R strategies was considered 'fairly' to 'very' important (2.4), yet respondents rated themselves as 'not at all' to 'fairly effective' (1.6). These ratings seem to concur with the many comments given regarding factors that hinder success of R & R in the respondent organisations, the fact that only 38.9% had any documentation that governed all the different types of reward and recognition strategies the organisation used, and that only 27% of those had any documentation for how the targets/metrics linked to reward and recognition are established and agreed.
4. The need for an organisation to have a common set of selection criteria to determine who is rewarded and why, was considered 'very important' (2.7) and respondents rated themselves as 'fairly' effective

(2.3). However, the effectiveness of respondent organisations is not supported by the figures shown above.

5. Training for those responsible for giving, and also for staff receiving rewards and recognition was seen by respondents as being 'not at all' to 'fairly important' (1.7 and 1.7). The mean ratings for effectiveness show they see themselves as being 'not at all' to 'fairly effective' (1.3 and 1.4) in these areas.



Key:

2	Reward and recognition strategies are selected based on their alignment with strategic needs.
4	A needs analysis is performed when determining the reward and recognition strategies that are to be implemented.
5	A realistic budget is set at the commencement of each year to ensure that enough funds are available to allow adequate reward and recognition strategies to be completed.
7	Measures/targets to determine the success of our organisation's reward and recognition strategies are set, and acknowledged by all parties.
9	The organisation has a common set of selection criteria which it uses to determine who is rewarded and why.
11	Those responsible for giving rewards and recognition to others are given/required to undertake specialised training.
12	Staff are given (or required to undertake), training in the reward and recognition strategies of our organisation.

Figure 8: Planning and Evaluating R & R Strategies – Mean Importance & Effectiveness Scores by Question.

The conclusion that organisations see these factors as important but their effectiveness is lower, is also indicated when one examines figure 9. This figure highlights the 37 respondent organisations mean scores for the 17 questions. Of these, only 18 (just under 50%) have a 0.5 or less differential between their importance/effectiveness scoring.

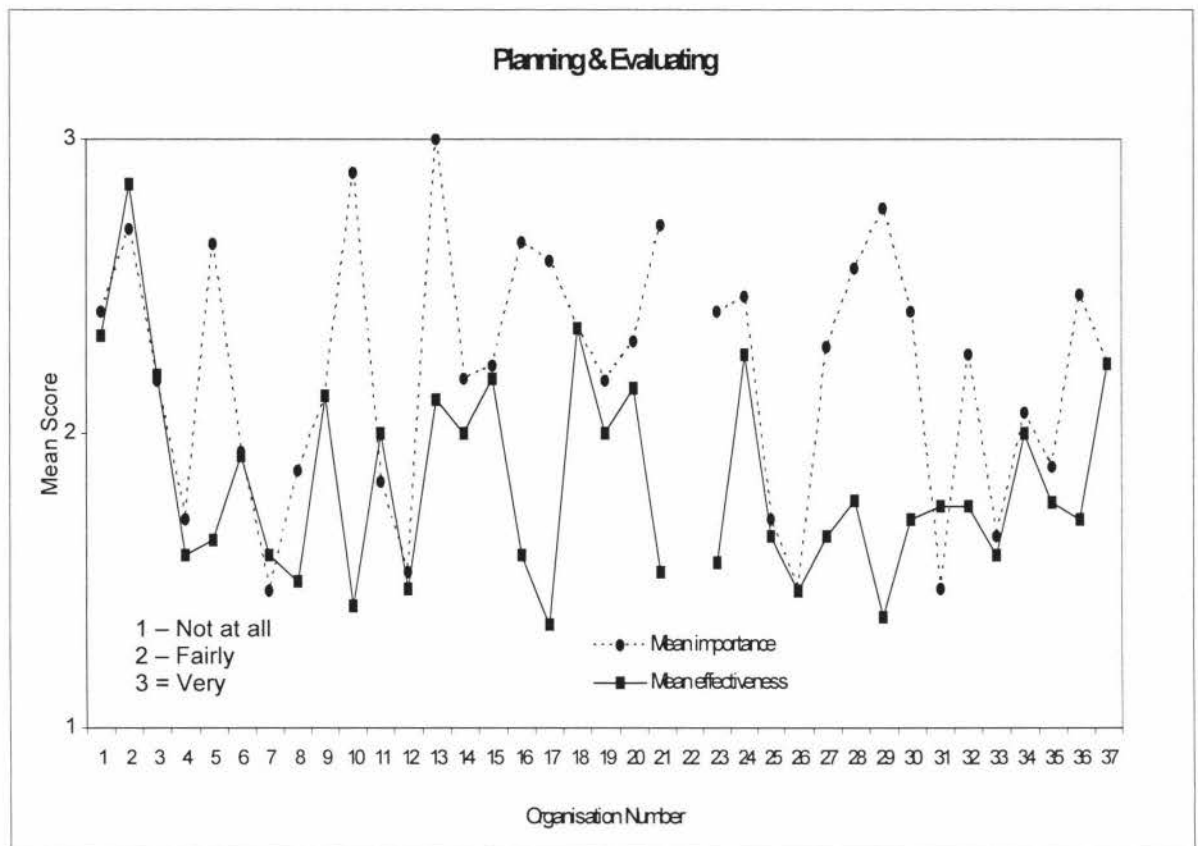


Figure 9: Planning and Evaluating R & R Strategies – Mean Importance & Effectiveness Scores by Organisation.

From the analysis of these 17 statements a number of key opportunities for improvement become noticeable. These include organisations closing (or decreasing) the differences between their importance and effectiveness ratings for questions and practices where there is a noted gap. For example by:

1. Clearly identifying the 'Business Strategy', 'People Strategy, and 'Employment IDEal' prior to implementing a 'Total Rewards Strategy';

2. Performing a needs analysis when determining the R & R strategies to be implemented and selecting the strategies based on their alignment with strategic needs;
3. Setting and agreeing on the measures and targets that will determine the success of R & R - by all parties involved;
4. Having documentation that governs all the different types of reward and recognition strategies the organisation uses;
5. Having a common set of selection criteria to determine who is rewarded and why; and
6. Implementing training for those responsible for giving, and also for staff receiving R & R.

The need for such improvements is supported by the comments respondents made when asked what they would recommend to others who may wish to implement R & R strategies in their organisations (see table 12).

5.2 The Interviews

In Phase Three of the research process, which may be considered part of the ANALYSE (gather and analyse results) stage of the TRADE model, qualitative data was collected from eight organisations using a structured 20 question format (see appendix 16). All responses were written and audio-taped for further analysis. Where appropriate, copies of organisational policies and other documentation were obtained to aid the analysis process.

Outcomes from Phases One and Two, and the four overarching questions used to structure these phases were used to drive the formulation of questions for the interviews.

The interview participants included:

1. An engineering consultancy company with offices and staff working throughout the Asia Pacific Rim;
2. A knowledge and information management company specialising in the development of information resources e.g. intranets, online business process models, with three offices in New Zealand, one in Australia and one in the United Kingdom;
3. A Regional Council located in a small rural community;
4. An Airline operating both nationally and internationally;
5. A bank with operations in New Zealand (and Australian ownership);
6. A Crown Research Institute;
7. A paint manufacturer and distributor with two manufacturing sites in New Zealand; and
8. A franchise operation which serves as a business network which helps member businesses barter (where goods and services are exchanged without the need for cash).

From the surveys, two organisations rated their R & R practices as 'best in their industry', five as 'good for their industry', and one as 'average for their

industry'. All organisations had some documentation regarding R & R in either paper or computer format.

Seven of the eight participants had strategies that promoted teamwork, involved some degree of individual tailoring of the R & R that staff members receive, and measured the success of their organisations R & R strategies. Five of the eight had assigned responsibility for the giving of R & R at many levels different within the organisation e.g. to the CEO, Managing Director, project team sponsors/facilitators/members, and other staff to other staff.

The findings from the interviews indicate that:

1. Many of these organisations exist within competitive industries (5/8), with deadlines and deliverables they are required to meet (4/8). Four had a project orientation that drove their day-to-day work. Three organisations stated that competitors were not an influence on their R & R strategies, one stated that they have a unique culture and were not competitive with external organisations or industries, and one that in their industry there were severe skill shortages, increasing women, and highly skilled employees of an increasing age which made employing and retaining employees a challenge for them.
2. All those interviewed take R & R of employees seriously. Seven out of eight organisations have their business leaders as responsible for their overall R & R strategy, often with the Human Resource team being the internal support structure implementing the system in practice. This was commented on by the Airline:

"In terms of responsibility for R & R, overall we have a remuneration committee that consist of the Chairman of the Board (and another member), Group General Manager for HR (executive position), Group Manager for HR, and the CEO. They meet regularly to discuss policy, performance and reward. This is more of a signoff function based on recommendations. Day to day we have a remuneration team (2 HR consultants and the Group Manager for HR who set the policy, and run remuneration projects".

3. All eight organisations ensure that their R & R strategies link to their company's objectives/mission, individuals/workgroup and project teams objectives and goals. Rewards are set (and given) based on these goals etc. and the culture they wish to achieve Typical comments from interviewees include those from firstly the engineering consultancy and, secondly the Airline:

"Our company business plan and 'aspiration statement' marries together the aspirations and direction of the company into four things of importance – (1) people, (2) clients, (3) reinvestment, and (4) renewal. There are also five values – (1) trust, (2) integrity, (3) teamwork, (4) relationships, and (5) excellence. Teams have objectives based on these and people commit to taking these on. The Board and CEO check to see what is going on and to see 'have we got our foot on the pedal'"

"Goals, measures and targets are cascaded from the Board and CEO to the staff so that we ensure everyone is working towards the same goals. Staff know what these are, and we have a 50/50 individual/company performance payment based on these".

4. Each organisation had their strategies in place for a variety of reasons ranging from its motivational effects on employee performance, the need to create shareholder value, to CEO's believing staff are the critical components in their industry. In most cases, more than one reason was given, and comments back up the quantitative data re the organisations having these strategies in place because they agree to strongly agree that it is good HR practice, they want to reward & recognise what staff have done, there is a desire to be seen as a good employer, they use these methods to attract, retain and motivate staff, and to achieve organisational objectives and targets. The engineering consultancy have a R & R strategy because:

"Hard not to be a cog in a wheel in a large organisation – no one wants to be a number. Staff need to know that they are valued and they want to be part of something. We have R & R to humanize a large and busy environment,

to bring people together, to attract and retain staff, enhance performance, and as a competitive edge"

For the Airline it was because:

"The CEO believes staff are important and talks 'people, people, people'. We are a service industry that hinges on people, and we are in the 'people business' (we are uniquely kiwis)".

The reasons the Bank, Crown Research Institute and IT Consultancy have their strategies for R & R included:

"We have our strategy in place for a number of reasons e.g. to enable the organisation to be competitive in its markets, to create shareholder value (rewarding improvements in the area) to differentiate performance, recognize future potential, and to motivate, attract and retain top talent".

"We have this in place to ensure behaviour, motivation commitment etc. – the 'dynamic of recognition' – e.g. people are passionate about their research but still need recognition for this and for people to know that what they are doing gets noticed by the organisation

"Always had a family based culture. By having the best people in the industry we can provide the best service to clients. Happy people work well and we get the best out of them. Staff feel the benefits of belonging and committing to the company long term because of the inputs into them e.g. training and development. Many of the opportunities are life style based e.g. sabbaticals to the overseas office".

5. Competitors do not necessarily influence practices, but internal climate surveys do (or have done), and these help to determine what it is that staff want and/or how satisfied they are with what the organisation is doing in regard to R & R. Benchmarking has also been used by three of organisations to determine what to implement, as has contracting in the expertise of external consultants.

6. In all organisations staff have been involved to some degree in determining the practices used. This ranged from input into the development of the programme, and the structure of it, via participation in focus groups, giving feedback on their thoughts regarding R & R using internal (or external) surveys, via informal comments and formally through the organisations performance management system interviews and processes. Employees also had input into practices through such strategies as nominating colleagues for awards, and giving recognition for actions employees have 'caught' their colleagues doing.

7. At all organisations achievement and innovation were considered of equal importance. However, the following comment from the Airline was typical of most organisations feelings:

"Achievement is more important at the moment, but to take us forward we need to be innovative. We do have a culture of innovation but the performance management system measures achievement more so than innovation. It is easier to structure around achievement than innovation, but we do want to move more to a 'culture of ideas'".

8. A mix of extrinsic/intrinsic, formal/informal R & R strategies were used. Seven out of eight organisations used bonuses, awards, and public acknowledgment as their main strategies. This was followed by pay rates (6/8), off the cuff rewards (4/8), through feedback during the performance review process, gifts, and feedback (3/8).

9. No one R & R method was used exclusively. Instead a mixture of methods were used by all the organisations interviewed e.g. base pay plus incentive schemes, weekly/monthly/six monthly/annual awards plus one-off rewards for day-to-day actions, 'thank you' cards plus morning tea 'shouts' etc. One-off rewards were widespread and included such things as meal vouchers, movie tickets. These were often given out when staff were 'caught' doing something well, were

seen providing exceptional customer service, or had come up with a good idea. 'Staff to staff' recognition was becoming increasingly utilised using such strategies as 'thank you' notes, 'you have been caught' notes, and award nominations. Wide communication of successes occurred and organisations used internal intranets, newsletters, e-mails, and notice boards to promote employee R & R successes. In some instances press releases were used.

10. In practice, seven of the eight organisations used performance reviews to implement their R & R strategy in practice. Seven also used the strategy of observing staff actions on a day-to-day basis and rewarding positive actions when seen. Seven used award nominations as a means of recognising and rewarding the achievements of staff, and five used 6-12 monthly functions such as dinners and conferences for such activities.

11. 80% of those interviewed could not determine the costs of their programmes. Of those that did give an indication, this ranged from 0-20% of their total annual budget being spent on R & R. The difficulties lay in being able to segment what R & R costs were e.g. did it cover salaries and bonuses, award ceremonies, gift certificates etc. Although the majority could not place a dollar figure or percentage on this area, most considered that their practices were not costly e.g. morning tea 'shouts', thank you notes, gift certificates.

12. In terms of the success of their strategies, five of the eight organisations rated their systems as being good, one as average, and two as the best in their industry. This assessment was made by them based on the comments of their staff, through comparisons with other organisations, and from two having won (or been runners up) in national remuneration awards. The IT Consulting company commented that:

"We do it really well and have won both a national and regional award. We have low staff turnover and high staff satisfaction. People want to work for us".

For the Airline, the Manager of HR Services summed up her perceptions of their R & R programme:

"We are a dominant player in New Zealand but are not world class. We have fair attrition rates. I would say that we have a sound recognition programme but are not the 'best' or 'world class' – we recognize the shortcomings of our current policy".

At the bank the Remuneration Services Manager commented:

"We do extensive research in 'positioning', staff perceptions, industry payments etc, and are confident that our R & R meets the organisations needs at present"

The Crown Research Institute's General Manager of Human Resources rated their strategies as good:

"We sit in the middle. To have a good reward and recognition scheme it must be seen by people as good and be viewed positively. We have a way to go in tying things together and in letting staff know this (this view was obtained by doing this survey)".

The initial surveys indicated that success of R & R programmes was being measured in a number of different ways including feedback from staff (75.7%), staff satisfaction (73%), and staff turnover (59.5%). This was confirmed by the interview process. All eight organisations measured success with either an internal or external survey. 50% also used informal staff feedback and staff retention indices. Performance review interviews (4 organisations), and exit interviews (3 organisations) were also used. Where informal feedback was used as

a judge of success, subjective assessments were being made by asking staff or 'getting a feel for the climate around the place'.

13. Improvements were made to the R & R strategies used by these organisations. 50% have HR staff initiate improvements based on feedback from managers and staff, with 50% having the manager/owner initiating improvements. In three organisations "water cooler conversations" and suggestions lead to the operations team making improvements. Working parties and focus groups (4/8), use of external consultants (2/8), and consultation with the unions (2/8) were also used to make improvements/alterations to their R & R strategies. The Engineering Consultancy and Crown Research Institute respondents commented:

"xxx is a company that is a driven organisation - they are driven to excel and have high expectations. This is embodied in the values and how the company works. There is a real drive on 'walking the talk' – we better be doing it and making alterations – we check that we do what we say we do"

"We review the overriding principles annually and do a 'pulse check'. We also benchmark as part of this but may do this more often depending on the roles required and the 'hotspots' we have in January and February".

Interview participants indicated that there were many 'positive outcomes' as a result of their strategies; these included the meeting of targets (company/individual), greater teamwork, enthusiastic staff, and happier and brighter staff. However, more comments related to 'difficulties' were obtained. These comments included difficulties such as people not participating, the differences between team/individual success, the effects on team/individuals, work not being completed in the right 'spirit', not having everything related to rewards in one place, some staff 'wants' not being practical, the R & R process not being quick enough (or reacting too slowly) to environmental changes, having to put things in writing leading to R & R becoming static, and R

& R becoming stale due to the formality of a system. However, the main issue identified was that of 'expectancy' - acknowledged by 50% of the organisations. In relation to this the General Manager/Owner of the IT Consultancy commented:

"Expectancy - probably not the norm, but the more you give the more they expect it, and the more they want it, and the more 'normal' it becomes".

The Manager of HR Services for the Airline and the Crown Research Institute's General Manager of Human Resources also commented on 'expectancy' as an issue for their organisations:

"We are highly unionized and have 24 collectives. We do have an entitlements culture rather than 'performance' due to the unions and collective agreements we have in place. There is an expectation that pay etc will increase each year and this does need to be addressed".

"We did give bonuses for achievement of certain things in negotiation with line managers. People would always get their bonuses – it became a given. It led to an undue focus on those aspects that would get the bonus at the extent of other things".

14. When asked what they would rate as the critical success factors or their organisations R & R strategies, interview participants voiced a number of comments. These included the need for fairness and consistency across people, staff ownership and buy in, having an informal rather than a formal system, managers knowing their staff and looking at the culture of the organisation, using non-monetary avenues, recognising a range of things (e.g. long service, technical proficiency, behaviours, exceptional achievement), celebrating successes in some way, and having a balance between what is done/how done and short/long term achievements. The four main factors identified however were:

1. Business leaders behind it and promoting it (4/8);
2. Keeping it simple (4/8);

3. Ensuring it was well communicated and understood (3/8); and
4. Listening to staff (2/8)

These observations by respondents indicate that overall, R & R strategies should be simple, have support from top leadership, be well promoted, and well understood. However, as suggested by the survey findings, the 'well understood' may not be happening, with training for those responsible for giving, and also for staff receiving R & R being seen as 'not at all' to 'fairly important' and organisations giving 'not at all' to 'fairly effective' effectiveness mean ratings.

15. A range of comments were gathered regarding the advice that interview participants would offer to others wanting to implement a R & R strategy. Of these keeping it simple (5/8), making sure it is what staff want (4/8), getting staff buy in, engagement, and everyone behind (4/8), making it measurable, and promoting it were seen as the most important. The need for clarity of goals from the top (and communication of these), transparency, not being too rigid, and regular reviews were also mentioned. The Human Resources manager for the barter franchise operation summed up her thoughts on the advice that she would give to others:

"Everyone can put in place structures – talent lies in putting together relevant themes that drives a certain result, and to have the 'balls' to roll it out to the people – therefore have passion behind it in taking that risk in getting others to go on that journey with you".

At the Crown Research Institute, the General Manager of Human Resources would advise:

"Create a well balanced understanding of what you want to recognize and then challenge this thinking. Do your research – identify what stakeholders believe are important and what the boundaries are. Think about the parameters of the R & R system – what is possible in the way that you

operate. Talk with people in other organisations, look at the research, benchmark, go to a credible remuneration expert. Refine and develop strategies with the people”

As a result of her experiences, the Manager/Owner of the IT Consultancy would provide the following counsel to others:

“HR must recognize that they are not the sole domain or responsibility centre for this – it can and does come from outside HR. We do not always get it right. It is a fluid area – you must be willing to be fluid and change at the drop of a hat. You need buy-in at the top and engagement of the people. You also need some budget – but it does not need to be huge – you do not need to buy everything.”

16. When asked if they were able to design the ultimate R & R strategy from scratch and to identify what it would include, respondents provided a list of 19 points. These ranged from having a staff card (a company discount card for other organisations), reinstituting previously stopped superannuation schemes, more individual recognition, small but frequent rewards and recognition, informal rather than formal strategies, a rigid performance management system and measures, to a combination of cash and shares. No one suggestion appeared more than once on the list. When also asked how this would work in practice and what vital aspects would need to be considered the following comments were made by the Airline and Engineering Consultancy respondents:

“It would need to include transparency right from the start. This would give complete clarity on roles, payment for the role, eligibility to earn etc. This would then need to be communicated”

“Include everyone. Look at the culture, look at the underlying assumptions that drive it. Do not launch or document too much – this leads to chains. It is a fluid area and you must be willing to be fluid and change at the drop of a

hat. Managers must own it, employees must be involved and see they are making a difference”

The organisations interviewed came from a range of industry types and varied in size and geographical location. There did not appear to be many differences between the respondents – even between the good, the average, and the best. Some used more formal systems, others more informal – all used a variety of intrinsic and extrinsic strategies. Some used peer to peer R & R more, whilst some had more monetary R & R strategies in place – all used a mix of both. All measured success; made alterations based on feedback they received, and involved staff in the development and continuous improvement of their strategies.

The overall themes identified through the interview process indicate that:

- R & R is taken seriously;
- Senior people are involved or responsible for R & R strategies;
- Strategies link to company objectives/mission, individuals/workgroup and project teams objectives and goals;
- R & R is set (and given) based on company, individual/workgroup and project teams objectives and goals
- A mix of formal/ informal, monetary/non-monetary solutions are used;
- Staff are involved in the setting of R & R strategies;
- Innovation and achievement are considered equal issues, but achievement is most likely to be rewarded and recognised;
- Costs of R & R strategies cannot be determined;
- Success of R & R strategies is measured and this information is used to continuously improve and alter strategies;
- R & R can lead to many positive organisational and individual results;
- Strategies need to be flexible and fluid; and
- Documentation should exist that clarifies the use of an organisations R & R strategy.

6. Discussion and Recommendations for Best Practice

The discussion and recommendations presented here may be considered to be part of the closing stages of the ANALYSE (gather and analyse results), and DEVELOP (reports and recommendations) stages of the TRADE model. They also contribute to the final stage of the Research Methodology and Investigation Methods Model – that of ‘Contribution to Knowledge and Practice’.

In line with the earlier literature review and research process, both the surveys and interviews confirmed and/or highlighted a number of key themes of significance regarding R & R. These key themes have been translated and presented in this Chapter as recommendations for HR practitioners and organisational leaders. Using the model and these recommendations could aid in the success of organisational R & R strategies.

The main findings from this research project indicate that to have a successful R & R strategy organisations could and should:

1. Take R & R of employees seriously and drive it from the top:

All those interviewed take R & R of employees seriously and believe that whatever is implemented should be driven by, and have the support of an organisations top leadership. Leaders should be seen as having overall responsibility for the organisations R & R strategy, and in 7 out of 8 interviewed organisations this was the case. They believed that this ensured clear ownership and buy in at the highest levels. In addition, this indicated to employees the importance and seriousness of the strategy. To sustain implementation in day to day practice, a Human Resource team (or other assigned team) was used as the internal support structure.

2. Link R & R to company strategy, and then set and give rewards based upon the achievement of these:

Along with Bragg (2000), Stredwick (2000), Gross and Nalbantian (2002), and Ison (2002), each interview participant believed that R & R must be linked to the company's overarching strategy, mission, vision, objectives, goals, and the culture they are trying to promote and achieve. This ensures individuals, workgroups and project team objectives and goals are able to be clearly identified and linked to the higher goals of the organisation. In this way clarity of expectations, fairness, transparency and measurability can be achieved. All eight organisations interviewed linked their R & R strategies to their company objectives, culture, principles, targets, milestones, and to individual objectives, milestones and targets.

Stredwick (2000, pg 10)) notes that "First there must be a rewards strategy in place. It must be derived from and contribute to corporate strategy and be based on corporate values and beliefs". Ideally organisations should consider developing their 'Business Strategy' alongside an associated and specific 'People Strategy'. From these an 'Employment iDeal' framework and 'Total Rewards Strategy' would evolve. To achieve these, leaders must clearly understand why they would have a R & R strategy in place and what it is trying to achieve. Organisations participating in this project 'agreed' to 'strongly agreed' that they have R & R strategies in place because it is good HR practice, to reward & recognise the work of their staff, to motivate staff to perform and achieve personal success, to attract new staff, and to ensure the organisation meets its objectives and targets. However, linking R & R to strategy was not an area done well by most survey respondents. Strategies being selected based on their alignment with strategic needs, although rated as being 'fairly' to 'very important', their effectiveness was not, with mean ratings of 'not at all' to 'fairly effective'.

The NZBC HRFW R & R Model provides a framework that encapsulates and combines the development of a 'Business Strategy', a resulting 'People Strategy', an 'Employment iDeal', and finally a resulting 'Total Rewards Strategy'. Using this model could encourage and facilitate the development of these key aspects prior to an organisations considering, planning and implementing any specific R & R strategy and methods, and thus result in a more considered, aligned and comprehensive group of strategies for the benefit of all in the organisation.

3. Involve staff in determining the programme and practices to be used:

All respondents considered that staff involvement and buy in (from the top to the bottom of the organisation) was a 'must' for a successful R & R strategy. Along with linking R & R to strategy, a needs analysis should be performed and staff input obtained when determining the strategies to be implemented. This involvement will help make sure strategies are what staff want, meets their expectations, obtains buy in and engagement, and maximises motivation. However, in a number of organisations, this was done very informally and took the form of 'water cooler' conversations. This needs analysis and input can be formalised, via such things as focus groups, through the organisations performance management system interviews and processes, and climate surveys.

In all interviewed organisations staff had been involved to some degree in determining the practices used. Listening to staff was considered a 'critical success factor, and making sure it is what staff want was clear advice they would give to others wanting to implement a R & R strategy.

It is suggested that leaders would benefit from understanding key concepts related to what motivates staff in general and how this relates back to the strategies they will put in place. Also of importance, are leaders having an understanding of their individual staff members' key motivators in order to enable tailoring of the programme not only to the general organisations employees, but also to individual staff members

who have differing needs to their colleagues. Kohn (1999, pg 16) highlights this as an issue "Good management, like good teaching, is a matter of solving problems and helping people do their best. This too takes time and effort and thought and patience and talent. Dangling a bonus in front of employees does not. In many workplaces, incentive plans are used as a substitute for good management: pay is made contingent on performance and everything else is left to take care of itself".

R & R programmes should contain an element of individualisation e.g. based on the age, life stage, general preferences and occupations of the individuals. This theme of individualising and tailoring is included as a component of the NZBC HRFW R & R Model and has been highlighted by Varespej (1999) and Moses (2000). Tailoring to individual or groups would require leaders having closer relationships and more in-depth communication with employees to obtain information related to such needs, wants and expectations to enable the planning and implementation of practices considerate of these individuals. The concepts of tailoring and the disparities between what employees and their employers consider important factors in a job has received considerable attention (Lindner (1998), Kohn (1999), Varespej (1999), Moses (2000), Smith (2002), and Hansford (2002), and should be considered when determining practices to be used. As Kohn (1999, pg 85) notes "If we are determined to use rewards, it does seem to make sense to let people have as much control as possible over what they will get and what they will have to do to get it. All things being equal, the more people retain a sense of autonomy, and the more they perceive the whole arrangement as fair, the less damage will be done".

The NZBC HRFW R & R Model encourages the development of a 'People Strategy', an 'Employment iDeal', and finally a resulting 'Total Rewards Strategy'. Tailoring to individuals, teams and workgroups is also included. These strategies can be developed through staff involvement. In this way, these aspects of the model will be covered and provide a

comprehensive group of strategies linking organisational needs and staff needs, wants, expectations, age/life stage, gender and work role or profession. A relationship whereby equilibrium is achieved between the often competing goals, of the organisation and individual, and where employee and employer goals are mutually aligned can then be achieved.

4. Assess what is happening in other organisations similar to your own to ensure that what you are doing is equitable and fair for your industry:

Although competitors did not affect the strategies that interview respondents implemented, many did suggest that an analysis should be done to provide an indication of what was happening in the market place and provide a 'line in the sand' for their own. A number of organisations did undertake such reviews - some used basic benchmarking processes, and in some cases it was necessary to contract in the expertise of an external consultant to obtain this view. These actions were taken to ensure equity of practices (particularly pay rates) with market conditions. This is an important aspect to consider as writers on 'equity' (Ambrose (1999), Bragg (2000), and Harvey cited Cave (2002b)), do suggest that dissatisfaction can result if fairness and equity is not seen as occurring, and that this may lead to decreased motivation, underperformance and leaving the organisation to obtain a more equitable and fair deal.

5. Keep the programme and its structure, processes etc simple and not too rigid - this will allow changes to be readily made and help prevent 'expectancy':

In both the survey and interviews, respondents highlighted the need for R & R to be kept simple, flexible, and not too rigid. Comments suggested that by ensuring this, the programme could be altered as organisational needs changed. 50% of interviewed organisations highlighted that 'expectancy' was an issue for them, with staff coming to expect such things as annual pay increases and bonus payments. Expectancy was also raised as an area for consideration by Yancey et al (cited Ambrose 1999), Bragg (2000) and Harvey (cited Cave 2002b)). To help minimize

expectancy, participants and authors recommend ensuring the organisations R & R strategy is capable of being revised and adjusted on a regular basis, and that rewards are changed often. They felt that this helped to ensure that staff were kept motivated and that the programme was 'fun'. They suggest this also helps ensure the programme is based on a premise of creativity and innovation. Also strongly advised, is for organisations to undertake regular reviews of the suitability of their programme and what effects their strategies are having on staff motivation and outputs. Stredwick (2000, pg 10) also suggests that organisations need to retain considerable flexibility in their R & R programmes, that these "...must not be fixed and immutable but contingent upon circumstances and performance", due to organisations needing to be nimble-footed in a changing business world.

Although money is generally considered a factor in employees taking or remaining in a job, money as a motivator was seen by respondents as only one part of a more comprehensive programme. Organisational culture, opportunities (for training, skill acquisition, promotion etc) were increasingly being integrated into all into programmes. This supports the recommendations and comments of Harvey (cited Cave 2002b), Cave (2002b), and Lopez (cited Leavitt 2003), and the components of the NZBC HRFW R & R Model developed from this study.

6. Use a mix of extrinsic/intrinsic, formal/informal R & R strategies, and tailor to the individual where possible:

Survey and interview participants used a variety of both extrinsic/intrinsic, formal/informal R & R strategies. These included off the cuff rewards and feedback, 'thank you' cards, morning tea 'shouts', vouchers, movie tickets, gifts, training and development opportunities, weekly/monthly/six monthly/annual awards, one-off rewards for day-to-day actions, public acknowledgment, base pay plus incentive schemes etc.

In confirmation of the work of Varespej (1999), Moses (2000) and Simmons (2002) views on tailoring, interview participants also felt that

this area was of increasing importance and used this as a tactic. This variety of strategies was aimed at helping to ensure that all staff were covered and rewarded in a way that suited them. This variety did help to ensure both extrinsic/extrinsic and life stage motivational factors were considered as has been highlighted as a need in the writings of the major motivational theorists Maslow, Herzberg, McGregor etc. The basis for the NZBC HRFW model was also on the premise that these factors should be considered and a variety of strategies must thus be used if motivation is to be maximised.

As indicated by both the survey and interviews, many strategies were used to reward and recognise staff, either individually or as a result of their contributions to workgroups or project teams. Individuals were predominantly rewarded by formal feedback on their performance, being given 'thank you' letters and certificates, having their successes communicated to others, being given non-personalised items like gift vouchers, and receiving cash payments such as bonuses or commissions. The predominant means for rewarding Workgroups and Project Teams were through award ceremonies or events, communication of their successes receipt of personalised items such as thank you letters and certificates. Of note is that the top supplied rewards for all groups are essentially non-monetary (or low monetary value) activities. Interview participants also noted that R & R did not necessarily need to cost a lot and that many of their rewards were of no, or low, monetary value.

In relation to implementing team rewards, Sarin, et al (2001), note that there are many factors to consider including how to distribute rewards fairly among team members, determining the criteria on which the rewards should be based, being able to accurately assess and reward individual contribution and effort, the risk and responsibility assumed by team members, and the issues of justice, fairness and individualism. They suggest that where it is easy to evaluate individual contribution, that

this should be done, but that organisations may need to invest further in accurate and unbiased methods of evaluation. In general, they note "The pattern suggests that for NPD projects in general and for long and complex projects in particular, linking rewards to process-based criteria (such as procedures or behaviour) is detrimental to team performance, whereas linking rewards to the output produced by the team has a positive influence...". However, they do note that further empirical research is required in relation to team reward.

Colleague to colleague acknowledgments should also be encouraged and this is increasingly being used as a strategy by both the surveyed and interviewed organisations. When asked who had the ability to R & R staff achievement 40.5% of organisations stated this occurred via 'other staff to other staff' recognition practices, and 18.9% via 'project team members'. This can be achieved by award nomination processes and employees giving recognition for actions they have 'caught' their fellow workmates doing, or simply by providing some praise or feedback.

Although many different methods are being used to R & R staff achievements, the literature noted that acknowledgement and praise (in some form) is a must for all people, and is considered a universal motivator. Bragg (2000) suggests that "Honest, sincere appreciation should be your staple when managing your staff". This can be achieved 'catching' people doing something in line with the organisations goals, vision and mission, through performance appraisal structures, staff meetings and award ceremonies.

An assessment by staff of the methods that are being used within the organisation can determine how satisfied people are with what the organisation is doing in regard to R & R. This information can be used for the programmes continuous improvement. Boxall et al (2003, pg 13) suggest regularly measuring employee attitudes "...employers have much to gain from regular measurement of employee attitudes towards work

organisation and towards employment policies and practice (e.g. through surveys and/or focus groups)...Improved systems for individual performance review are also likely to pay dividends, particularly when they encourage greater employee involvement in job design and personal development planning”.

The NZBC HRFW R & R Model provides a framework that includes the use of many different extrinsic and intrinsic motivational R & R methods e.g. the providing of opportunities for training/development, skill and performance enhancement, recognition and celebration, monetary rewards. Use of this framework could encourage and facilitate the inclusion of these key aspects in an organisations R & R strategy and provide a mix of motivators and rewards that would be considerate of all individuals and groups in the organisation.

7. Reward all those who contribute and have a common set of selection criteria to determine who is rewarded and why:

The practice of using teams in the workplace is seen as a key to organisational success, and writers suggest that there should be a combination of team/group rewards and individual rewards. However, survey results indicated that individuals are receiving a higher share of the rewards in comparison to teams. This is in direct opposition to Bragg (2000) who states that “Many organisations forget individuals and focus only on teams”. Cave (2002a) discusses these same issues and identifies that there is “...an emerging line of thought about the danger incentives represent for businesses - that financial incentives may actually reinforce organisationally destructive behaviour. Rewards that recognise purely individual performance instead of group performance can drive people to behave out of self-interest, even to undermine the efforts of co-workers. On the other hand, rewards based purely on group performance could allow people to ‘slack off’ and ‘ride’ on others efforts. And too much focus on short-term incentives may compromise the long-term health of the company”. Also of mention is the practice of

rewarding people for unequal performance. This 'Jelly Bean' motivation (Bragg 2000) is said to destroy team building and de-motivate star performers. The writer also warns that rewards should be for everyone, and individuals who have more 'backroom' or support positions often get forgot. These warnings and comments suggest that a clear and common set of selection criteria for who is rewarded, when and why is important to prevent the inequity and unfairness issues highlighted by Ambrose (1999).

8. Ensure the programme is well promoted, so those giving, and those receiving can understand the parameters, processes and expectations:

In both the survey and the interviews, the importance of consistency, transparency, understanding and communication were highlighted as both hindering factors and success factors for R & R. Interview respondents highlighted lack of understanding of the R & R process, lack of consistency and uneven application, lack of promotion, and issues with managers administration of the R & R process as being key hindering factors. A key promoting factor was considered to be managers' administration and understanding of the practice. When asked for recommendations that they would give others wanting to implement R & R two of the key themes that emerged were (1) making sure it was transparent, documented and communicated, and (2) ensuring managers know how to administer the strategy'.

This was not an area done well, with training for those responsible for giving, and also for staff receiving rewards and recognition being seen by respondents as 'not at all' to 'fairly important ', and their effectiveness being 'not at all' to 'fairly effective'. Only 38.9% of surveyed organisations had documentation in place regarding R & R. This is an obvious area for continuous improvement activities.

In support of the importance of consistency and fairness in the way that R & R is managed (taken by Bragg (2000)), respondents believed there

must also be clarity of expectations with employees having a good understanding of what is recognised, why, by whom and when. They all believed that a highly effective performance management system which included goal setting and measurement was a key to ensuring success, with the R & R programme or strategy being simple in the processes that were used, and in its ability for staff and managers to understand and administer.

Consistency, transparency, understanding and communication can all be improved by such activities as information being provided at meetings, the use of internal intranets, pamphlets, notice boards, having a documented policy etc. In some instances a specific training programme may be helpful. In fact, a key theme identified from the interviews was the suggestion by respondents that documentation should exist that clarifies the use of an organisations R & R strategy. Such actions could thus reduce the impact of these as factors hindering success and therefore improve R & R strategy application.

9. Measure the success of the programme and continuously improve it:

83.8% of surveyed organisations stated that they measured the success of their R & R strategies. All eight organisations interviewed measured success in a formalised manner using either an internal or external survey. Informal staff feedback, staff retention indices, performance review interviews and exit interviews were also used to gauge success or otherwise.

Despite the fact that not one organisation interviewed was able to state how much they spent on their R & R programme, and their success was not always measured empirically, each respondent believed that R & R can result in significant business results, changes in organisational culture and staff satisfaction including:

1. Greater achievement of organisational and personal goals;
2. Increased productivity, project completion and revenues;

3. Strengthening of relationships, increased appreciation of others and greater teamwork;
4. Development and strengthening of the organisational culture;
5. Increased motivation and happier staff;
6. Reduced turnover; and
7. Enhanced marketplace reputation and branding e.g. easier to get and retain staff.

As with any process, success can really only be measured, and improvement initiatives implemented satisfactorily, if data-based decision-making is used to drive actions. Data on staff satisfaction (collected via internal/external survey, performance review meetings, general staff feedback, staff turnover etc) may all provide both quantitative and qualitative indices on staff satisfaction with R & R strategies.

In developing the content of the NZBC HRFW R & R Model, all attempts were made to incorporate what were considered to be the key themes from the literature review and initial research phases. The two main focuses of the survey and interviews were that of identifying what New Zealand organisations have within their 'Total Rewards Strategy', how these strategies were developed and the factors that influenced the organisations decisions e.g. their 'Business Strategy', 'People Strategy', 'Employment iDeal,' and 'Tailoring' factors.

An overarching aim of Phases Two and Three was establishing through data and information collection if the model fitted current organisational activities, or would be valid for use by HR practitioners and organisational leaders in planning and implementing R & R strategies. The data and information collected, and the stories told by the respondents support the NZBC HRFW R & R Model in relation to what they believe is required to ensure success of organisational R & R strategies.

The model ensures that there is:

- Linking of R & R to the goals, vision, mission and strategy of the organisation by encouraging the development and linking of a, 'Business Strategy', a 'People Strategy', an 'Employment iDeal', and finally a resulting 'Total Rewards Strategy'.
- The inclusion of many R & R and motivational strategies through using a mix of extrinsic/intrinsic factors etc.
- Tailoring to the needs, wants and expectations of individuals, teams and workgroups, and age/life stage, gender and work role or profession have been considered in developing these.

Using this model as the framework for the development of a R & R strategy could encourage and facilitate the development of these key aspects prior to an organisation implementing any specific R & R strategy. In this way the:

- Hindering factors commented on by respondents could be minimised;
- Promoting factors could be extended and be built upon;
- Recommendations the respondents would make to others could be fully incorporated; and
- Positive outcomes from R & R programmes such as increased motivation, happier staff and the meeting of organisational and individual goals could be more effectively met.

The third and fourth phases of Codlings benchmarking framework occurs within the individual member organisations, as they review the findings of the workgroup, develop reports and recommendations, and then adapt and adopt the practices described for their own use. These phases have yet to occur and are unlikely to do so due to the disbanding of the NZBC prior to this studies completion.

7. Conclusion

Many writers both internationally and within New Zealand have focused on the issues surrounding rewarding and recognising employee contributions within the workplace, and this issue provided the impetus for the NZBC HRFW project, and this thesis. At the start, the NZBC HRFW workgroup set out to identify best practice organisations in New Zealand from whom they could learn and then emulate their practices in relation to rewarding and recognising the innovations and achievements of their own employees.

This study was able to identify who and what is recognised and rewarded and by whom, approaches being used and how they are used, contextual factors that promote or hinder success, and that success of these activities is not measured well. The study was unable to determine costs of R & R strategies, to identify one or more organisations that stood out as best practice, or to determine how the approaches motivated and incentivised employees to achieve personal and business success.

A model was developed and key themes were found from the literature review, surveys and interviews that were then translated into recommendations for HR practitioners and organisational leaders. Using the model and these recommendations could aid in the success of organisational R & R strategies by:

- Linking R & R to the overall strategy of the organisation;
- Including a mix of strategies that meet the motivational needs, wants and expectations of its staff;
- Ensuring the programme is well promoted, understood and implemented;
- By measuring success of the programme and continuously improve it;
- Minimising those factors that hinder the success of R & R;

- Extending and building upon those factors that promote success of R & R;
- Incorporating the recommendations of New Zealand practitioners; and
- Ensuring and enhancing the positive individual and organisational outcomes that can be achieved from R & R programmes

These recommendations are:

1. Take R & R of employees seriously and drive it from the top:
2. Link R & R to company strategy, and then set and give rewards based upon the achievement of these:
3. Involve staff in determining the programme and practices to be used:
4. Assess what is happening in other organisations similar to your own to ensure that what you are doing is equitable and fair for your industry:
5. Keep the programme and its structure, processes etc simple and not too rigid - this will allow changes to be readily made and help prevent 'expectancy':
6. Use a mix of extrinsic/intrinsic, formal/informal R & R strategies, and tailor to the individual where possible:
7. Ensure the programme is well promoted, so those giving, and those receiving can understand the parameters, processes and expectations:
8. Measure the success of the programme and continuously improve it:

As a result of the above recommendations, what might work in one organisation may not work in another as the goals, mission, culture, motivations and needs of the organisations may differ. Stredwick (2000, pg 18) comments "As reward structures and systems need to be aligned to the specific requirements of the organisation, then it follows that there is unlikely to be a 'best practice' that will work in all environments". He suggests that it is essential for HR practitioners "...to look at the overall business needs and

to identify how reward strategies can assist in guiding and changing employee behaviours which will lead to long-term performance improvement. Strategies that do not merely follow political agendas or attempts to follow the 'best practice' procession but those that meet their own organisations unique requirements".

Clearly if R & R strategies are to be linked into the higher overarching 'Business Strategy' (including goals/ mission and values), its 'People Strategy' and 'Employment iDeal', it would be impossible to emulate what others do. At best, an organisation can learn from others and take those aspects that support its own unique plans, goals, culture and organisation.

Gross and Nalbantian (2002) comment that 'looking inside out' for best practices is an important concept but state that "...what's best for one company isn't always right for your business. Best practices and benchmarking are useful tools, but should not be viewed as the answers...Benchmarking, or a review of what others are doing, is also a good start to determining reward strategy, but it should be just that – a start".

Leavitt (2003) summarises this just as succinctly - "...establishing a structure for rewards and recognition involves more than just following a list of guidelines and principles. Challenges lie in ensuring consistency across an organisation, yet recognising the needs of different business units....As a result, best-practice organisations develop guidelines instead of an imposing corporate-wide approach" (Leavitt 2003).

A limitation of this study may relate to the size of the sample of survey respondents. An e-mail methodology was chosen for distribution of the survey as this was considered the most likely method to provide ease of completion and return for respondents, obtain a good response rate and thus increase the reliability of the results. However, the response rate for this survey at 19.5% was below the 30% level suggested by Sekaran (2003), and as such this may limit the generalisability of the results to the overall business population. As interview respondents were chosen from this survey sample, this may also influence the generalisability of results.

8. Appendices

1. Meeting 1 Agenda and Minutes
2. Email inviting participation in the R & R survey
3. Survey
4. Survey Results
5. Interview Template
6. Participant Interview Information and Consent Form
7. Interview Responses

9. Bibliography

1. American Productivity and Quality Centre, (1997), *What is Benchmarking?* APQC Report, Houston, USA.
2. Ambrose, M. L., (1999), *Old Friends, New Faces: Motivation Research in the 1990's (Yearly Review of Management)*, Journal of Management, May-June 1999, USA.
3. Anonymous, (1998), *Pay for Performance Report: Beware the Six Dangerous Myths About Compensation*, Iss. 98, Vol. 12, Institute of Management & Administration, New York.
4. Boxall, P., Macky, K., & Rasmussen, E., (2003), Labour Turnover and Retention in New Zealand: The Causes and Consequences of Leaving and Staying With Employers, *Asia Pacific Journal of Human Resources*, Vol. 4 (2), pp 1-22.
5. Bragg, T., (2000), *How to Effectively Reward and Inspire Your Team*, Occupational Hazards, October, Vol. 69 Issue 10.
6. Campbell-Allen, N. M. & Welch, S., (2004), *BPIR Management Brief: Motivating Employees*, Issue 7, BPIR.com, Palmerston North, New Zealand.
7. Cave, M., (2002a), *Go Ahead, Motivate Me*, Australian Financial Review Boss, May, Fairfax Publishing, Australia.
8. Cave, M., (2002b), *Salary: Show us the Money*, Australian Financial Review Boss, November, Fairfax Publishing, Australia.
9. Centre for Organisational Excellence Research, (2002), *COER News*, Issue 2, July 2002, Palmerston North, New Zealand.
10. Codling, S., (1992), *Best Practice Benchmarking*, Gower, London.

11. Easterby-Smith, M., Thorpe, R., & Lowe, A., (1996), *Management Research: An Introduction*, Sage Publications, London.
12. Frederick, D., (2001 Feb), *Motivating Staff*, Credit Management, pp 34-35, Institute of Credit Management Ltd., Stamford.
13. Gendall, P., Banks, T., & Wohn, K., (2006), *Attitudes to Work in New Zealand: International Social Survey Programme*, Department of Marketing, Massey University, New Zealand.
14. Gross, S., & Nalbantian, H., (2002) *Looking at Rewards Holistically*, WorldatWork Journal, Scottsdale, USA.
15. Hansford, D., (2002), *Insights into Managing an Age-diverse Work force*, Workspan, Vol 45, Iss 6, pp 48-54.
16. Ison, J., (2002), *Watson Wyatt Worldwide Strategic Rewards Approach*, Presentation to New Zealand Benchmarking Club Members at Human Resource Project Workshop, 22 August 2002.
17. Kohn, A., (1999) *Punished By Rewards: The Trouble with Gold Stars, Incentive Plans. A's, Praise, and Other Bribes*, Houghton Mifflin Company, Boston, USA.
18. Leavitt, P., (2003), *Rewarding Innovation*, American Productivity and Quality Centre, [Http://www.apqc.org](http://www.apqc.org), 16/02/03.
19. Lindner, J. R., (1998) *Understanding Employee Motivation*, Journal of Extension, June 1998, Vol 36, Number 3. - <http://www.joe.org/joe/1998june/rb3.html>
20. Mackay, K., (1993), *Innovative Remuneration Schemes*, Paper presented to the 1993 Institute for International Research Conferences on Pay and Remuneration Policies at Auckland and Wellington, New Zealand.

21. Mathison, S., (1988), *Why Triangulate*, Educational Researcher, Vol. 17, No. 2 (Mar., 1988), pp. 13-17.
22. Moses, B., (2000), *6 Degrees of Motivation*, Black Enterprise, Vol. 31 Issue 4.
23. New Zealand Benchmarking Club Human Resource Focus Workgroup, (2002), *Agenda and Minutes for Meeting 1*, 24 May 2002, Palmerston North, New Zealand.
24. New Zealand Business Excellence Foundation, (2002) *Criteria for Performance Excellence*, Auckland, New Zealand.
25. Poster, C., & Scanella, J., (2001) *Total Rewards in an Ideal World*, Benefits Quarterly, Third Quarter, Vol. 17 Issue 3.
26. Sale, J. E. M., Lohfeld, L. H., & Brazil, K., (2002), *Revisiting the Qualitative-Quantitative Debate: Implications for Mixed-Methods Research*, Quality & Quantity, Vol. 36: 43-55.
27. Sarin, S., & Mahajan, V., (2001), *The Effect of Reward Structures on the Performance of Cross-Functional Product Development Teams*, Journal of Marketing, Vol. 65, No. 2, pp. 35-53.
28. Saunders, M.N.K., Lewis, P., & Thornhill, A., (2007)), *Research Methods for Business Students*, 4th Ed edition, Financial Times/Prentice Hall
29. Scandura, T. A., & Williams, E. A., (2000), *Research Methodology in Management: Current Practice, Trends, and Implications for Future Research*, The Academy of Management Journal, Vol, 43, No. 6, pp 1248-1264.
30. Sekaran, U., (2003), *Research Methods for Business: A Skill Building Approach*, 4th Edition, John Wiley & Sons Inc. USA.

31. Simmons, C., (2002), *Challenge the old: Champion the new*, Presentation to New Zealand Benchmarking Club Members at Human Resource Project Workshop, 17 October 2002.
32. Smith, G. P., (2004), *Provide a Positive Working Environment For Productivity and Retention*, The Navigator Newsletter, Vol 72, 19 March 2004, pp 1, Chart Your Course International, Atlanta, Georgia, USA.
<http://www.ChartCourse.com>
33. Stredwick, J., (2000), *Aligning Rewards to Organisational Goals – a Multinational's Experience*, European Business Review, Vol 12, No. 1, pp. 9-18.
34. Stajkovic, A. D., & Luthans, F., (2001), Differential Effects of Incentive Motivators on Work Performance, The Academy of Management Journal, Vol. 44, No. 3, pp. 580-590.
35. Varespej, M., (1999), *What Each Generation Wants*, Industry Week, October, Vol. 248 Issue 19.
36. Voss, C., Tsikriktsis, N., & Frohlich, M., (2002), *Case Research: Case Research in Operations Management*, International Journal of Operations & Production Management, Vol. 22, No. 2 pp 195-219.
37. Welch, S., & Mann, R., (2001), *What is Best Practice?*
<http://www.thebpir.com/site/default.asp?pageid=20>, 16/09/05.
38. World at Work, (1995), *Benchmarking Reward Systems: An Approach to Identifying and Applying Best Practices to Facilitate Organisation Change*, Scottsdale, USA.
39. Wrzesniewski, A., & Dutton, J. E., (2001), Crafting a Job: Revisioning Employees as Active Crafters of their Work, Academy of Management Review, Vol. 26, No. 2, pp 179-201.

Human Resource Workgroup

Project – “To determine how best practice organisations recognise and reward achievement to deliver business success” (Draft)

Agenda and minutes for meeting 1 on Friday 24th May 2002

Date: Friday 24th May 2002 **Time:** 1.30-5.00
Facilitator: Nicky Campbell - Allen **Team Leader**
Meeting Venue: Rm 7C07 Nursing School Building
 Massey University
 Coombe Street
 Wellington

Team:	Nicky Campbell-Allen (Massey)	✓	Sen Chen (Fletcher Wood Panels)	✓	Betsy Duncan (Action Mail)	✓	Raquel Jensen (Silicon Systems)	✓	Mark McSherry (ACC)	✗
	Robin Mann (Massey)	✓	Deb McCauley (Action Mail)	✓	Rachel Rees (ENZA)	✓	Rose McFarlane (Hamilton City Council)	✗	Glynis Powell (ACC) (Temp)	✓
	Alice Tait (R&D Solutionz)	✓	Margaret Viles (Crop & Food Research)	✓						

(✓ or ✗) Notes to:

Apologies accepted from:

- Mark McSherry (ACC) - Glynis Powell attended this meeting in his place.
- Rose McFarlane (Hamilton City Council)

Items Given as Handouts:

- Benchmarking Code of Conduct.
- NZ Benchmarking Club Workgroup Process.
- Workgroup Project Terms of Reference.

AGENDA ITEM	RESPONSIBILITY	ACTION/OUTCOME
• Welcome and background to the workgroup.	Robin Mann	Discussion.
• Introduction by the group facilitator.	Nicky Campbell-Allen	Introduction.
• Introduction from workgroup members.	All	Personal and organisation introductions (see A). Notes made on: <ul style="list-style-type: none"> • Members interest in belonging to the group. • The outcomes members and their organisations hope to achieve through belonging to the group.
• Benchmarking confidentiality agreement.	Robin Mann	Discussion. Copy of agreement given to all members.
• The workgroup process.	Robin Mann	Discussion on process and copy of NZ Benchmarking Club Workgroup Process given to all members.
• Overview of current approaches and challenges.	All	Discussion (see B). Notes made on current approaches used by each organisation when rewarding and recognising staff achievements and the challenges that they face. A prioritised list of challenges (see C).
• Completion of Terms of Reference.	All	Margaret Viles nominated as Team Leader Draft developed for the projects aim, objectives and key results required (see D).

A. Introduction from workgroup members:

MEMBERS INTEREST IN BELONGING TO THE GROUP WHAT MEMBERS AND THEIR ORGANISATIONS HOPE TO ACHIEVE THROUGH BELONGING TO THE GROUP

<ul style="list-style-type: none"> • Drive organisational growth • Learn how best practice companies perform • Learn how we can improve • Look at options outside our current performance management framework • Identify initiatives that do not negatively change our culture e.g. sharing, teamwork • Encourage intellectual property development and reward individual, group and tem initiatives 	<ul style="list-style-type: none"> • Strategies that we can use • Share ideas • Understand what others do • Meet the Baldrige criteria • Be able to reach conclusions based on a broader perspective • Explore options and ways to reward individuals and teams • Reward additional initiatives by staff e.g. those above their normal role or functions
---	---

B. Current approaches used by each organisation when rewarding and recognising staff achievements, and the challenges they face.

EXAMPLES OF CURRENT REWARD AND RECOGNITION APPROACHES	CHALLENGES FACED
<ul style="list-style-type: none"> • Performance management system • Ad hoc e.g. non financial (CD vouchers, meals) • Flexi-time • Bonuses (personal, related to projects) • Awards (colleague nominated, monthly/annually) • Salary structure • Prorata bonus based on salary structure • Dollar amounts designated to support projects that develop staff members ideas • Personal gifts (money, trips and holidays) • Fellowships to enable internal or overseas travel to conduct research • Bonuses based on % profits by the organisation • Acknowledgement of successes in organisational newsletters • Bonuses based on customer targets • Rating systems • Rewards involving family (trips and holidays) • Top performers taken off site (conferences) • Customer compliments posted on notice boards • Birthday 'shouts' • Friday 'drinks' • '90 day' awards (achievers nominated by colleagues) • Vouchers (music, meals) • Team and individual rewards (money, vouchers) • Reward dinners • Prize draws for those that nominate others for achievements • Thanks you cards • Profit sharing systems (variable pay systems) • Christmas presents • Company funded activities (Friday drinks, activities involving family) • 	<ul style="list-style-type: none"> • Getting increased productivity • Finding a fair system • Knowing what, when, who (contribution) to reward V's normal remuneration • Managers being aware of when and how to reward • Appropriateness of rewards • Knowing appropriate methods that suit individuals, groups, teams and situations • Linking rewards to behaviours • Defining hard and soft performance measures • Changing the organisational culture to one of acknowledgement, thanks and recognition • Linking actions to rewards • Providing motivation and incentive • Reliance on company success (to be able to reward) • Setting dollar values to be paid for meeting targets • Criteria for knowing when to reward and recognise • Criteria for innovation and achievement • Union involvement • Discrepancies between roles and rewards (managers V's staff) • Staff not appreciating the approaches being used • How to reward cross-functional teams • Being able to withdraw rewards • Promoting research (because this is not currently part of staffs normal roles) • Short V's long term reward systems • Valuing work and contributions • Rewards that are 'politically safe' (in terms of dollar amounts, type, numbers, and to whom) • Knowing and using good/best practice • Meeting expectations • Keeping approaches current, interesting, realistic and motivating • Staff expectations (who expect to receive something no matter what) • Mobility of government superannuation schemes (being unable to control some government benefits)

C. Prioritised list of challenges for rewarding and recognising staff achievement.

CHALLENGES FACED (GROUPED BY COMMONALITY)	RATING	RANKING
<ul style="list-style-type: none"> Knowing what, when, who (contribution) to reward V's normal remuneration, Managers being aware of when and how to reward, Criteria for knowing when to reward and recognise, Criteria for innovation and achievement, and Getting increased productivity. 	5, 19, 12, 6 - 42	1
<ul style="list-style-type: none"> Knowing appropriate methods that suit individuals, groups, teams and situations, and How to reward cross-functional teams. 	14, 12 - 26	2
<ul style="list-style-type: none"> Finding a fair system 	18	3
<ul style="list-style-type: none"> Providing motivation and incentive, and Keeping approaches current, interesting, realistic and motivating 	8, 4 - 12	4
<ul style="list-style-type: none"> Appropriateness of rewards, Linking rewards to behaviours and Linking actions to rewards 	8	5
<ul style="list-style-type: none"> Reliance on company success (to be able to reward) 	8	5
<ul style="list-style-type: none"> Changing the organisational culture to one of acknowledgement, thanks and recognition 	4	6
<ul style="list-style-type: none"> Meeting expectations, and Staff expectations (who expect to receive something no matter what) 	4	6
<ul style="list-style-type: none"> Promoting research (because this is not currently part of staffs normal roles) 	3	7
<ul style="list-style-type: none"> Valuing work and contributions 	3	7
<ul style="list-style-type: none"> Knowing and using good/best practice 	3	7
<ul style="list-style-type: none"> Rewards that are 'politically safe' (in terms of dollar amounts, type, numbers, and to whom) 	2	8
<ul style="list-style-type: none"> Defining hard and soft performance measures 	1	9
<ul style="list-style-type: none"> Setting dollar values to be paid for meeting targets 		
<ul style="list-style-type: none"> Union involvement 		
<ul style="list-style-type: none"> Discrepancies between roles and rewards (managers V's staff) 		
<ul style="list-style-type: none"> Staff not appreciating the approaches being used 		
<ul style="list-style-type: none"> Being able to withdraw rewards 		
<ul style="list-style-type: none"> Short V's long term reward systems 		
<ul style="list-style-type: none"> Mobility of government superannuation schemes (being unable to control some government benefits) 		

D. Completion of Terms of Reference.

The following are draft project aims, objectives and key results required. Further work is required during meeting 2 to finalise these.

AIM	<p>To identify how best practice organisations recognise and reward innovation and achievement in delivering business success.</p> <p>Or</p> <p>To develop a flexible best practice framework that assists organisations to recognise and reward employee innovation and achievement in delivering business success(es).</p>
OBJECTIVES	<ol style="list-style-type: none">1. To identify organisations that have best practice reward and recognition systems that deliver business success.2. To develop a best practice framework for rewarding and recognising innovation and achievement that includes:<ul style="list-style-type: none">• Fairness, effectiveness, appropriate strategies and provides motivation and incentives for employees.• Definitions of reward, recognition, innovation and achievement.• Criteria for use of the model.• Parameters for use with individuals, groups/teams and specific organisational situations.• Measures to determine the success of the strategies used by the organisation.3. Write a report on the project so that other organisations can benefit from the work and learning of the workgroup.
KEY RESULTS REQUIRED	<ol style="list-style-type: none">1. Conduct research on the approaches that best practice companies use to reward and recognise staff e.g. Baldrige award winners, ‘Top 10 American Companies to work for’ including:<ul style="list-style-type: none">• Identifying what reward, recognition, innovation and achievement mean in relation to organisations and their Human Resource practices.• Establishing what is rewarded and recognised.• Establishing what approaches are used.• Identifying how approaches are being used.• Identifying who is recognised and rewarded e.g. individuals, groups/teams, specific organisational activities (e.g. projects).2. Develop a flexible framework for determining how best to reward and recognise innovation and achievements by individuals, groups/teams, specific organisational activities (e.g. projects).3. Develop strategies for measuring the success of reward and recognition approaches used from the framework.4. Complete a report on the project.

Follow- up Meeting:

Meeting 2 of the project team is scheduled for:

Date:	Wednesday 26 May	Time:	1200-5.00 (starting with lunch)
Facilitator:	Nicky Campbell - Allen	Team Leader	Margaret Viles
Meeting Venue:	Board Room Level 2 Quadrangle Building A Massey University Albany Campus		
Resources	Information participants have collected to date.		
Required:	OHP, electronic whiteboard, meals.		

AGENDA ITEM	RESPONSIBILITY	ACTION/OUTCOME
• Welcome.	Nicky and Margaret	
• Acceptance of meeting one minutes.	All	Minutes accepted, alterations made as required.
• Addition of items to agenda.	All	Additional items added to agenda as required.
• Finalisation of Terms of Reference.	All	Finalisation of Aim, Objectives, Key Results Required, Project Parameters, Reporting Procedures, Action Plan etc.
• Development of Project Action Plan.	All	Development of an action plan for the project and allocation of responsibilities e.g. research, survey development, etc.
• Discussion on progress to date and key information found/obtained.	All	Discussion on research/information found to date. – <i>please ensure you bring any information you have obtained so far in your searches on this topic.</i>
•		
•		
•		

Meeting 2 Outcomes for Meeting 3 Agenda:

AGENDA ITEM	RESPONSIBILITY	ACTION/OUTCOME REQUIRED	DUE DATE
•			
•			
•			
•			
•			

Thu 12/06/2003 2:11 p.m.

Rewarding and Recognising Staff Innovations and Achievements

Dear Colleague,

My name is Nicky Campbell-Allen and I am the project facilitator for the New Zealand Benchmarking Club's Human Resource Focus Workgroup. Our club frequently hears from professionals regarding reward and recognition practices for their staff's innovations and achievements. Although we have found a lot of international information there is little from New Zealand. We invite you to participate in our survey of this important area of Human Resource practice.

We are attempting to find out what is currently happening in New Zealand organisations and identify further contacts for our benchmarking efforts. Ultimately, we are trying to become familiar with best practices in our own country so that we can develop a best practice framework, implementation advice and final report that can be used by New Zealand Organisations.

The survey is an electronically-based form and will take 20-30 minutes (at the most) of your time. In return a summary of all survey results will be sent to you when they are completed.

If you have any questions concerning our survey please contact me at n.m.campbell-allen@massey.ac.nz or [REDACTED]

Please accept our apologies if you have received duplicate copies of this survey.

We thank you for your time in completing our survey.

Nicky Campbell-Allen
Project Facilitator
New Zealand Benchmarking Club
Human Resource Focus Workgroup



NZBC Survey -
e.doc (455 KB)



Desc of NZBC &
COER.doc (254 K...

NEW ZEALAND'S BENCHMARKING CLUB

- Advancing Performance Excellence -

13 June 2003

RE: Rewarding and Recognising Employee Innovations and Achievements

Dear Colleague,

Does your company have in place practices for rewarding and recognising the innovations and achievements of your staff?

We frequently hear from professionals seeking answers to the question of how to reward and recognise the work of their staff. There is a raft of international information available but there is a need for more New Zealand-based research. You are invited to participate in this Benchmarking Survey on Human Resource practices related to how New Zealand organisations reward and recognise the achievements and innovations of their staff. This will take about 20-30 minutes of your time. In return for your input, a summary of all survey results will be sent to you. This report can be used to benchmark your current practices against other organisations.

Background

The members of the Human Resource Focus Workgroup of the New Zealand Benchmarking Club (NZBC) have compiled this survey. These eight Human Resource professionals represent the 18 member organisations of this club. Club members identified this topic as a priority research area for 2002/2003 (additional information on the NZBC is available for your interest in the attached document).

The person responsible for Human Resources in your organisation should complete this survey. If you are not this person, it would be greatly appreciated if you could PLEASE FORWARD this invitation to the person who would be more appropriate.

Best Practices in Reward and Recognition

The purposes of this survey are to (1) identify current practices in New Zealand organisations, and (2) determine further contacts for our benchmarking efforts. Ultimately, we are endeavouring to become familiar with best practices in New Zealand organisations to enable the development of a best practice framework, implementation advice and final report.

Confidentiality

Your responses will be kept confidential as per the Privacy Act 1993 and the information you provide will not be used for any purpose other than in analysis of generic key success factors affecting the development of a reward and recognition framework. This information will also be used by Nicky Campbell-Allen, a Masters student at Massey University, for her research and thesis.

Survey Completion

Please return your completed survey by 27 June 2003. Should you require more information please contact Nicky Campbell-Allen by e-mail at: n.m.campbell-allen@massey.ac.nz. Thank you for your assistance with this important project, we appreciate your completing our survey.

Nicky Campbell-Allen

Researcher - on behalf of the NZ Benchmarking Club and the Human Resource Focus Workgroup
A joint venture of The Centre for Organisational Excellence Research (based at Massey University)
and the New Zealand Business Excellence Foundation.

REWARD AND RECOGNITION SURVEY

We are seeking information from organisations that reward and recognise the innovations and achievements of their staff members. This survey asks questions about your practices in this important area of Human Resources. Our focus is on what is currently occurring in New Zealand organisations in order that we may identify best practices. We estimate that it will take approximately 20-30 minutes of your time to complete this survey.

The survey is divided into the following sections:

- Key Definitions
- Organisation profile
- Confidentiality details
- Contact details
- Section 1 – Current reward and recognition strategies
- Section 2 – Planning and evaluating reward and recognition strategies for innovation and achievement

Please return your completed survey by 27 June to either:

E-mail: n.m.Campbell-allen@massey.ac.nz
or
Mail:

**Attention:
Nicky Campbell-Allen
Centre for Organisational Excellence Research
Institute of Technology and Engineering
Massey University
Private Box 11 222
PALMERSTON NORTH**

Key Definitions

The following key definitions should be referred to when completing this survey:

Achievement - when something is successfully carried through, accomplished, attained, fulfilled, reached or made.

Innovation - to propose or implement new, unique or fresh methods, ideas or approaches (or the like), to make changes, to do something differently, to invent, discover or create a new idea or item, to improve something.

Recognition - the act of formally or informally acknowledging, crediting, rewarding, thanking, praising, or identifying someone or something previously seen or known.

Reward - anything that satisfies or pleases, that is given (and received), in return for something done e.g. a monetary sum or other form of compensation or remuneration, recognition, due credit, acknowledgment, thanks, a tribute, praise, or honour for certain actions.

Special project team members – individuals who are brought together to work on a specific, planned and time-bound project.

Workgroup – a group of people, such as in a department or section, who work together everyday.

REWARD AND RECOGNITION SURVEY

Organisation Profile

A. What is your organisation's major business activity?

a) Agriculture, Forestry and Fishing?	<input type="checkbox"/>	j) Communication Services	<input type="checkbox"/>
b) Mining	<input type="checkbox"/>	k) Finance and Insurance	<input type="checkbox"/>
c) Manufacturing	<input type="checkbox"/>	l) Property and Business Services	<input type="checkbox"/>
d) Electricity, Gas and Water Supply	<input type="checkbox"/>	m) Government Administration and Defence	<input type="checkbox"/>
e) Construction	<input type="checkbox"/>	n) Education	<input type="checkbox"/>
f) Wholesale Trade	<input type="checkbox"/>	o) Health and Community Services	<input type="checkbox"/>
g) Retail Trade	<input type="checkbox"/>	p) Cultural and Recreational Services	<input type="checkbox"/>
h) Accommodation, Cafes and Restaurants	<input type="checkbox"/>	q) Personal and Other Services	<input type="checkbox"/>
i) Transport and Storage	<input type="checkbox"/>	r) Other (please specify):	<input type="checkbox"/>

B. How many people does your organisation employ? In your answers please count all employees, including casuals and people on paid leave. Do not include independent contractors.

a) Permanent full-time employees (Full-time employees are those regularly working 30 hours or more a week)	_____
b) Permanent part-time employees (Part-time employees are those regularly working less than 30 hours a week)	_____
c) Temporary, casual, seasonal and/or other short term contracts (These are staff who are employed by you for short-term periods only)	_____

C. What type is your organisation?

a) Public company	<input type="checkbox"/>	e) Crown entity	<input type="checkbox"/>
b) Private company	<input type="checkbox"/>	f) Central Government Agency	<input type="checkbox"/>
c) State Owned Enterprise (SOE)	<input type="checkbox"/>	g) Other (please specify):	_____
d) Local / Regional Authority	<input type="checkbox"/>		

D. Is your organisation:

a) New Zealand owned	<input type="checkbox"/>
b) Non-New Zealand owned	<input type="checkbox"/>
c) Number of New Zealand Sites (please specify):	_____
d) Country of parent company (please specify):	_____

REWARD AND RECOGNITION SURVEY

Confidentiality Details

Your responses will be kept confidential as per the Privacy Act 1993. The results from individual surveys will be integrated, specific details about your organisation will not be traceable, and your organisation will not be identified as a participant to others (unless you give permission for this to occur). The information you provide will not be used for any purpose other than in analysis of generic key success factors affecting the development of a reward and recognition framework by the Workgroup and Nicky Campbell-Allen (for her Masters research and thesis)

Please indicate by a 'YES' or 'NO' whether you give your consent to:

- A. Your organisation's name being disclosed in reports of the survey results. _____
- B. Being contacted individually by the HR Focus Workgroup member's as part of the follow-up research to this survey, so that they may be able to: _____
- Learn more about your organisation's reward and recognition strategies
 - Identify best practices

Contact Details

Organisation Name: _____

Postal Address: _____

Your Name: _____
[SURNAME] [FIRSTNAME]

Your Position: _____

Your Work Phone: _____

Your E-mail Address: _____



In recognition of the time that you have taken to complete this survey we would like to send you a copy of the final report. This report can be used by your organisation to benchmark your current practices against other participating organisations.

In addition, to keep you up to date with the research activities and findings of the Centre for Organisational Excellence Research (COER) at Massey University, we will send you the latest copy of their free electronic newsletter.

Please make sure that you have completed your contact details so that we can do so.

If you require any further information about this survey, the activities of the Human Resource Focus Workgroup of the New Zealand Benchmarking Club, or the Centre for Organisational Excellence Research, please contact Nicky Campbell-Allen at: n.m.Campbell-allen@massey.ac.nz

REWARD AND RECOGNITION SURVEY

Section 1 Current Reward and Recognition Strategies, Processes or Initiatives

Survey completion instructions

To complete this survey please either:

- A. Tick the box(es) that best indicate your response(s) to the question asked (in many instances you may tick more than one box).
- B. Specify an answer if there is no response that best describes what your organisation does.
- C. Write one or two words, or short sentences that best reflect your answer.
- D. Provide a rating for the statements using the scale that is given.

Please feel free to also write additional comments anywhere on the document.

1. Does your organisation have strategies, processes or initiatives in place to reward and recognise the achievements and innovations of its staff?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

If you answered 'no' to this question please complete question 2 only and then return your survey to either address given on page 1.

If you answered 'yes' to question 1 please go straight to question 3 and complete the remainder of this survey.

2. We do not have any strategies, processes or initiatives in place because:

3. Our organisation rewards and/or recognises: (please tick more than one box if required)

a) The achievement (or exceeding) of individual performance objectives or outcomes	<input type="checkbox"/>	h) Training and development activities	<input type="checkbox"/>
b) The achievement (or exceeding) of workgroup performance objectives or outcomes	<input type="checkbox"/>	i) Work attendance	<input type="checkbox"/>
c) The achievement (or exceeding) of special project members objectives or outcomes	<input type="checkbox"/>	j) Loyalty	<input type="checkbox"/>
d) The achievement (or exceeding) of a defined level of quality or quantity	<input type="checkbox"/>	k) Contributions employees make to the local community	<input type="checkbox"/>
e) Actions that support (or demonstrate that they will support) achievement of the organisation's objectives and organisational plan	<input type="checkbox"/>	l) Suggestions made related to improvements to work processes or strategies.	<input type="checkbox"/>
f) Actions or activities that promote teamwork	<input type="checkbox"/>	m) The outcomes of improvement suggestions	<input type="checkbox"/>
g) Behaviours that align to organisational values	<input type="checkbox"/>	n) Other (please specify)	<input type="checkbox"/>

REWARD AND RECOGNITION SURVEY

4. We reward and recognise our staff by: (please tick more than one box if required)

Practice	As Individuals	As Workgroups	As Special Project Team Members
a) Revising (adjusting) the level of an individual's base salary and/or benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Including additional benefits e.g. superannuation, extra annual leave, long service leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Giving cash payments e.g. bonuses, commissions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Giving share or stock options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) allowing flexible work hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Holding award ceremonies or events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Communicating successes e.g. via newsletters, notice boards, e-mails	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Giving <u>personalised</u> items e.g. thank you letters, certificates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Giving <u>non-personalised</u> items e.g. gift vouchers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Providing further education opportunities e.g. attendance at conferences, education allowances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Providing career development opportunities e.g. secondments, transfers, mentoring, project team membership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) Giving <u>formal</u> feedback on performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) Giving <u>informal</u> feedback on performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n) Other (please specify)			

5. We have these strategies in place because: (for each statement please indicate the extent to which you agree by circling the rating that most applies to your organisation)

	Strongly Disagree 1		Neutral 3		Strongly Agree 5
a) It is considered to be a good HR practice	1	2	3	4	5
b) We want to be seen as a good employer	1	2	3	4	5
c) They form part of our methods to attract new staff	1	2	3	4	5
d) They form part of our methods to retain the staff we currently have	1	2	3	4	5
e) We believe they motivate staff to perform	1	2	3	4	5
f) We want to reward and recognise the work that staff have done	1	2	3	4	5
g) We want to assist staff to achieve personal success	1	2	3	4	5
h) We want to ensure the organisation meets its objectives and targets	1	2	3	4	5
i) We want to increase competitiveness amongst staff and therefore encourage higher performance	1	2	3	4	5
j) Other (please specify)	1	2	3	4	5

REWARD AND RECOGNITION SURVEY

6. The following people within our organisation have the ability to reward and recognise staff achievements and innovations: (please tick more than one box if required)

a) CEO, Managing Director	<input type="checkbox"/>	d) Project team members	<input type="checkbox"/>
b) Managers and/or supervisors	<input type="checkbox"/>	e) Other staff to other staff	<input type="checkbox"/>
c) Project team sponsors/facilitators	<input type="checkbox"/>	f) Other (please specify)	

7. Does your organisation individually tailor the rewards and recognition that staff members receive?

If you answered 'no' or 'unsure' to question 7, please move on to question 8.

If you answered 'yes' to question 7 please complete the following table.

We tailor our rewards and recognition according to: (please tick more than one box if required)

a) Gender	<input type="checkbox"/>	e) A person's level within the organisation e.g. management, front line	<input type="checkbox"/>
b) An individual's family circumstances	<input type="checkbox"/>	f) Skill or knowledge level	<input type="checkbox"/>
c) The preferences that have been stated by the individual	<input type="checkbox"/>	g) Profession or work role	<input type="checkbox"/>
d) Age or life stage of the individual e.g. teenagers, middle-age	<input type="checkbox"/>	h) Other (please specify)	

8. Does your organisation have documentation that governs all the different types of reward and recognition strategies that your organisation uses?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

If you answered 'no' or 'unsure' to question 8, please move on to question 9.

If you answered 'yes' to question 8 please complete the following table.

Our documentation outlines: (please tick more than one box if required)

a) What the following terms mean in relation to reward and recognition practices:	Yes	No
• 'Reward '	<input type="checkbox"/>	<input type="checkbox"/>
• 'Recognition'	<input type="checkbox"/>	<input type="checkbox"/>
• 'Innovation'	<input type="checkbox"/>	<input type="checkbox"/>
• 'Achievement'	<input type="checkbox"/>	<input type="checkbox"/>
b) Who is responsible for providing rewards and recognition	<input type="checkbox"/>	<input type="checkbox"/>
c) The parameters/criteria for rewarding and recognising staff innovations and achievements	<input type="checkbox"/>	<input type="checkbox"/>
d) How reward and recognition strategies are to be implemented within the organisation	<input type="checkbox"/>	<input type="checkbox"/>
e) How the targets/metrics linked to reward and recognition are established and agreed	<input type="checkbox"/>	<input type="checkbox"/>

REWARD AND RECOGNITION SURVEY

9. We measure the success of our organisation's reward and recognition strategies by: (please tick more than one box if required)

a) We do not measure our success	<input type="checkbox"/>	g) The number of improvement suggestions or innovations that are implemented	<input type="checkbox"/>
b) Staff satisfaction		h) The money spent on our reward and recognition strategies e.g. bonuses, gifts	<input type="checkbox"/>
c) Customer satisfaction	<input type="checkbox"/>	i) The money spent on implementing improvement suggestions or innovations	<input type="checkbox"/>
d) Feedback we receive from staff	<input type="checkbox"/>	j) The revenue or savings generated by improvement suggestions or innovations	<input type="checkbox"/>
e) Staff turnover	<input type="checkbox"/>	k) Other (please specify)	
f) The number of improvement suggestions or innovations that are generated	<input type="checkbox"/>		

10 The key factors that have promoted the success of our organisation's reward and recognition strategies, and the reasons why are: (please describe)

Promoting Factors	Reasons

11 The key factors that have hindered the success of our organisation's reward and recognition strategies, and the reasons why are: (please describe)

Hindering Factors	Reasons

12 I would recommend to others who may wish to implement reward and recognition strategies for innovation and achievement within their own organisation, that they: (please describe)

17 I would rate the success of our organisation's reward and recognition strategies as:

Poor	<input type="checkbox"/>	Average for our Industry	<input type="checkbox"/>	Good for our Industry	<input type="checkbox"/>	Best in our Industry	<input type="checkbox"/>	Best in New Zealand	<input type="checkbox"/>	World Class	<input type="checkbox"/>
------	--------------------------	--------------------------	--------------------------	-----------------------	--------------------------	----------------------	--------------------------	---------------------	--------------------------	-------------	--------------------------

REWARD AND RECOGNITION SURVEY

Section 2: Planning and Evaluating Reward and Recognition Strategies for Innovation and Achievement

		(A) How Important?	(B) How Effective?
		3 = Very 2 = Fairly 1 = Not at all NS = Not Sure NA = Not Applicable	3 = Very 2 = Fairly 1 = Not at all NS = Not Sure NA = Not Applicable
Please rate the following statements in relation to your organisation.			
Rate them according to:			
A)	How important you believe the statement is to your organisation		
B)	Your assessment of your organisations current effectiveness in this area		
1	Strategic planning includes discussion on reward and recognition strategies.		
2	Reward and recognition strategies are selected based on their alignment with strategic needs.		
3	A project sponsor at a senior level ensures that reward and recognition strategies receive sufficient organisational support.		
4	A needs analysis is performed when determining the reward and recognition strategies that are to be implemented.		
5	A realistic budget is set at the commencement of each year to ensure that enough funds are available to allow adequate reward and recognition strategies to be completed.		
6	Assumptions, risks, constraints and issues related to rewards and recognition are identified and addressed.		
7	Measures/targets to determine the success of our organisation's reward and recognition strategies are set, and acknowledged by all parties.		
8	Accountabilities and responsibilities are defined for reward and recognition practices.		
9	The organisation has a common set of selection criteria which it uses to determine who is rewarded and why.		
10	All members of the organisation follow a standard methodology for rewarding and recognising innovations and achievements of staff.		
11	Those responsible for giving rewards and recognition to others are given/required to undertake specialised training.		
12	Staff are given (or required to undertake), training in the reward and recognition strategies of our organisation.		
13	Reward and recognition strategies are regularly reviewed to ensure they meet the needs of staff and the organisation.		
14	We benchmark our organisation's reward and recognition strategies.		
15	Reviews of our organizations reward and recognition strategies identify external factors that may influence the strategies we use.		
16	Reward and recognition strategies are stopped when they are deemed to no longer meet the needs of staff or the organisation		
17	The outcomes of our organisation's reward and recognition strategies are reported e.g. dollars spent, number of new innovations, achievements vs targets.		

We thank you for your time in completing this survey for us

Please return your survey to Nicky Campbell-Allen by 27 June 2003 to either the postal or e-mail address listed on page 1

NEW ZEALAND'S BENCHMARKING CLUB - Advancing Performance Excellence -

Rewarding and Recognising Employee Innovations and Achievements

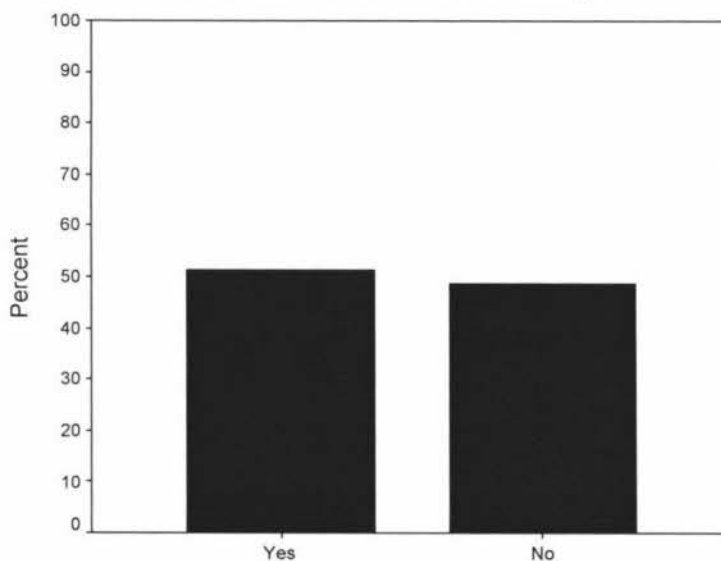
Survey Results - August 2003

Confidentiality

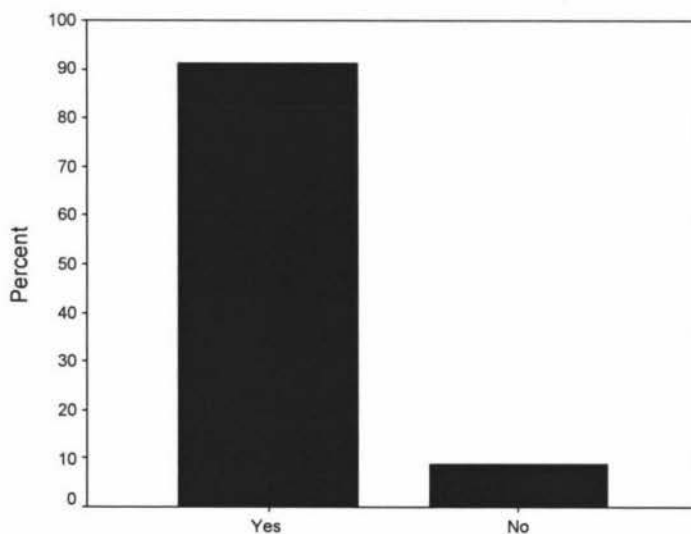
Do you give your consent to:

- A. Your organisation's name being disclosed in reports of the survey results and
- B. Being contacted individually by the HR Focus Workgroup member's as part of the follow-up research to this survey, so that they may be able to:
 - Learn more about your organisation's reward and recognition strategies and
 - Identify best practices

Consent to Disclose Name in Reports

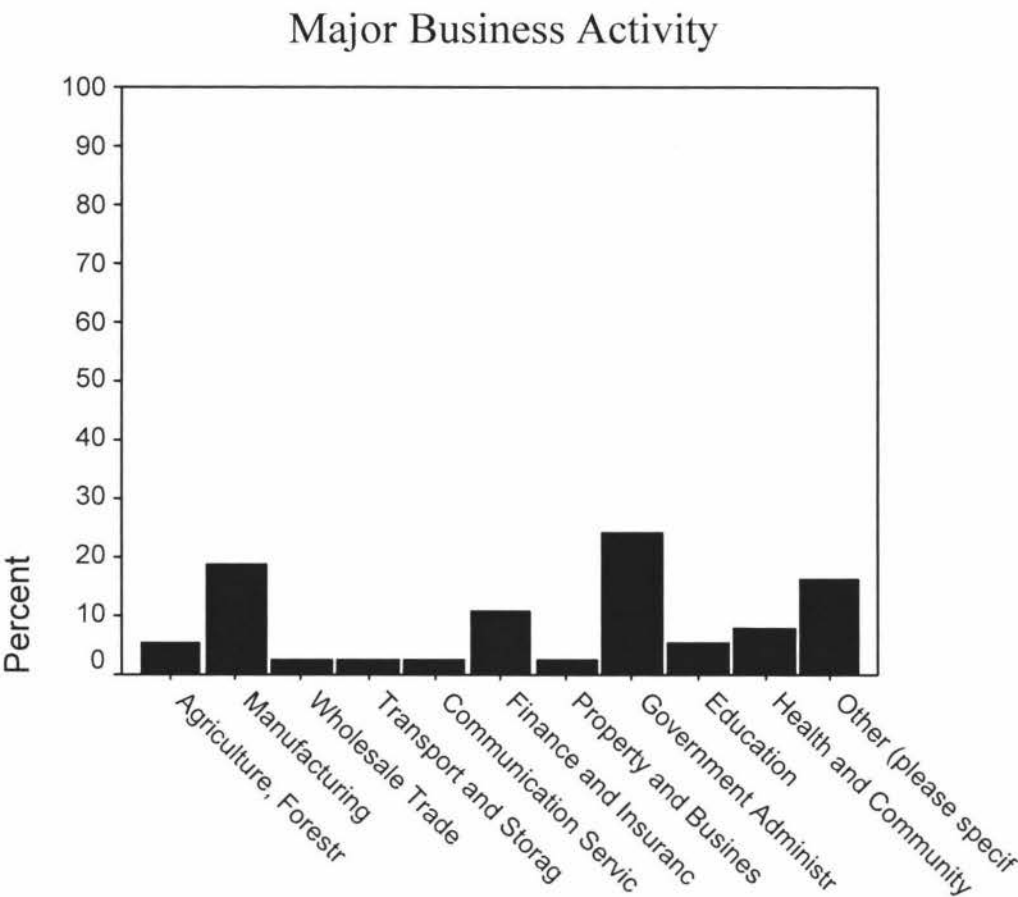


Consent to Contact re Follow-up



Organisation Profile

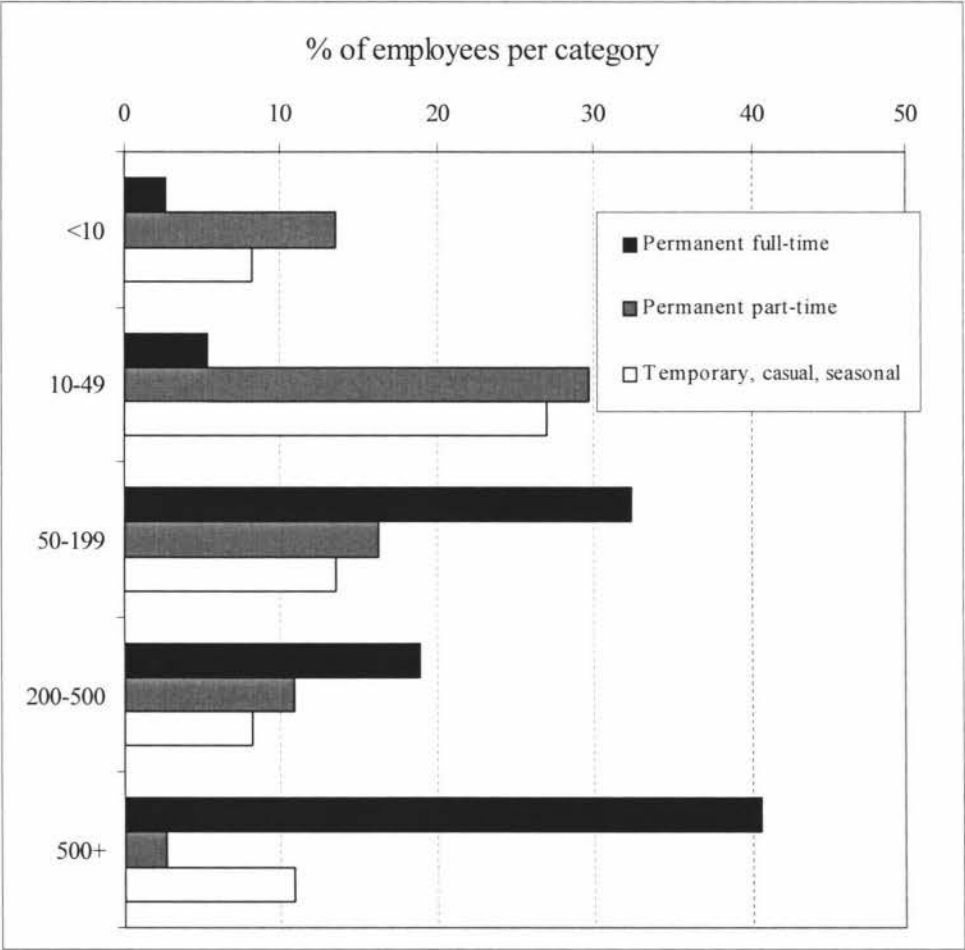
A. What is your organisation's major business activity?



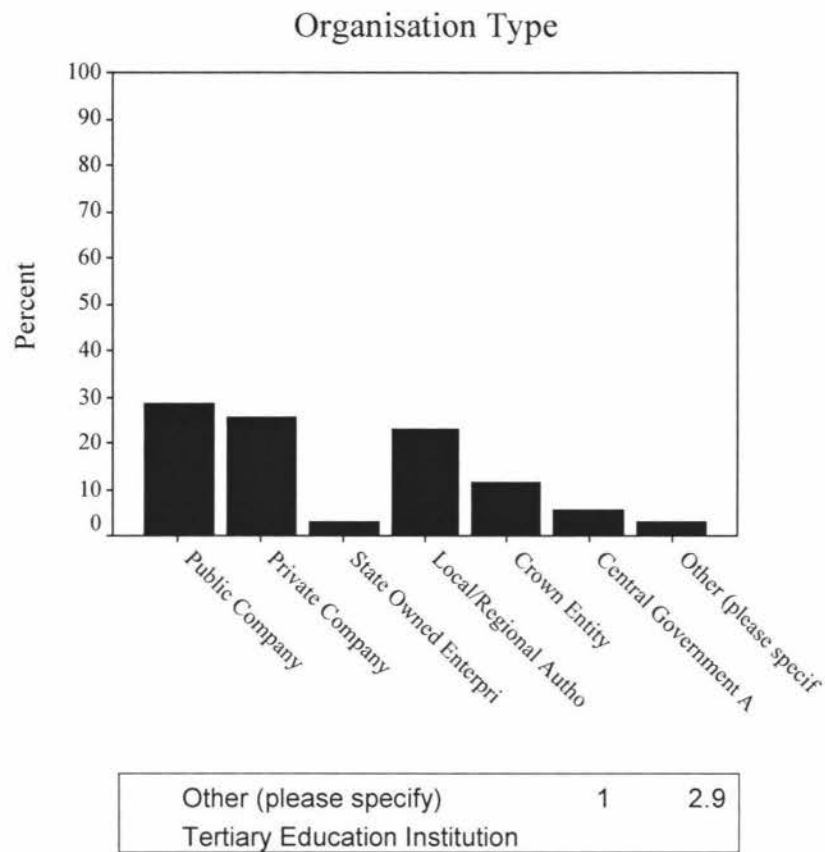
Other (please specify):	6	16.2
Computer Industry	1	2.7
Consulting Engineering	1	2.7
Direct Mailing Services	1	2.7
Local Government	2	5.4
Research & Development	1	2.7
Scientific Research	1	2.7

B. How many people does your organisation employ? In your answers please count all employees, including casuals and people on paid leave. Do not include independent contractors.

- Permanent full-time employees - Full-time employees are those regularly working 30 hours or more a week
- Permanent full-time employees - Part-time employees are those regularly working less than 30 hours a week
- Temporary, casual, seasonal and/or other short term contracts - These are staff who are employed by you for short-term periods only



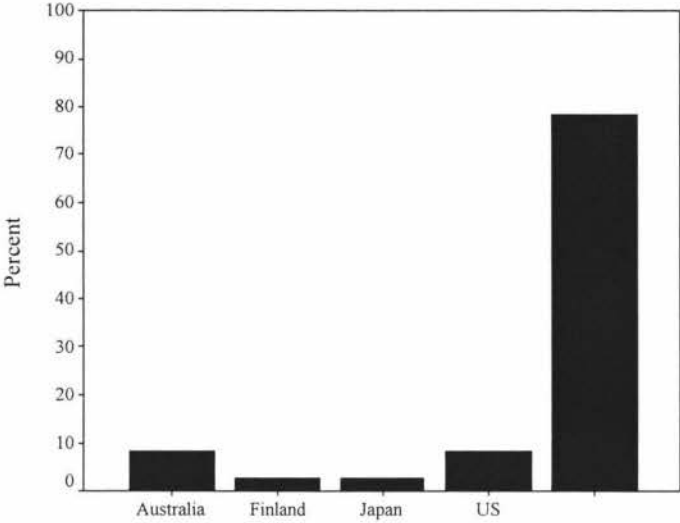
C. What type is your organisation?



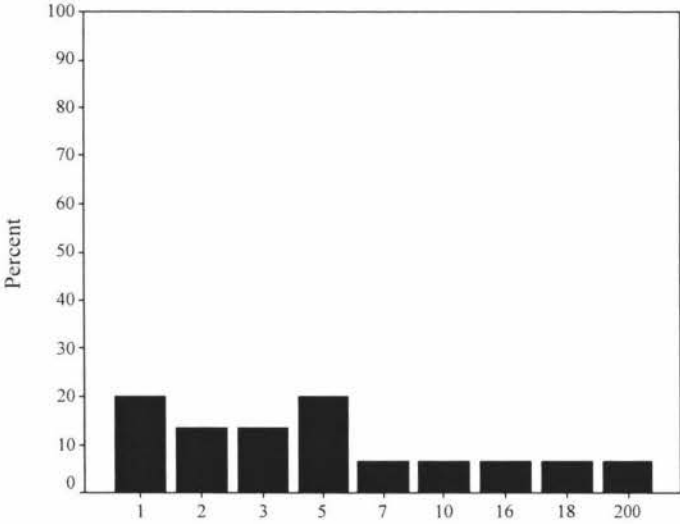
D. Is your organisation:



Country of Parent Company



Number of New Zealand Sites



Section 1: Current Reward and Recognition Strategies, Processes or Initiatives

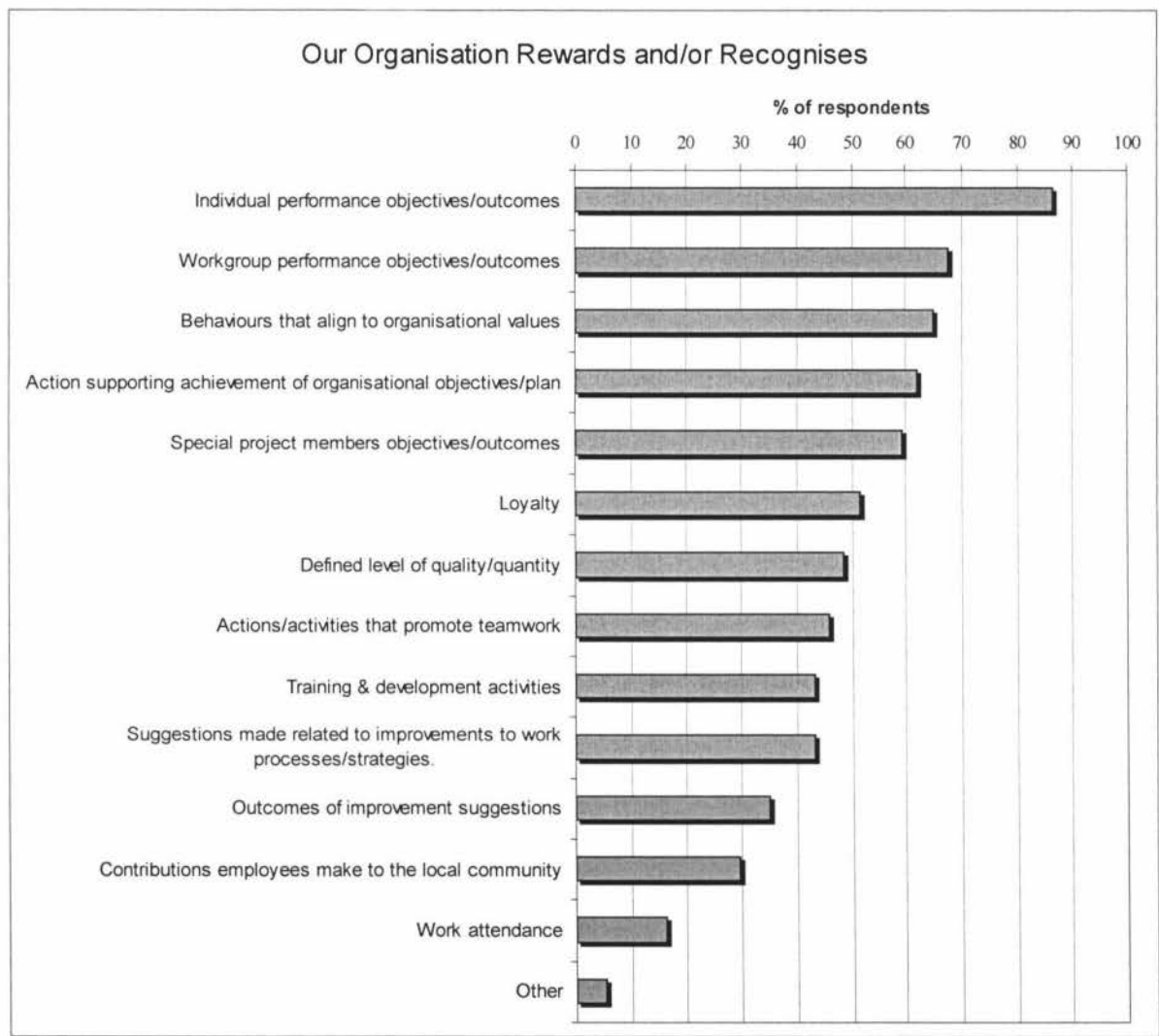
1. Does your organisation have strategies, processes or initiatives in place to reward and recognise the achievements and innovations of its staff?

37 'Yes' resonses and completed surveys.

2. We do not have any strategies, processes or initiatives in place because:

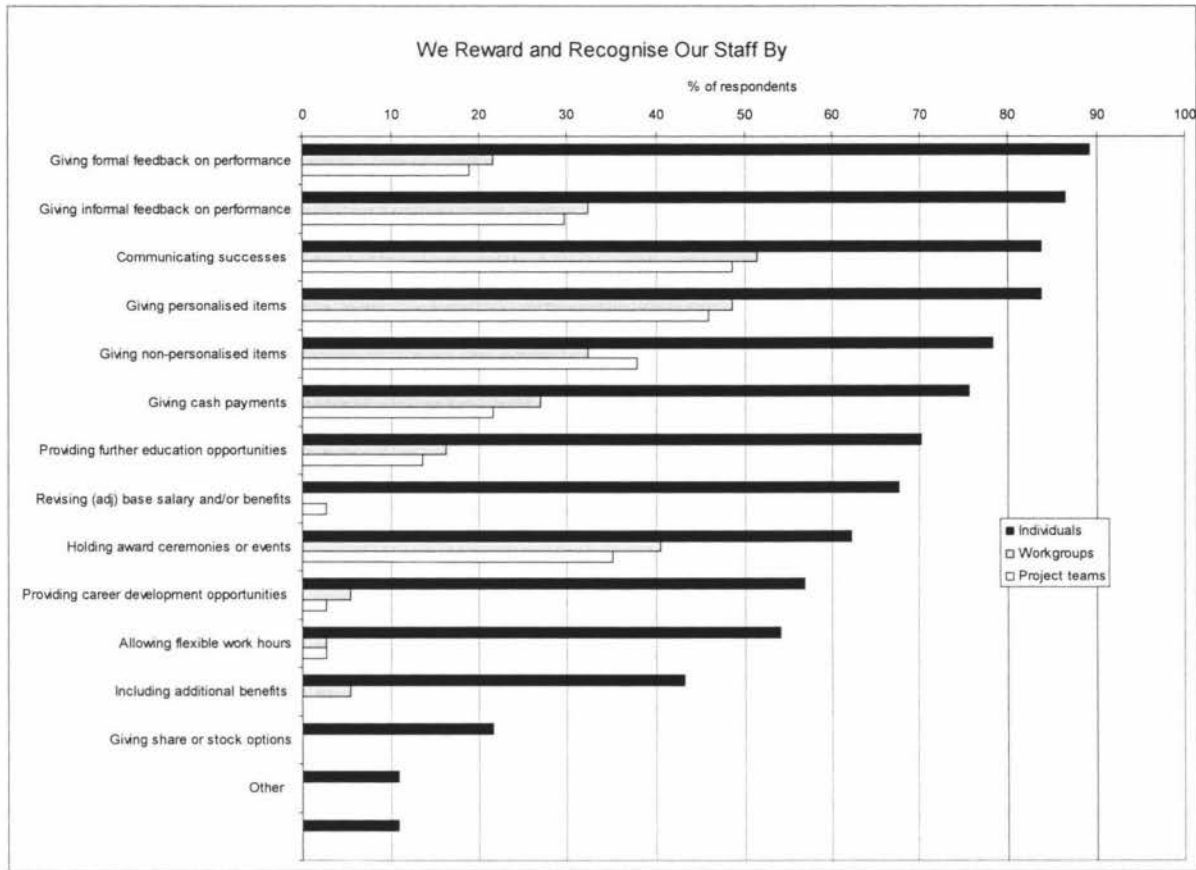
Nil 'No' responses

3. Our organisation rewards and/or recognises: (please tick more that one box if required)



h) Other (please specify)	2	5.4
Outstanding contributions which contribute to the University’s strategic priorities – this is recognised through a central awards scheme. We reward these through our promotions system re c-g are build into the promotion criteria.	1	2.7
Some tenure based leave.	1	2.7

4. We reward and recognise our staff by: (please tick more than one box if required)

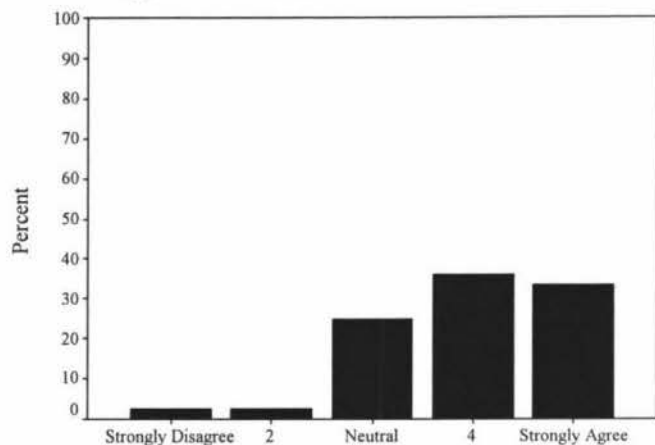


a) Other (please specify)	4	10.8
Passing on compliments received from internal/external customers.	1	2.7
Taking the whole company away to a special destination for a company conference and team building (all 200 staff)	1	2.7
University Excellence Awards for teaching, research, leadership, outstanding contribution.	1	2.7
We do not see things like flexible working conditions or educational opportunities as rewards	1	2.7

5. We have these strategies in place because: (for each statement please indicate the extent to which you agree by circling the rating that most applies to your organisation)

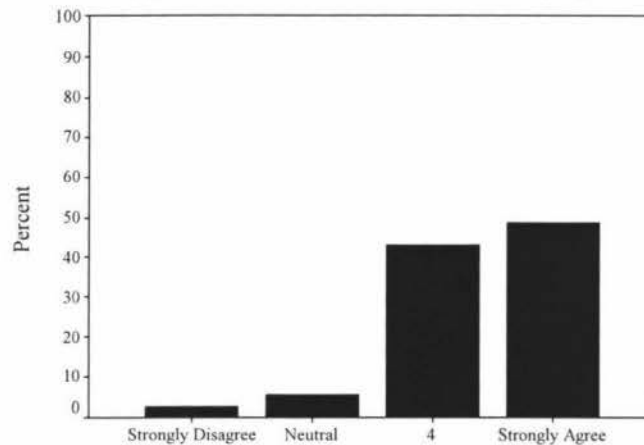
We Have These Strategies in Place Because:

(a) It is Considered to be a Good HR Practice



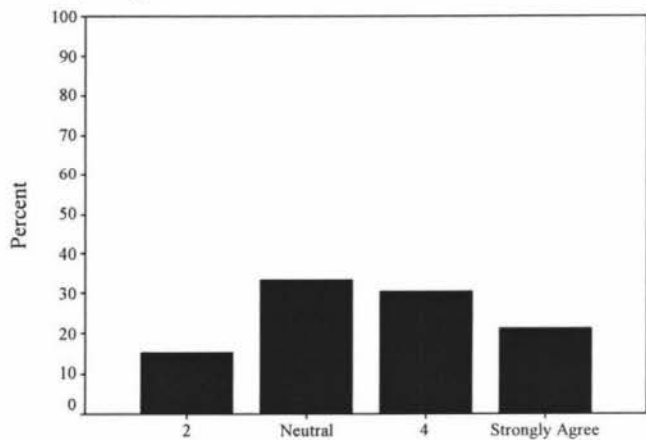
We Have These Strategies in Place Because:

(b) We Want to be Seen as a Good Employer



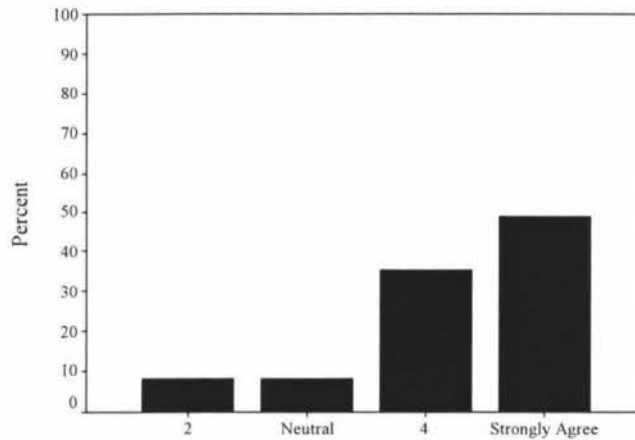
We Have These Strategies in Place Because:

(c) They Form Part of Our Methods to Attract New Staff

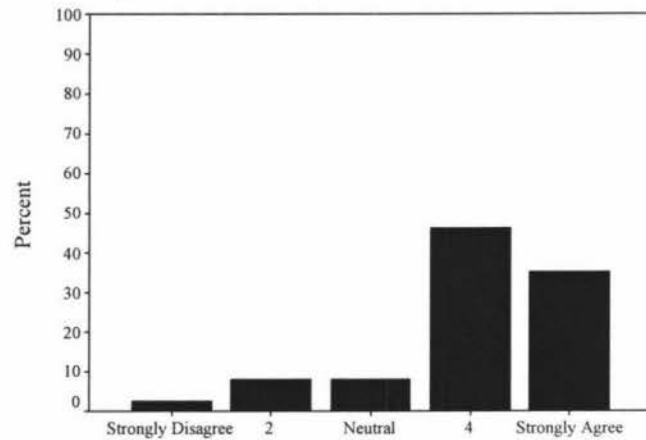


We Have These Strategies in Place Because:

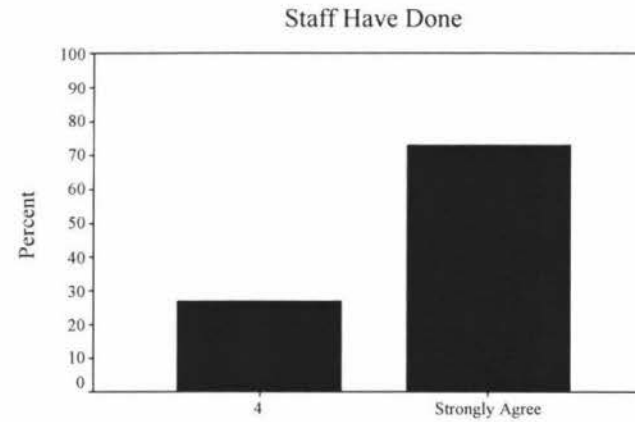
(d) They Form Part of Our Methods to Retain Our Staff



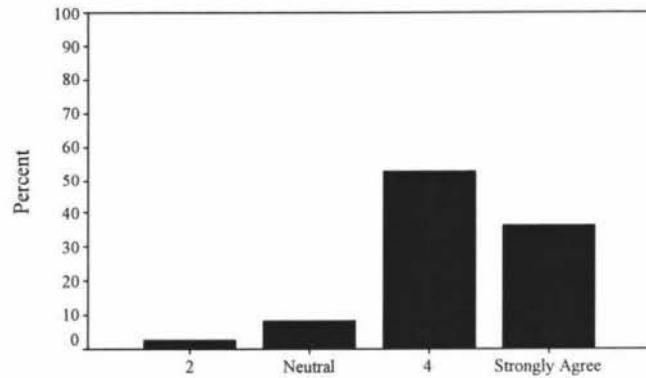
We Have These Strategies in Place Because:
(e) We Believe They Motivate Staff to Perform



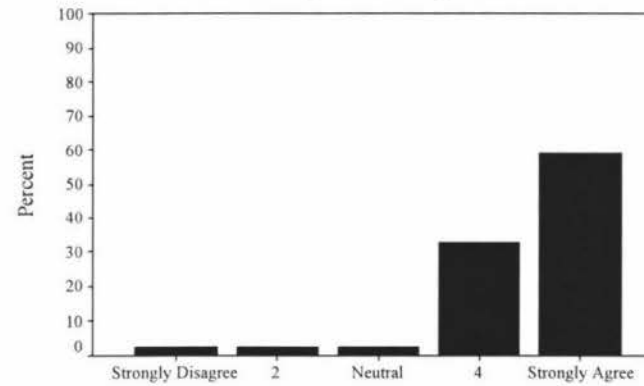
We Have These Strategies in Place Because:
(f) We Want to Reward & Recognise Work Staff Have Done



We Have These Strategies in Place Because:
(g) We Want to Assist Staff to Achieve Personal Success

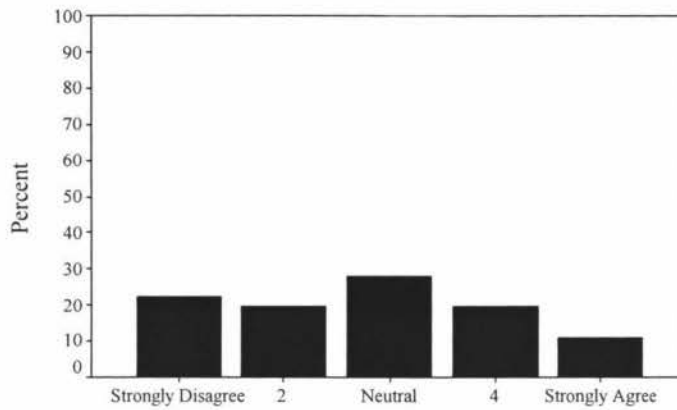


We Have These Strategies in Place Because:
(h) We Want to Ensure the Organisation Meets its Objectives/Targets

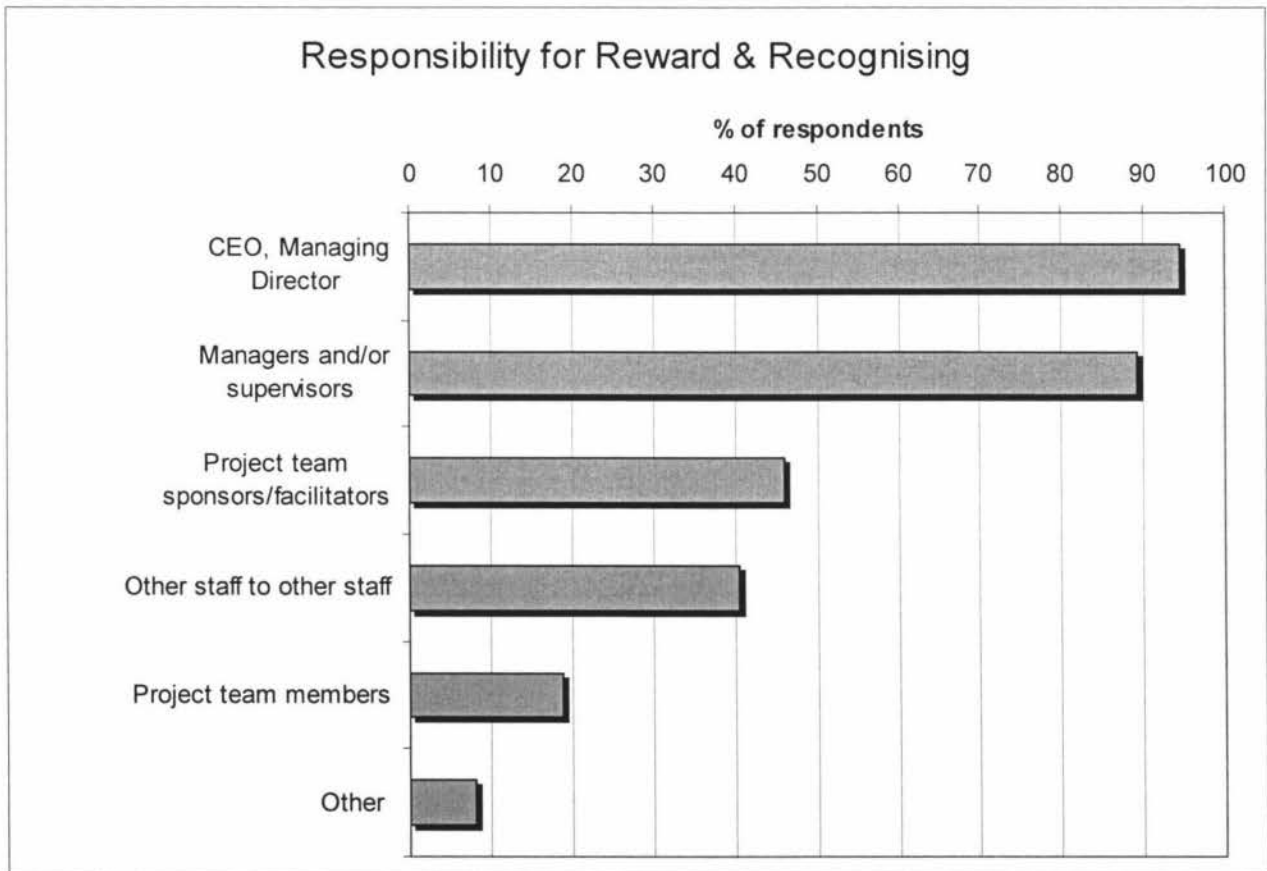


We Have These Strategies in Place Because:

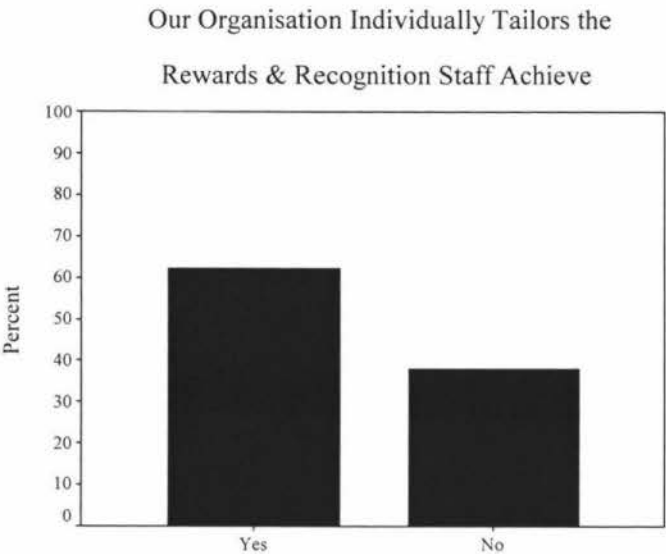
- (i) We Want to Increase Competitiveness Amongst Staff
& Encourage Higher Performance



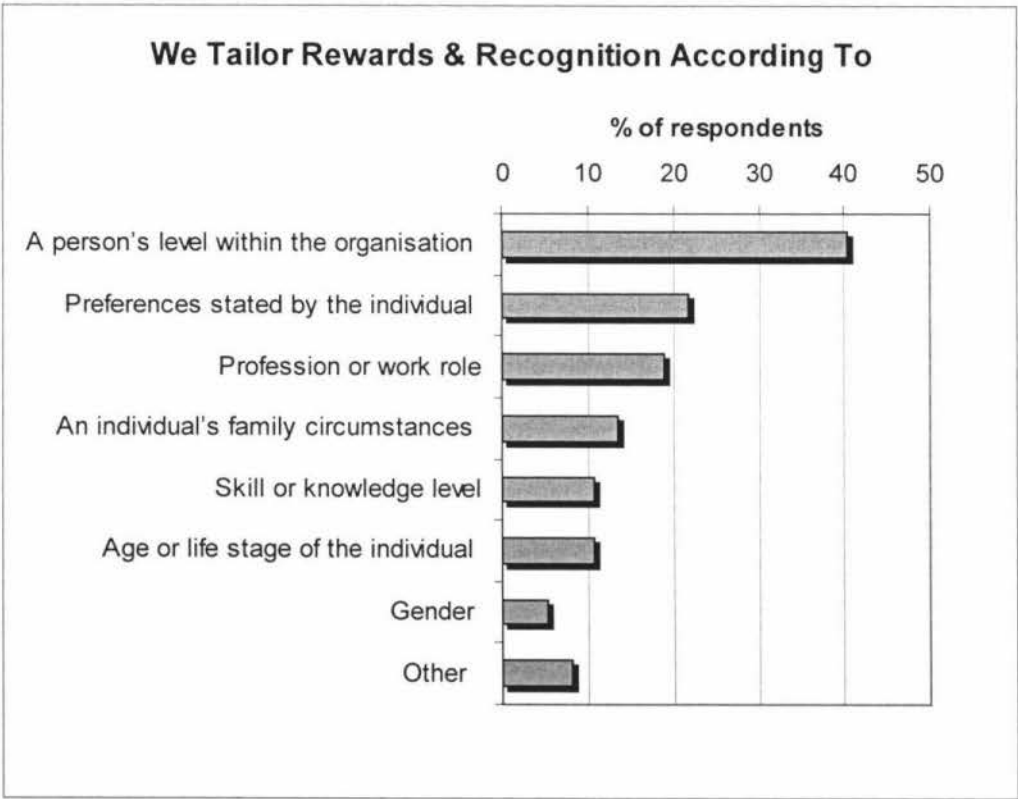
6. The following people within our organisation have the ability to reward and recognise staff achievements and innovations: (please tick more than one box if required)



7. Does your organisation individually tailor the rewards and recognition that staff members receive?



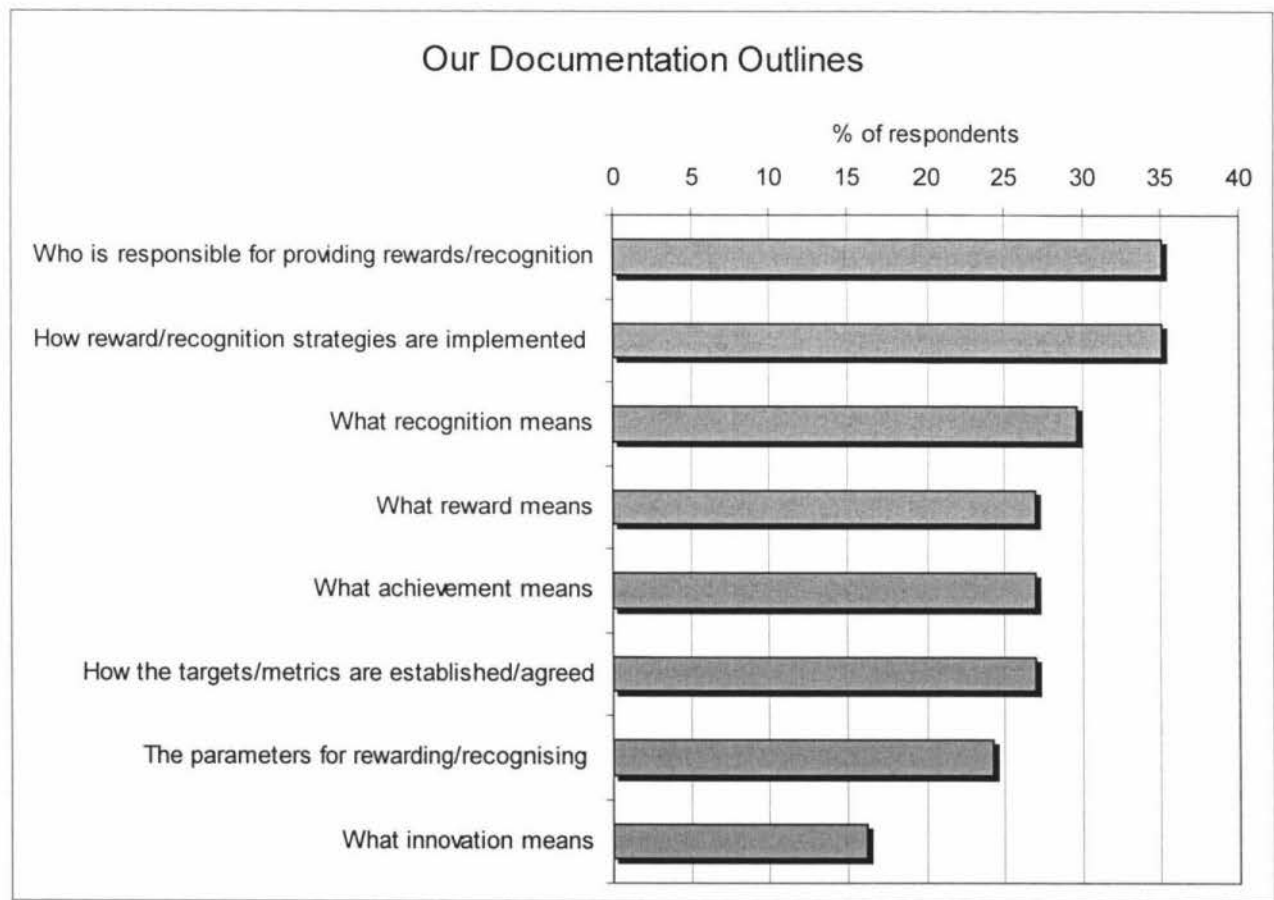
8. We tailor our rewards and recognition according to: (please tick more than one box if required)



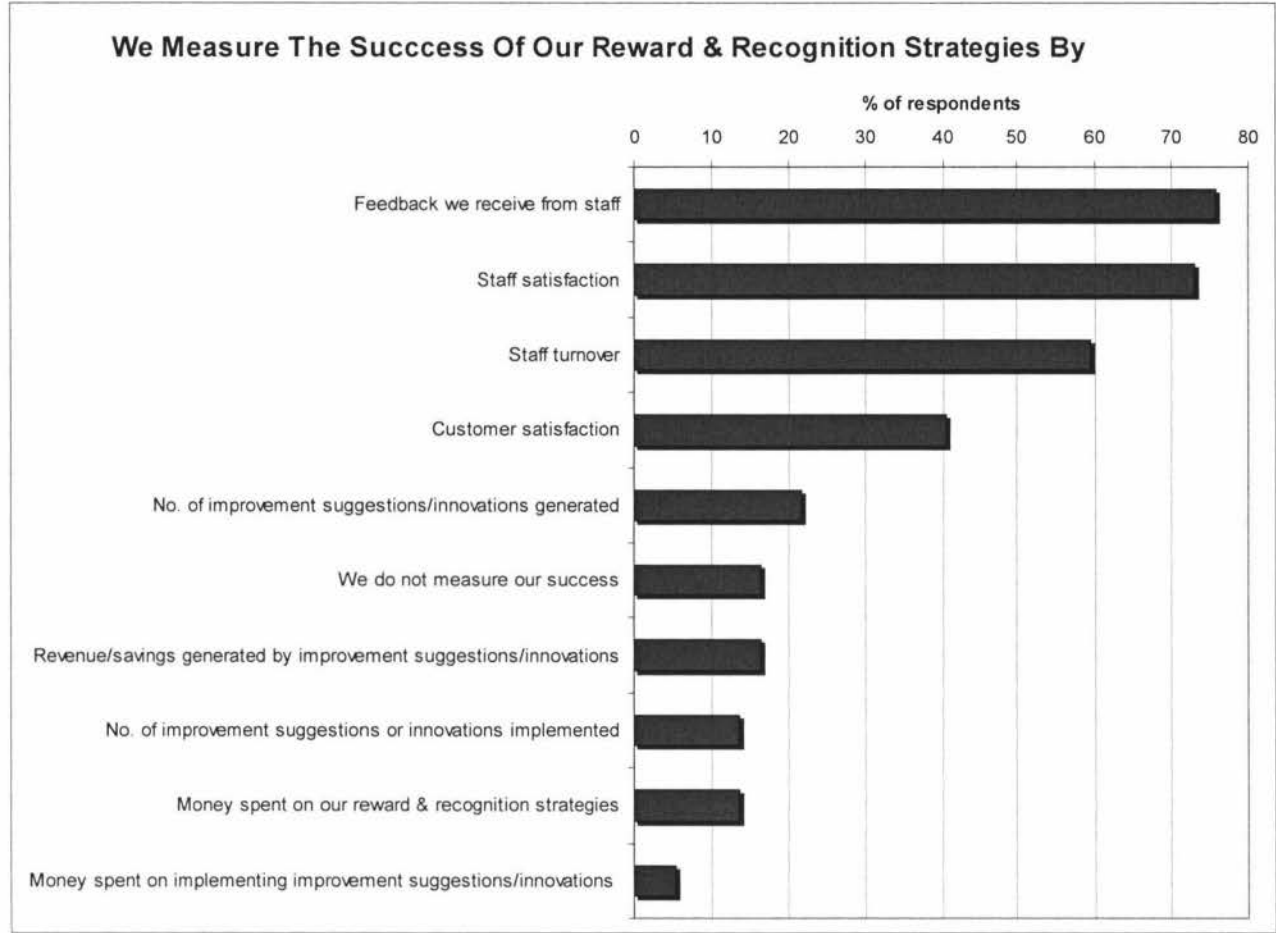
8. Does your organisation have documentation that governs all the different types of reward and recognition strategies that your organisation uses?



Our documentation outlines: (please tick more than one box if required)



9. We measure the success of our organisation’s reward and recognition strategies by: (please tick more than one box if required)



- 10 The key factors that have promoted the success of our organisation's reward and recognition strategies, and the reasons why are: (please describe)

Promoting Factors	Reasons
<p>Staff seeing achievements being recognised. Informal R&R programme (all staff can give R&R. Setting Company targets/objectives to meet. Alignment, Simplicity, Consistency in application Having policies to encourage managers to recognise and reward staff. Promoting those policies.</p> <p>Payment in cash at holiday time. Profit sharing element Actioned quite well by those responsible Recognition of excellent performance, customer service and innovation - through our APEX awards held quarterly</p> <p>Staff buy in. Management promotion. Culture of organisation. Tailored to individual needs. External recognition - staff have recognised that the incentives we provide are not standard within other organisations</p> <p>Development of a formal pay & performance system. Use of one-off timely rewards. Communication. Competition. Public award ceremonies. Quantum rewards (mgmt rewards). Objective targets & degrees of stretch. Clarity of KPI's for performance appraisal. Ability of managers to recognise staff immediately through vouchers etc. Business units drive the design of incentives and focus on the activity/behaviour/targets that will make a difference Focus on values - service characteristics. Knowledgeable, Innovative, Responsible, Accessible. Promoted by CEO & Senior Managers. Flexibility</p> <p>Team & individual R&R. All staff can nominate. Peers decide. Staff recognising success of colleagues. Well-established strategies & mechanisms that are understood & recognised.</p>	<p>They feel their efforts are appreciated Behaviours/actions that are rewardable can be done at any level and empowers all employees. Keeps everyone on track and focussed on achieving these objectives Clearly linked to company culture and goals, Easy to understand. Trust - we don't stuff around with it To ensure managers are aware of and utilise the options</p> <p>Time when cash is needed. Sense of ownership Others see it and want some of the action Advertised throughout the organisation. Formal presentations held</p> <p>Like getting rewards, Like giving rewards. The scientific community place significant emphasis on individual recognition, attendance at conferences & also "public good" Motivating for individuals to be rewarded incentives that motivate them.</p> <p>Provides process certainty. Provides basis for fairness & transparency. Provides opportunity for timely acknowledgement of good performance outside formal performance review process Constant visibility of sales programme & tracking against. Forced ranking for some incentives/recognition. High quantum drives high focus on goals/KPI's. Clear objectives, targets & assessment. Previously many different criteria. Previously diluted & unfocussed plus many different approaches. Able to offer both formal & informal recognition</p> <p>Encourages not only individual effort but also teamwork. Encourages staff to look for positive in the work environment. Committee of staff & mgt meet monthly to decide if deserves recognition & to what level. Staff have recognised they would like more</p>

<p>Competitive with other organisations</p> <p>Equity, parity & consistency for all staff. Providing R & R that are not seen as formal entitlements. Positive communication/publicity about options.</p> <p>Management training. Managerial awareness of need to reward and recognise performance.</p> <p>Encouraging staff to maintain/increase their competence and knowledge. Encourage staff to participate in quality improvement initiatives.</p> <p>Flexibility, good range available.</p> <p>Leadership. Teamwork. Rewarding solutions rather than ideas. Led by top management. Used sparingly i.e. don't dilute the value & make it an everyday thing - preserve the "specialness"</p> <p>Staff buy-in and reasonable prizes.</p>	<p>recognition and therefore employee award programme redeveloped</p> <p>To retain staff</p> <p>Retention of staff through their feeling valued Things that are unexpected or discretionary extras have a big impact even if they are small gestures So that staff do not take our rewards processes for granted. .</p> <p>Empower the manager Senior management support for the concept and process.</p> <p>Self-confidence and competence require a continuing education and self-development focus. Quality initiatives allow staff to develop skills etc. which then have wide application</p> <p>Empowerment to choose</p> <p>Driven from the top. Delegated authority to make awards. Teams can make innovations work. Publicly acknowledged i.e. in front of team or company whether it is by newsletter, speech at social event, recognition award at department meeting.</p> <p>They are committed to it and there is incentives for them to achieve.</p>
---	--

11 The key factors that have hindered the success of our organisation's reward and recognition strategies, and the reasons why are: (please describe)

Hindering Factors	Reasons
<p>Occasionally someone feels they have been missed out. Not all managers' use the informal R&R programme equally.</p> <p>Attitude of Directors. In the case of broader Company success, which is a pre-requisite to Company bonus payments, the limit to which an individual can truly influence those Company targets. Reluctance on part of manager sto seek out & reward high performing staff & provide timely recognition. Budgetary provision not there in the case of adhoc recognition.</p> <p>Tall Poppy Syndrome. Staff support for innovation and process improvement activities.</p> <p>Payments have become too regular. Lack of dollars. Lack of Consistency. Staff would prefer to have training and development opportunities rather than flowers, certificates</p> <p>Union want to control Being a Crown Research Institute Elapsed time</p> <p>We do not communicate our strategies. Managers are not consistent in their approach. Deployment. Most are targeted at sales areas only or hierarchical mgmt - means a section of employees excluded. Competitive forced ranking can mean individuals give up, as they don't perceive they can make the grade. Disparity between different business units Some divisions have difficulty getting their work recognised because they are inherently innovative etc. Manager apathy Lack of transparency. Inconsistent decision making</p> <p>Lack of promotion.</p>	<p>Lack of measurement ability The adhoc nature of the informal programme means that it will work for managers who like to R&R versus those who don't.</p> <p>NZ male reluctance to recognise and celebrate success WHQ HJ Heinz policy compliance, Traditional mindsets & some degree of paranoia about precedent setting, Managers not making budgetary provision</p> <p>The few that have suggested improvements have tended to be a target for ridicule due to the public recognition they receive. Initiatives have not been dealt with effectively historically or appropriately. Getting staff back into this frame of mind is challenging.</p> <p>Expectation becomes the norm rather than being an incentive to improve. Budgets (!). Not everyone 'believes'. Nature of the people within our organisation and who work in health.</p> <p>Restricts range of benefits & rewards available i.e. cannot be lavish & over the top rewards. Over time innovative ideas become the norm and expectations change.</p> <p>Reporting staff require well-developed people skills. Need open & honest organisational culture. Need culture where employees excel at catching others doing something good Back room activities. Management style. Don't feel valued themselves. Failure to see reward as a priority. Management decided with no information for staff re HOW decisions made. Lack of understanding of system. Inconsistency in decision-making.</p> <p>Don't know much about it (fixing that now -</p>

<p>Culture that providing a good/even exceptional service is just part of their job</p> <p>Financial performance at company level. Inconsistent application. Non-existence of contingent pay. Budgetary constraints. Perceived subjective approach by senior staff. Inconsistent application by managers.</p> <p>Conflicting staff views about what is rewarding. Lack of manager understanding of the importance of R & R, and sometimes lack of capability. Budget cuts. Apathy amongst staff who choose not to engage in the process. People do not always understand Total Remuneration Package. Also Global constraints on the pay system.</p> <p>Constraints on using public funds. Line management not onto it always. Line management different perceptions of what is worth recognising. Competition.</p>	<p>promotion). Don't nominate. Some team leaders don't put their teams forward</p> <p>Limits amounts available for rewards especially profit share. Lack of competency frameworks & standardised performance measures. Remuneration & reward strategy to be defined Government funded organisation. Personal issues, personality clashes etc. Staff perception that monetary rewards not fairly allocated.</p> <p>When providing group or all staff rewards difficult to satisfy all staff We do not evaluate managers of this aspect of their role (but we are moving towards this) Managers seek to provide contingent budget for rewards Aging, long serving workforce. Pay system rewards service & qualifications but not innovation or teamwork.</p> <p>Need to be able to demonstrate good stewardship of public moneys makes giving personal rewards more difficult. Line management too busy to be diligent & consistent in this matter. Technical environment coupled with a consultancy environment - sometimes the message can get overlooked because the focus in on technical tasks. Some think they should have won.</p>
--	---

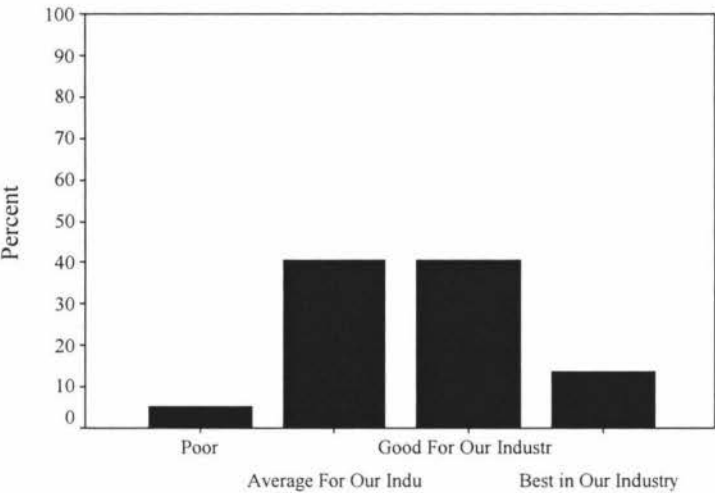
12 I would recommend to others who may wish to implement reward and recognition strategies for innovation and achievement within their own organisation, that they: (please describe)

1. Set specific measurable targets/goals.
2. Have flexibility in the system for informal reward programmes, but potentially task each manager to ensure that issue a certain quota/number.
3. Align R&R strategies with the end goal.
4. Ensure compatibility with current culture and values - particularly those of senior management.
5. This whole area is extremely complicated – I've worked in organisations who provide bonuses based on individual performance A (and are willing to take the associated risk on board), and others which are based on the company attaining their targets before bonuses are provided (a no risk option from a company perspective). I would recommend a blend of the two – that the individual attain their goals as a pre-requisite to participating in accompany bonus plan. Our sales incentive programme which operated separately to the company bonus plan works very effectively – provides for quarterly bonus payments vs. the annual bonus throughout the rest of the company. Currently trialling a 'call in well' concepts with a view to reducing avoidable absenteeism. This appears to be working very effectively to date.
6. It must be easy to manage and not become difficult to administer as fairness and consistency is always challenging.
7. Keep changing the scheme so that it does not become the norm and expected as 'part of the package'.
8. Consult widely and define boundaries clearly.
9. Make sure it fits with the values and culture of the organisation.
10. Discuss with all parties prior to implementation.
11. Find out what really motivates staff and what will make a difference!
12. Survey staff to understand what motivates staff.
13. Have a process for changing the R&R scheme over time.
14. Keep it simple.
15. Fully explain the purpose and process to all staff involved.
16. Have a published strategy and set of guidelines that managers follow and staff members know about. Quality control is important
17. Ensure that the organisations managers/supervisors have the capability to deploy the strategies.
18. Ensure the level of deployment is monitored and reported.
19. Ensure employees know & have capability to participate in the strategies.
20. Ensure there is a high-level of open/honest communication. in the organisational culture.
21. Focus on limited number of key outcomes desires - and tailored for different departments/roles. Communicate, communicate, communicate.
22. Track and make the tracking visible.
23. Gain total support from senior managers & CEO.
24. Have well-defined structure & criteria easily understood by staff & managers.
25. Keep it simple.
26. Tell the stories of what is rewarded.
27. Should spend time trying to understand what type of recognition is appropriate for each workgroup/type of workgroup + one size does not fit all. Also, make sure the targets are achievable.
28. Consult staff.
29. Have clear guidelines & transparent process.
30. Adequate funding.
31. Not just mgt involvement. Use peers to decide if 'business as usual' or 'outstanding'. But not sure if this works so well because of our org/s culture...may not work so well for others.

32. Implement something different that encourages staff to participate and has a high profile within the company.
33. Get management support.
34. Communicate the process to employees.
35. Request suggestions from all staff to obtain 'buy in' from all levels within the organisation.
36. Have a formalised system that is clearly documented.
37. Operate a range of R & R strategies informally and formally and never forget the value of a simple 'thank you'
38. Encourage and empower managers to value R & R as a key part of their role, and make sure they have some discretion for small tangible rewards.
39. Document the various R & R options that they may use.
40. Allow managers to budget for some rewards.
41. Realise that only some of their staff will actively extend themselves to achieve excellence, and that it is very important that those who do are encouraged and recognised for their efforts.
42. Encourage solutions rather than promotion of ideas without responsibility.
43. Consider the environment they are in first & foremost - not use an off the shelf solution, use it sparingly otherwise it becomes de-rigour, regularly re-evaluate the relevance & appropriateness of etc. of the rewards.
44. Be conscious of the impact that public recognition can have in some situations and us, but use it sparingly.
45. Don't just recognise work-related achievements, recognise exceptional individual achievements that promote the holistic send of achievement and individuality.
46. It is not about \$ all the time. Sometimes it is about family time, fun time.
47. Get staff buy-in. Determine what is a reasonable prize level.
48. Have clear criteria to be met.

17 I would rate the success of our organisation’s reward and recognition strategies as:

The Success of Our Organisations Reward & Recognition Strategies is Rated as:



Section 2: Planning and Evaluating Reward and Recognition Strategies for Innovation and Achievement

Please rate the following statements in relation to your organisation.

Rate them according to:

- A) How important you believe the statement is to your organization (importance)
- B) Your assessment of your organisations current effectiveness in this area (effectiveness)

Rating Scale:

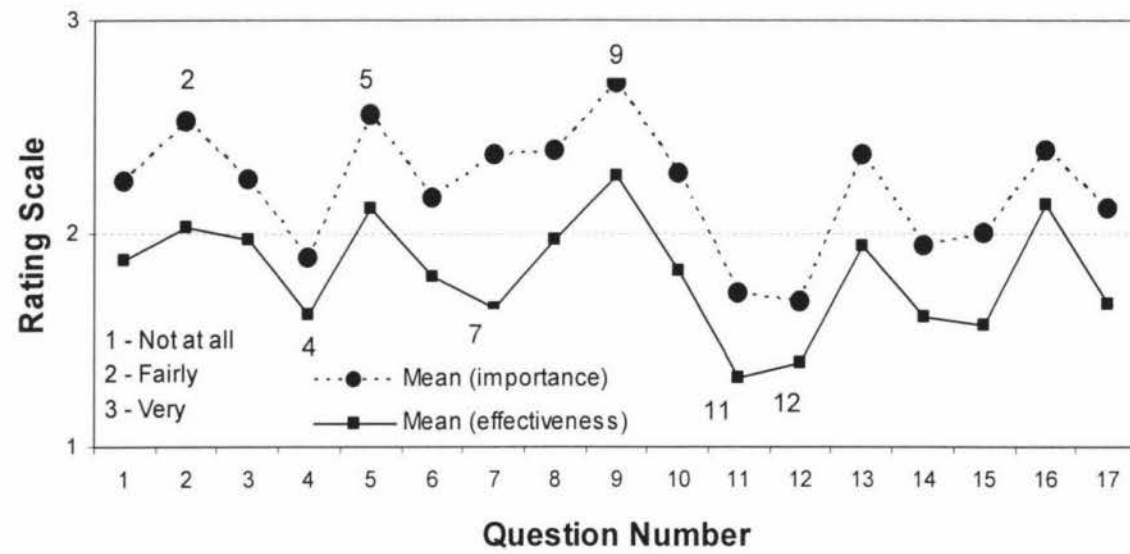
3 = Very
2 = Fairly
1 = Not at all
NS = Not Sure
NA = Not Applicable

1	Strategic planning includes discussion on reward and recognition strategies.
2	Reward and recognition strategies are selected based on their alignment with strategic needs.
3	A project sponsor at a senior level ensures that reward and recognition strategies receive sufficient organisational support.
4	A needs analysis is performed when determining the reward and recognition strategies that are to be implemented.
5	A realistic budget is set at the commencement of each year to ensure that enough funds are available to allow adequate reward and recognition strategies to be completed.
6	Assumptions, risks, constraints and issues related to rewards and recognition are identified and addressed.
7	Measures/targets to determine the success of our organisation's reward and recognition strategies are set, and acknowledged by all parties.
8	Accountabilities and responsibilities are defined for reward and recognition practices.
9	The organisation has a common set of selection criteria which it uses to determine who is rewarded and why.
10	All members of the organisation follow a standard methodology for rewarding and recognising innovations and achievements of staff.
11	Those responsible for giving rewards and recognition to others are given/required to undertake specialised training.
12	Staff are given (or required to undertake), training in the reward and recognition strategies of our organisation.
13	Reward and recognition strategies are regularly reviewed to ensure they meet the needs of staff and the organisation.
14	We benchmark our organisation's reward and recognition strategies.
15	Reviews of our organizations reward and recognition strategies identify external factors that may influence the strategies we use.
16	Reward and recognition strategies are stopped when they are deemed to no longer meet the needs of staff or the organisation
17	The outcomes of our organisation's reward and recognition strategies are reported e.g. dollars spent, number of new innovations, achievements vs targets.

Planning and Evaluating Reward and Recognition Strategies for Innovation and Achievement

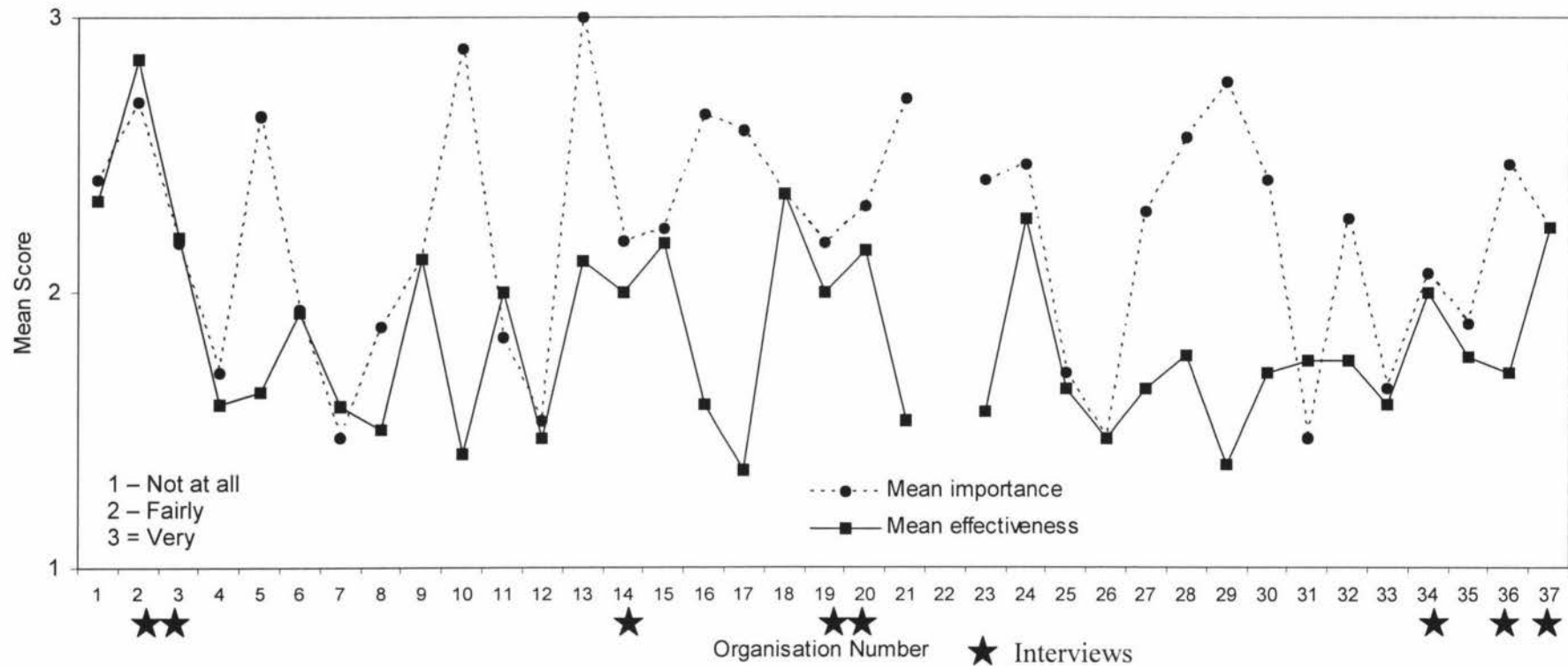
	Questions	Mean Import	Mean Effect
1	Strategic planning includes discussion on reward and recognition strategies. - importance	2.2	1.9
2	Reward and recognition strategies are selected based on their alignment with strategic needs. - importance	2.5	2.0
3	A project sponsor at a senior level ensures that reward and recognition strategies receive sufficient organisational support. - importance	2.3	2.0
4	A needs analysis is performed when determining the reward and recognition strategies that are to be implemented. - importance	1.9	1.6
5	A realistic budget is set at the commencement of each year to ensure that enough funds are available to allow adequate reward and recognition strategies to be completed. - importance	2.6	2.1
6	Assumptions, risks, constraints and issues related to rewards and recognition are identified and addressed. - importance	2.2	1.8
7	Measures/targets to determine the success of our organisation's reward and recognition strategies are set, and acknowledged by all parties. - importance	2.4	1.6
8	Accountabilities and responsibilities are defined for reward and recognition practices. - importance	2.4	2.0
9	The organisation has a common set of selection criteria which it uses to determine who is rewarded and why. - importance	2.7	2.3
10	All members of the organisation follow a standard methodology for rewarding and recognising innovations and achievements of staff. - importance	2.3	1.8
11	Those responsible for giving rewards and recognition to others are given/required to undertake specialised training. - importance	1.7	1.3
12	Staff are given (or required to undertake), training in the reward and recognition strategies of our organisation. - importance	1.7	1.4
13	Reward and recognition strategies are regularly reviewed to ensure they meet the needs of staff and the organisation. - importance	2.4	1.9
14	We benchmark our organisation's reward and recognition strategies. - importance	1.9	1.6
15	Reviews of our organizations reward and recognition strategies identify external factors that may influence the strategies we use. - importance	2.0	1.6
16	Reward and recognition strategies are stopped when they are deemed to no longer meet the needs of staff or the organisation - importance	2.4	2.1
17	The outcomes of our organisation's reward and recognition strategies are reported e.g. dollars spent, number of new innovations, achievements vs targets. - importance	2.1	1.7

Planning and Evaluating



2	Reward and recognition strategies are selected based on their alignment with strategic needs.
4	A needs analysis is performed when determining the reward and recognition strategies that are to be implemented.
5	A realistic budget is set at the commencement of each year to ensure that enough funds are available to allow adequate reward and recognition strategies to be completed.
7	Measures/targets to determine the success of our organisation's reward and recognition strategies are set, and acknowledged by all parties.
9	The organisation has a common set of selection criteria which it uses to determine who is rewarded and why.
11	Those responsible for giving rewards and recognition to others are given/required to undertake specialised training.
12	Staff are given (or required to undertake), training in the reward and recognition strategies of our organisation.

Planning & Evaluating



NZ Benchmarking Club

Site Visit Interview Guidelines and Template

Organisation Name

Name
Role Title
Organisation

Interviewed by

Nicky Campbell-Allen
Facilitator Human Resource Focus Workgroup
New Zealand Benchmarking Club
Institute of Technology and Engineering
Massey University

Date

at
Organisation

Site Visit - Interviewing Tips

Prepare

- Be clear about your **purpose**
- Work in **pairs**
- **Agree roles** – interviewer and scribe
- Be on **time**

Remember

- YOU manage the interview – keep discussion on track
- No feedback to applicant about findings
- Seek to understand the process/ flow/ inter-relationships

Put them at ease

- Confirm their role
- Explain your general area of interest, e.g. Action plan development
- Use a polite, professional tone

Questioning

- Use clear, simple language
- Use the word HOW.....and.....tell me more about how you.....
- Be careful of buzzwords, or specific tools unless they use them first
- Open questions....use more frequently
- Closed questions....use less
- Be careful of leading questions
- Be careful of multiple questions/ phrase carefully
- Be flexible – prepared for in-flight adjustments

Demonstrate Listening and Interest

- Eye contact
- Lots of note taking
- Watch your own BODY LANGUAGE position (mind follows body)
- Nodding for understanding
- Stay awake.....Yes!
- Paraphrase with care

Be alert for

- Words such as “*sometimes*”, “*normally*”, “*usually*”
- Anecdotal information, unless there’s a pattern

Seek evidence

- Don’t rely on just verbal discussion to understand the flow – ask for flowcharts or process maps (if not available – draw a rough diagram with them)
- Ask for evidence, e.g. “*Could you please **show me** the HR plans that result from this action plan?*”
- Real evidence vs anecdotal

Exit

- Thank them for giving up their valuable time

Reward and Recognition Strategies Questions

Assessment Tool Q# 1	QUESTION What is the context within which your organization operates e.g. market influences, background to the organization ANSWER
Assessment Tool Q# 2	QUESTION How are the following terms defined within your R & R strategy? ANSWER <ul style="list-style-type: none">• Reward• Recognition• Achievement• Innovation

Assessment Tool Q# 3	QUESTION Who has responsibility (overall and day-to-day) for R & R?
	ANSWER
Assessment Tool Q# 4	QUESTION Why do you have a R & R strategy in place? e.g. what are the key drivers/motivations? What are you trying to achieve by having this strategy in place?
	ANSWER

Assessment Tool Q# 5	QUESTION What is more important for you to reward and recognize – innovation or achievement? Please explain your answer							
	ANSWER							
Assessment Tool Q# 6	QUESTION Approximately (x) what percentage (%) of your total annual budget is spent on R & R?							
ANSWER								
<table><tr><td>0– 5%</td><td>6– 10%</td><td>11– 15%</td><td>16– 20%</td><td>21– 25%</td><td>> 25%</td><td>Not Measured</td></tr></table>		0– 5%	6– 10%	11– 15%	16– 20%	21– 25%	> 25%	Not Measured
0– 5%	6– 10%	11– 15%	16– 20%	21– 25%	> 25%	Not Measured		
Assessment Tool Q# 7	QUESTION You rated your systems as being (1) average, (2) good, (3) best in our industry – why is that, how do you know this, what makes your strategy better than what others are doing, what awards have you won or been put forward for?							
	ANSWER							

Assessment Tool Q# 8	QUESTION What are the key components that make up your R & R strategy? e.g. individuals, teams, project teams, base pay, at risk components
	ANSWER
Assessment Tool Q# 9	QUESTION How did you go about developing/determining these?
	ANSWER

Assessment Tool Q# 10	QUESTION How do these components (your strategy) generally, and in relation to innovation and achievement, link into your: <ul style="list-style-type: none"> • Company's objectives/mission? • Individuals objectives/goals? • Team and project team objectives/goals?
	ANSWER
Assessment Tool Q# 11	QUESTION How is your R & R strategy (and its components) implemented in practice? e.g. what actions are taken, when, by whom, how, why, measures needed, roles of various staff, tailoring etc.
	ANSWER

Assessment Tool Q# 12	QUESTION What have you tried previously but not been successful at in relation to R & R? What adjustments did you make as a result of these?
	ANSWER
Assessment Tool Q# 13	QUESTION What difficulties/positive aspects have you found from having your R & R strategy in place?
	ANSWER

Assessment Tool Q# 14	QUESTION How do you measure the success of your R & R strategy? e.g. when, why, by whom, which parts, what is done with this information, how are staff involved, what are the results? ANSWER
Assessment Tool Q# 15	QUESTION What is the current attitude of staff towards your R & R strategy? e.g. why, how do you know this and manage it? ANSWER

Assessment Tool Q# 16	QUESTION How do you go about making improvements/alterations to your R & R strategy? What drives these alterations? e.g. competition, employee feedback, company performance etc
	ANSWER
Assessment Tool Q# 17	QUESTION What has been the impact on the organization on your R & R strategy? e.g. on individuals, teams, projects, dollars, motivation, bottom line outputs, time etc.
	ANSWER

Assessment Tool Q# 18	QUESTION What would you rate as the critical success factors of your organisations R & R strategy? ANSWER
Assessment Tool Q# 19	QUESTION If you were able to design the ultimate in a R & R strategy from scratch: <ul style="list-style-type: none"> • Who would it include/cover? • What would it include/cover? • What vital aspects would need to be considered? • What would it look like? • How would it work in practice? • What is stopping you from doing this? • How is this different from what you are doing now?

Assessment Tool Q# 20	QUESTION
	What advice would you offer to others wanting to implement a R & R strategy? e.g. promoting and hindering factors, budgets, staffing, measures etc.

NOTES

NEW ZEALAND BENCHMARKING CLUB - Advancing Performance Excellence -

Human Resource Focus Workgroup

19 July 2004

Alecia Steel
General Manager – Human Resources
Beca Carter Holins and Ferner

1

Dear Alecia

Reward and Recognition of Employee Innovations and Achievements

Thank you very much for agreeing to meet with me (as representative of the HR workgroup) to discuss aspects of your organisation's reward and recognition strategies.

As a result of the survey you completed for us in July last year, the members of the Workgroup identified your organization as a top performer in this area, and would like to learn more about this important part of your organizations operations.

Our interview seeks to obtain further information and understanding on what strategies you use, how they are used, and what makes you successful in this area. Our interview questions will be based on the survey that you completed.

With your agreement the interview will be tape-recorded and notes will be taken using an interview guide. The information we obtain will be used to supplement the data we received from the initial survey. From the interview we may ask if we can use your or your organizations name, and 'quotes' from the written or tape-recorded transcripts. This information would be used to support the stance, recommendations or comments that we write in the final Best Practice Report for this project, or for the Masters Degree Thesis and journal articles produced by Nicky Campbell-Allen.

In today's business environment we know competition is fierce and appreciate concerns about confidentiality. At all times we will comply with the Privacy Act 1993 regarding access, storage and use of the information that you supply to us during the interview. The utmost care will be taken to ensure that any specific comments or views you might express remain confidential, and the anonymity of your organization will be preserved (unless permission is given to us to disclose such information).

By agreeing to participate in the interview you have the following rights:

- To stop or withdraw from the interview at any time;
- To have your own, and your organizations privacy and confidentiality protected;
- To ask for the tape-recorder to be turned off at any time;
- To request that written notes are not taken, or note taking is stopped at any time, and to have a copy of the interview notes provided to you;
- To ask questions at any time; and
- To have access to information about the outcomes of the project.

A special consent form for the interview is attached and will be collected at our meeting.

The interviewers will be:

Nicky Campbell-Allen
Centre for Organisational Excellence Research
Massey University

We will come to your offices at 10.30 a.m. on Wednesday 28 July and expect that the interview should take some 1½ - 2 hours. If you should wish to discuss any aspect of the interview or the Reward and Recognition Project prior to our meeting, I can be contacted at the address and numbers shown below.

Yours sincerely

Nicky Campbell-Allen
Facilitator Human Resource Focus Workgroup
New Zealand Benchmarking Club
Institute of Technology and Engineering
Massey University
PO Box 11222
Palmerston North
Ph: [REDACTED]
email: n.m.Campbell-allen@massey.ac.nz

Human Resource Focus Group - New Zealand Benchmarking Club
Project - Reward and Recognition of Employee Innovations and Achievements

NEW ZEALAND BENCHMARKING CLUB - Advancing Performance Excellence -

Human Resource Focus Workgroup

Reward and Recognition of Employee Innovations and Achievements

Consent Form

I have read the 'interview introduction' letter and been given verbal information about the project being undertaken by the Human Resource Focus Workgroup of the New Zealand Benchmarking Club.

I understand:

- That I may stop or withdraw from the interview at any time and may decline to answer any particular questions.
 - That the interview will be tape-recorded and that I may ask for the tape-recorder to be turned off at any time.
 - That written notes will be taken of the content of the interview using an Interview Guide, and that I may request that written notes are not taken, or note taking is stopped at any time.
 - That I can ask for, and will receive a copy of the interview notes taken at the meeting.
 - That my own, and my organizations privacy and confidentiality will be protected by the researchers/interviewers in accordance with the Privacy Act 1993 as relates to access, storage and use of the information provided during the interview.
 - That I may ask questions at any time before, during or after the interview.
 - That I can have access to information about the outcomes of the project.
 - That the information collected from me will be used in writing a 'Best Practice' report (for the New Zealand Benchmarking Club), a Masters Degree Thesis and other publications (by Nicky Campbell-Allen).
1. I agree to provide information to the researchers/interviewers on the understanding that my, or my organizations name will not be used without my verbal or written permission.
 2. I agree to participate in this interview under the conditions set out above.

Name: _____

Organization Name: _____

Signed: _____

Date: _____

REWARD AND RECOGNITION INTERVIEW RESPONSES

QUESTION

What is the context within which your organization operates e.g. market influences, background to the organization

- Competative industry x x x x x
- project orientated x x x x
- deadlines and deliverables x x x x
- Competitors not an influence on R & R x x x
- Collective contract x
- not competitive – unique culture x
- Severe skill shortages, increasing women, increasing age, highly skilled x
- Influence of international and/or parent initiatives

QUESTION

*How are the following terms defined within your R & R strategy?
Reward Recognition Achievement Innovation*

- On intranet x x x
- No x x x
- Separate documentation x x
- Part of appraisal documentation x
- Recognition programme

QUESTION

Who has responsibility (overall and day-to-day) for R & R?

- Business leadership team x x x x x x x
- HR team x x x x x
- Day to day – managers, staff and supervisors x x x x x x x

"In terms of responsibility for R & R, overall we have a remuneration committee that consist of the Chairman of the Board (and another member), Group General Manager for HR (executive position), Group Manager for HR, and the CEO. They meet regularly to discuss policy, performance and reward. This is more of a signoff function based on recommendations. Day to day we have a remuneration team (2 HR consultants and the Group Manager for HR who set the policy, and run remuneration projects".

QUESTION

*Why do you have a R & R strategy in place? e.g. what are the key drivers/motivations?
What are you trying to achieve by having this strategy in place?*

"People like to know that they are working for something – this 'carrot' leads to greater motivation and keeps people striving. It keeps people working at their best – to be the best and moves people from thinking to action"

"High pressure environment and needs to be fun. Results driven to keep impetus up. Early culture of passion and its continuation as the business has grown. Want to be an organisation that people want to work for".

"Always had a family based culture. By having the best people in the industry we can provide the best service to clients. Happy people work well and we get the best out of them. Staff feel the benefits of belonging and committing to the company long term because of the inputs into them e.g. training and development. Many of the opportunities are life style based e.g. sabbaticals to the overseas office".

"To show we value staff and encourage contributions, innovations and initiative – this is a place where all ideas are considered and rewarded"

"Creates a positive working environment"

"Managers and others will know I have done well and exceeded or gone outside my job"

"Hard not to be a cog in a wheel in a large organization – no one wants to be a number. Staff need to know that they are valued and they want to be part of something. We have R & R to humanize a large and busy environment, to bring people together, to attract and retain staff, enhance performance, and as a competitive edge"

"The CEO believes staff are important and talks 'people, people, people'. We are a service industry that hinges on people, and we are in the 'people business' (we are uniquely kiwis)".

"We have our strategy in place for a number of reasons e.g. to enable to organization to be competitive in its markets, to create shareholder value (rewarding improvements in the area) to differentiate performance, recognize future potential, and to motivate, attract and retain top talent".

"We have this in place to ensure clarity, consistency and as a key point of reference e.g. people understand under what circumstances R & R applies to, and a sufficient amount of detail to ensure understanding, openness, and to clarify meet the contractual side"

"We have this in place to ensure behaviour, motivation commitment etc. – the 'dynamic of recognition' – e.g. people are passionate about their research but still need recognition for this and for people to know that what they are doing gets noticed by the organisation"

QUESTION

*What is more important for you to reward and recognize – innovation or achievement?
Please explain your answer*

- Both – run hand in hand – may be recognized differently x x x x x x x
- Achievement x x

“Achievement is more important at the moment, but to take us forward we need to be innovative. We do have a culture of innovation but the performance management system measures achievement more so than innovation. It is easier to structure around achievement than innovation, but we do want to move more to a ‘culture of ideas’”.

QUESTION

Approximately (x) what percentage (%) of your total annual budget is spent on R & R?

- | | |
|----------------|------------------|
| 0– 5% x x | 6–10% x |
| 11–15% | 16–20% x |
| 21–25% | > 25% |
| Not Measured x | Unsure x x x x x |

QUESTION

You rated your systems as being

- (1) average x
- (2) good x x x x x
- (3) best in our industry x x

Why is that, how do you know this, what makes your strategy better than what others are doing, what awards have you won or been put forward for?

- Comments from staff x x x x x x
- In comparison to other organizations x x x x
- It works x x x
- Have won a national and regional award x x
- Low staff turnover and high satisfaction x

“I would say that we have a sound recognition programme but are not the ‘best or ‘world class’ – we recognize the short comings of our current policy”.

“We do extensive research in ‘positioning’, staff perceptions, industry payments etc, and are confident that our R & R meets the organisations needs at present”

“We sit in the middle. We have a way to go in tying things together and in letting staff know this (this view was obtained by doing this survey)”.

QUESTION

What are the key components that make up your R & R strategy? e.g. individuals, teams, project teams, base pay, at risk components

- Bonuses x x x x x x
- Awards x x x x x x
- Public acknowledgment e.g. awards, newsletters, company events, meetings x x x x x x
- Pay rates x x x x x x
- Off the cuff rewards x x x x
- Performance management programme/ appraisals x x x
- Gifts x x x
- feedback x x x
- Incentives x x
- Coaching x x
- Staff to staff acknowledgement x x
- Career development and training x x
- Sabbaticals and travel x x
- Additional departmental funds or a welfare fund x x
- "we saw you do it" cards, "we're impressed" scheme, "you've been caught" scheme x x
- Profit share/shareholding x x
- Staff cards and discounts x
- Sponsorship x
- Allowances x
- Additional days leave x
- Superannuation, health insurance, car parking x

QUESTION

How did you go about developing/determining these?

- Staff input x x x x x x
- CEO/managers/HR team came up with the ideas x x x x
- A specific R & R project x x x x
- A bit of an accident really as suggestions were put forward or it evolved over time x x x
- Rolled out over time as maturity of the business x x
- Based on work that is being done by the individual/team x x
- Climate survey x
- Hand down from overseas parent with NZ reps x
- Determined behaviours that need to be driven x
- Experience from work in other organizations x
- Market intelligence x
- Benchmarking

"Happened organically through thinking, discussions (dream sessions) and then things happened"

"R & R is not an HR thing – must be an 'everyone' thing"

QUESTION

How do these components (your strategy) generally, and in relation to innovation and achievement, link into your:

- *Company's objectives/mission?*
- *Individuals objectives/goals?*
- *Team and project team objectives/goals?*

- Link to company objectives, culture, principles, targets, milestones x x x x x x x
- Link to individual objectives, milestones and targets x x x x x x x

"Our company business plan and 'aspiration statement' marries together the aspirations and direction of the company into four things of importance – (1) people, (2) clients, (3) reinvestment, and (4) renewal. There are also five values – (1) trust, (2) integrity, (3) teamwork, (4) relationships, and (5) excellence. Teams have objectives based on these and people commit to taking these on. The Board and CEO check to see what is going on and to see 'have we got our foot on the pedal'"

"Goals, measures and targets are cascaded from the Board and CEO to the staff so that we ensure everyone is working towards the same goals. Staff know what these are, and we have a 50/50 individual/company performance payment based on these".

"Our key result areas link back to the company culture and corporate values that we are attempting to achieve. We are wanting to reward certain gateways achieved and long term outcomes"

"Our R & R should be bringing the strands together in a way that is meaningful and reflects where we have been, where we are at now, and where we are going"

QUESTION

How is your R & R strategy (and its components) implemented in practice? e.g. what actions are taken, when, by whom, how, why, measures needed, roles of various staff, tailoring etc.

- Performance reviews x x x x x x x
- Watching what is going on and rewarding when seen x x x x x x x
- Awards – nominations x x x x x x x
- Functions – dinner, conferences 6-12 monthly x x x x x
- Reward achievement of project milestones or attainment of goals x x x x
- Money x x x
- Newsletter x x x

QUESTION

What have you tried previously but not been successful at in relation to R & R? What adjustments did you make as a result of these?

- Getting nominations in from staff x x
- Had a chill out room that no one used x
- Award and nomination system
- Some managers are much more proactive in giving rewards x
- Bonuses and performance based results – hard to get right and causes problems
- The informality of the previous scheme and lack of transparency
- Profit share
- Bonuses
- % of commercial revenue

Award and nomination system – “In relation to the award and nomination, staff felt they really had to perform or it had to be something really special and this was off putting. It is also hard to pick a winner and staff did not like the long form that needed to be filled in”

% of commercial revenue – “We tried this – dividing the money that people were responsible for bringing in. Disputes arose as to who was responsible in teams/project based initiatives”.

Bonuses – “We did give bonuses for achievement of certain things in negotiation with line managers. People would always get their bonuses – it became a given”.

QUESTION

What difficulties/positive aspects have you found from having your R & R strategy in place?

Positives

- Meeting targets – company & individual x x x x
- Greater teamwork x x x
- “Enthusiastic staff who had increased motivation to take on projects and extra work” x x x
- “happier and brighter staff” x x x
- Positive feedback from staff x x x
- Less silo effect x x
- Everyone can get rewarded x
- A clear and consistent point of reference that is easy to communicate x

“Get involvement of hearts and minds, relationships are therefore strong. People will work better together and we will be able to retain and attract people”

Difficulties

- Expectancy mode x x x x
- Getting nominations in x
- People not participating x
- Differences between team/individual success – “area may not be doing well as opposed to individual not doing well” x
- Differences between and/or effects on team/individuals x x
- Recent changes because “work not being completed in the right spirit” x
- Not having everything re rewards in one place .e.g. “how do we get people to appreciate all that we have and that is good” x
- Need to be better at formally rewarding administrators/background staff x
- The more you do the harder it is to maintain consistency x
- Some of what the staff want is not practical e.g. medical insurance
- Not quick enough to react or react too slowly x
- Putting things in writing – it becomes static
- Gets stale and needs to be changed / formality of a system
- Undue focus on bonuses to extent of other things

Expectancy mode – “probably not the norm, but the more you give the more they expect it, and the more they want it, and the more ‘normal’ it becomes”. “Created expectations re what people would receive”. “Where no firm criteria exist, people have received rewards (bonuses) before, people get to expect it”. “We do have an entitlements culture rather than ‘performance’ due to the unions and collective agreements we have in place. There is an expectation that pay etc will increase each year and this does need to be addressed”.

Bonuses – “We did give bonuses for achievement of certain things in negotiation with line managers. People would always get their bonuses – it became a given. It lead to an undue focus on those aspects that would get the bonus at the extent of other things”. Xx x x

“Any strategy is designed for an ideal world and this is a changing environment. It must be a living document as it is an ever changing landscape”

“When \$ are assigned you run into problems”

“People are so different – their thresholds about what is important is different”

“Not bold enough to really step out of the square and look at staff, therefore not as successful in R & R as we could be

“Because we now have more transparency and direction, we have alignment of goals, staff kow what their earnings ability is, we all get more in return, and there is greater clarity and direction”

“A difficulty for us has been really understanding and capturing the fact that individuals are motivated by a range of thins, and then trying to apply something across the board, yet still be fair and equitable etc. It is hard to get away from things that do not have a dollar figure”.

“Must be careful in initiating and promoting a change, that you do not implement something that has a negative impact e.g. recognition of service ceased to be important but is now back in”.

QUESTION

How do you measure the success of your R & R strategy? e.g. when, why, by whom, which parts, what is done with this information, how are staff involved, what are the results?

- Survey – climate, internal/external x x x x x x x
- Informal staff feedback x x x x x
- Staff retention x x x x x
- Performance review interviews x x x x
- Exit process and interviews x x x
- Not done or no real formal measures x x
- Ideas presented x
- Through 'dashboard' of key measures

"An organic thing that works quite well, but we do not always get it right and people acknowledge this"

QUESTION

What is the current attitude of staff towards your R & R strategy? e.g. why, how do you know this and manage it?

- Lots of extremely satisfied staff (via informal feedback) x x x x x x
- Lots of extremely satisfied staff (via survey) - Overall satisfaction 74.2% (90% staff survey return) x x x x
- Cannot really say x x

"Some gripes internally (human nature stuff), but talk about it favorably externally" x

"Some X and Y types really into this and help 'kick it into touch'"

"We get a big tick on some of the obvious more high profile stuff e.g. retreats and end of month events"

"Remuneration is an emotive subject and some people will not be happy"

"I would hope that (with a degree of prompting) that people would be reasonably positive. We have put a lot of effort and money into pay structures in the last year as recognition was seen as related to pay in the last survey"

QUESTION

How do you go about making improvements/alterations to your R & R strategy? What drives these alterations? e.g. competition, employee feedback, company performance etc

- HR staff initiate improvements based on feedback from managers and staff x x x x
- Manager/owner initiates improvements based on feedback from managers and staff (via appraisals) and informal feedback x x x x
- Working party and focus groups x x x x
- "water cooler conversations" and suggestions lead to operations team making improvements x x x
- External consultants x x
- Consultation with the unions x x

"xxx is a company that is driven organization - they are driven to excel and have high expectations. This is embodied in the values and how the company works. There is a real drive on 'walking the talk' – we better be doing it and making alterations – we check that we do what we say we do"

"We review the overriding principles annually and do a 'pulse check'. We also benchmark as part of this but may do this more often depending on the roles required and the 'hotspots' we have in January and February".

QUESTION

What has been the impact on the organization on your R & R strategy? e.g. on individuals, teams, projects, dollars, motivation, bottom line outputs, time etc.

- Motivation is up x x x x x x x
- Happy staff x x x x x
- Driven the results that we wanted x x x x x
- Difficult to say in some things e.g. \$ and retention x x x x
- Growth in Dollars x x x
- Helped to grow the culture x x
- Increased staff retention/decreased turnover x x
- Sought after employer to work for x x
- Staff are more willing to try new things x
- Staff are more willing to put forward ideas x
- Feedback is good x
- Strengthening of relationships and enhanced teamwork x
- Less induction time for new people x
- More caring environment and increased appreciation of others e.g. staff taking the time to recognize others, appreciation of abilities, cultural differences, relationships x x
- Improved flexibility, adaptability, spontaneity – focused bright people (not socks and cardies) x

QUESTION

What would you rate as the critical success factors of your organisations R & R strategy?

- Business leaders behind it and promoting it x x x x
- Keep it simple x x x x
- Well communicated and understood x x x
- Listening to staff x x
- That is delivers on the strategy of the business x
- Advertising it x
- Goals of managers to grow and retain the strongest team and grow \$ x
- Change it often x
- Fairness and consistency across people x
- Staff ownership and buy in x
- An informal rather than formal system x
- Managers knowing their staff and looking at the culture of the organization x
- Recognising people – not just dollars
- Using non-monetary avenues such as newspapers, magazines, communications from the CEO
- Recognise a range of things e.g. long service, technical proficiency, behaviours, exceptional achievement
- Celebrate successes e.g. awards, emails, CEO messages, ceremonies, bonuses/pay increases
- A balance between what is done/how done and short/long term
- A flexible approach
- No mixed messages

"We have a quiet and modest group who like little fanfare. We make it part of life and do not go out with a big label or RA RA. It is not solely an HR initiative – we involve all, it is simple, it must be part of the way we do things, and managers must know their staff to make it work"

"I suggest a flexible approach – what works for one does not work for another - but this must be balanced with fairness and consistency"

"There must be no mixed messages – the policy wording must be followed through with actions – a person's level of pay must be seen as credible by them".

QUESTION

If you were able to design the ultimate in a R & R strategy from scratch:

- *Who would it include/cover?*
 - *What would it include/cover?*
 - *What vital aspects would need to be considered?*
 - *What would it look like?*
 - *How would it work in practice?*
 - *What is stopping you from doing this?*
 - *How is this different from what you are doing now?*
- a. Staff card – go to other suppliers and get them involved – create a company 'discount card' x
- Re institute the 'super' scheme – a good way to get staff to stay (did cost the company a lot of money) x
 - Health challenge – increase the scope and keep it going x
 - Have the ability to put in place anything x
 - Go back to staff and take a 'green fields' approach
 - More individual recognition x
 - Based on where the business is x
 - Benchmarking to ensure programmes suit all staff e.g. administrators, sales staff x
 - Would not change what we are doing x
 - Includes all staff and all staff are eligible x
 - Recognizes ideas, initiative, and work over and above current duties x
 - R & R small but often
 - Informal rather than formal
 - Not necessarily dollar bound
 - Transparency
 - An absolutely rigid performance management system and measures
 - Clarity of key goals from the top and communication regarding these
 - Fairness and competitiveness in the market
 - Combination of cash and equity (shares)

"It would need to include transparency right from the start. This would give complete clarity on roles, payment for the role, eligibility to earn etc. This would then need to be communicated"

"There would need to be clarity of key goals from the top and communication regarding these. Also an absolutely rigid performance management system and measures to collect, analyse, and use performance related information and to pay on this".

QUESTION

What advice would you offer to others wanting to implement a R & R strategy? e.g. promoting and hindering factors, budgets, staffing, measures etc.

- Keep it simple x x x x x
- Make sure it is what staff want x x x x
- Get staff buy in, engagement, get everyone behind it & promote it x xx x
- Include everyone x x
- Make sure incentives are measureable x x
- Communicate - make sure everyone is aware (not just certain groupings e.g. sales) x x
- Do your research
- Make sure incentives are clear (staff know about them) x
- Look at the culture and underlying assumption that will drive it x
- Be prepared to review regularly as staff needs change
- "look at the impact of what is being done now and in 4-5 years time e.g. high salaries now v's annual increments x
- "Have some budget – it does not need to be huge – do not need to buy everything"
- Buy in at the top R & & should be part of the values of the organization and you should be living these
- Not being too rigid
- Clarity of key goals from the top and communication of these x x
- Transparency
- A rigid performance management system for collecting, analyzing and paying people
- Fairness
- Understand how the scheme will be paid for e.g. should be self funding

"HR must recognize that they are not the sole domain or responsibility centre for this – it can and does come from outside HR. We do not always get it right. It is a fluid area – you must be willing to be fluid and change at the drop of a hat. You need buy-in at the top and engagement of the people. You also need some budget – but it does not need to be huge – you do not need to buy everything."

"Everyone can put in place structures – talent lies in putting together relevant themes that drives a certain result, and to have the 'balls' to roll it out to the people – therefore have passion behind it in taking that risk in getting others to go on that journey with you" x

"Include everyone. Look at the culture, look at the underlying assumptions that drive it. Do not launch or document too much – this leads to chains. It is a fluid area and you must be willing to be fluid and change at the drop of a hat. Managers must own it, employees must be involved and see they are making a difference"

"R & & should be part of the values of the organization and you should be living these"

"Understand up front how the scheme will be paid for – should be self funding through income that is generated"

"Create a well balanced understanding of what you want to recognize and then challenge this thinking. Do your research – identify what stakeholders believe are important and what the boundaries are. Think about the parameters of the R & R system – what is possible in the way that you operate. Talk with people in other

organizations, look at the research, benchmark, go to a credible remuneration expert. Refine and develop strategies with the people”