



## How to Build a Culture of Recognition

Employee engagement is the Holy Grail for business leaders around the world. Top employers like Google, Virgin, American Express and SouthWest Airlines consider engagement a business strategy that is everyone's responsibility (not just HR or upper management's) – it is key to their competitive advantage.

So how do you improve employee engagement, especially with a huge workforce in a sector rattled with change and uncertainty?

This paper highlights the latest industry statistics on employee engagement and how building a culture of recognition will help your organization be more prepared for the challenges ahead.

## The Latest Employee Engagement Data

### Some Good News for the Energy Sector :-)

According to the just released Gallup 2017 State of the American Workplace report, **33%** of employees are engaged, with the greatest increase in engagement by job category found in transportation, sales and construction/mining.

Employee Engagement By Job Category	2016	Increase from 2012
Construction or mining workers	34%	+4%
Installation or repair workers	32%	+3%
Transportation workers	30%	+5%
Service workers	31%	+2%
Manufacturing workers	25%	+1%

Source: Gallup 2017 State of the American Workplace

Construction and mining workers have traditionally been among the more engaged workers, manufacturing the least. This could be attributed to employees performing jobs that reflect their talents and interests or a higher than average demand for their skillsets.

Interestingly, employees with a high school diploma or less represent the most engaged group of employees, followed closely by those who have completed some college.



## The Bad News :-)

The largest companies in the U.S. have the lowest levels of engagement.

According to the Gallup report, engagement presents the greatest challenge for companies with 1,000 or more employees. To further fan the flames, millennials represent the lowest percentage of engaged employees in the workplace, and are the largest demographic in the energy sector. These employees want to do work that feels meaningful and makes the most of their talents and strengths but unlike their parents, this cohort is less likely to spend their career at a single company.

The opposite can be said for their parents – the baby boomers – this generation has the highest percentage of engaged employees but also the highest proportion of actively disengaged employees – those who are more likely to act out their unhappiness at work.

Another 2017 Gallup Workplace stat worth noting is that 45% of executives are engaged while only 29% of front line managers (those supervising individual employees) report being engaged. Employees who are supervised by highly engaged managers are 59% more likely to be engaged than those supervised by actively disengaged managers.

Employee Engagement by Generation	2016	Increase from 2012
Millennials (born 1980-2006)	31%	+3%
Gen Xers (born 1965-1979)	33%	+3%
Baby boomers (born 1946-1964)	35%	+3%

Source: Gallup 2017 State of the American Workplace

## How Recognition Improves Engagement & Retention



To attract and retain the best talent you must offer more than job opportunities. You need to create a great place to work. A recent study by Accenture reported that 43% of employees attributed a **lack of recognition** to their unhappiness at work.

Recognition is a low cost, high impact way of improving morale and retention. Appreciation can put the “human” back in HR and has a profound impact on employee engagement.

Here are some insights gained during my 27 years of recognition experience in the energy sector.

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## Employees want to be recognized for their years of service

Over the last ten years, HR technology has evolved bringing many new ways to recognize those who go above and beyond, demonstrate company values and meet performance goals. Despite the success of these programs, recognition for years service is still the #1 program 84% of organizations use (WorldatWork 2013 Trends in Employee Recognition).

**Why?** Employees are proud of the work they do and the company they work for. They appreciate the symbolism in a gift that marks milestones in their career and the public recognition of their contributions to the company. This is particularly true in the energy sector.

One of the unique challenges in this industry is finding ways to encourage baby boomers with high demand skills to stay. Making work attractive to people who may have no desire to do so financially, socially, mentally or physically goes beyond offering more money. Service Awards are a way of retaining these employees a little longer by highlighting their loyalty and influence on the organization.

I've also found the younger generation of field employees appreciate the traditional aspects of Service Anniversaries too. Many employees have family members in the industry so milestone presentations and awards have special meaning to them as the next generation.

To optimize a program's benefits, years of service programs must be implemented well by managers. Recognition needs to be viewed as a foundational part of your company's business strategy. An honest, heart-felt thanks on a personal and professional level has a remarkable impact on the individual and those he/she works with.



There is more hunger for love and appreciation in this world than for bread.”

--Mother Teresa

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### Understand the rewards that matter most

While Service Anniversary presentations satisfy intrinsic needs for appreciation, the extrinsic awards offered are also important to enhance the employee experience.

It's important to offer your workforce the rewards that are culturally relevant and motivating to them, and these awards differ depending on the program, country and individual.

Having said this, the types of awards valued by employees in the energy sector have not changed over the years. Employees continue to appreciate **commemorative awards** for their years of service. In my experience, energy employees value symbolic, tangible items they can display prominently. These visible awards are a daily reminder of their hard work, loyalty and commitment - achievements that reflect themselves and their accomplishments.

**A couple cases in point:** One of my clients replaced his cherished years of service ring out of his own pocket when it was lost, another client (a GenXer) had his fireplace mantle custom stained to match his service anniversary clock and a granddaughter of another client (who happens to be a Millennial) treasures the service lapel pins and safety plaques her grandfather handed down to her.

While commemorative awards are important rewards for Service Anniversaries, employees prefer **contemporary awards** for performance and above and beyond programs. Employees want the ability to choose from a range of options. In more cases than not, they will choose hunting, fishing and camping items. These gifts reflect their interests and passions and they are proud to tell friends why they received the award.



People work for money  
but go the extra mile for  
**recognition, praise and  
rewards.**

--Dale Carnegie, Leadership Training Guru

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### Enable your managers

Organizations need to offer employees more than just their month's pay in return for hard work. Recognition programs can be a real differentiator in retaining and engaging employees during seasonal lulls, difficult work locations, booms and busts.

**Did you know?** 46% of organizations with employees outside of North America indicated that international/global employees participate in all or most of the same recognition programs as their North American employees. 19% said that non-North American employees have their own programs (World at Work Trends in Employee Engagement).

Today's Engagement and Performance Tools can facilitate frequent recognition and help create a positive workplace - globally.

### Here are a few initiatives I've seen used successfully:

- On-the-Spot cards and mobile access are very popular with field employees who often don't have daily access to computers. Managers can reinforce desired behaviors with recognition at the right time, in the right place, sending a message to others of what is expected.
- Putting safety first can attract the right talent by creating a culture of safety - critical in minimizing injuries and loss time. A culture of safety means people think and behave safely even when others aren't looking.
- Performance based tools can make it easier for managers to engage and communicate with employees
- Managers can set goals and provide real-time results visibly through their dashboard and on news stream monitors in the workplace
- Incentive programs can be used to encourage and reward knowledge transfer
- Communication tools can equip managers of all skill levels to carry out critical conversations with employees

Non-monetary recognition is the foundation of your solution and should be used 70% of the time. Finding ways that enable your managers to give more frequent thanks for the things employees do everyday is how you build a culture of recognition.

There are many ways to strengthen employee engagement through recognition initiatives. I have a wealth of experience in designing programs that meet specific needs, fit any budget and are implemented quickly anywhere in the world. I would be happy to discuss how **CSISTARS** programs can build engagement, strengthen your culture and improve your business results – **MEASURABLY.**



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