**Nomination for the Rooney Award
from the
National Association of State Personnel Executives**

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Title: **Developing Agency-Specific Reward and Recognition Programs**

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Program Summary

Reward and recognition initiatives should be part of any overall compensation and performance strategy. Effective reward and recognition programs must affect behavior measurably, improve results, and deliver both tangible and intangible awards that everyone can earn and that everyone enjoys.

To increase the number and effectiveness of reward and recognition programs in South Carolina state government, the South Carolina Office of Human Resources (OHR) designed a consultative approach to help agencies develop reward and recognition programs that work in their specific agency environment. The two principles upon which this approach was based are as follows:

1) People in the organization should feel good about what they receive; and
2) The organization should benefit from a more positive workforce.

Our research determined that to achieve the desired results, a reward and recognition process must have the following key features:

A) A variety of recipients;
B) A mixture of formal and informal recognition;
C) Timeliness; and
D) Abundance of recognition (catching people doing the right things)

In addition, the organization must be able to get a Return on Reward (ROR) if they are to sustain any initiative. Similarly, the people in the organization must know where they stand at all times compared to the standards through feedback.

With this message in mind, we developed a consulting methodology with which we could help agencies develop and implement programs that would meet their specific needs. After training internal staff on the consulting methodology, we approached several agencies to inquire about their interest in partnering with the Office of Human Resources to develop reward and recognition programs specific to their organization. Our pilot agencies agreed to follow the nine-step development process OHR provided. In our consulting role with agencies, OHR employees facilitate the agency staff through the process of developing a new reward and recognition program that is specific to their agency's culture and needs.

First, we meet with agency leadership teams to identify the goals of the program and the values and behaviors they want to reinforce and recognize. Second, we work with the agency to create a design team that actually develops the process for leadership final approval. The design process includes determining the types of recognition that would be appreciated by the workforce, developing specific methods of recognition, communicating the process to employees, training of staff (when necessary), planning for roll-out, determining how to evaluate the program's success, determining infrastructure and support requirements, and determining how to keep the program vibrant.

The process used is an amalgam of several approaches found during our research into the topic, but borrows most heavily from the writings of Aubrey Daniels and Joan Klubnick. We offer agencies three partnership options - OHR can provide full guidance and facilitation throughout each step of the development, partial guidance at various stages of the effort at the agency's discretion, or OHR can serve as a resource if agencies choose to use the nine-step process without direct OHR involvement.

Responses to NASPE Questions :

1. Please provide a brief description of this program.

South Carolina's OHR is promoting effective reward and recognition programs in state agencies. Our strategic goal of developing "state of the art human resources programs" cannot be fulfilled if we neglect providing guidance in this basic area. OHR's appropriate role in the area of developing effective reward and recognition programs is to provide a road map for agencies to follow and facilitate their trip in accordance with the map. We accomplished this by:

1) Creating a team of OHR consultants with expertise in the development of good reward and recognition systems and the facilitation of the development of these systems;
2) Researching the principles and key characteristics of reward and recognition systems and developing a model for creating them in agencies;
3) Marketing the concept and value to agencies;
4) Offering "no cost" assistance in facilitating the creation of new programs in the agencies;
5) Helping agencies create mechanisms to implement and measure the effectiveness of their systems; and
6) Offering ongoing assistance and follow-up to ensure the systems remain fresh and viable.

2. How long has this program been operational?

The internal OHR team was established in August 2003, agencies were notified of the availability of the service in November 2003, and the first pilot agency began work in late November, with others joining in January and February, 2004.

3. Why was this program created?

With recent reduced agency budgets and infrequent pay increases for state employees in South Carolina state government, agencies are discovering that they need to consider alternative approaches to recognize and motivate good employees. Most agencies have either no formal recognition system or use approaches that are very limiting, such as employee of the month or year. Agency managers and leadership indicate that they need some new ideas on recognition to help thank and retain valuable employees.

4. Why is the program a new and creative method?

State agencies are aware of the need for effective reward and recognition programs; however, many agencies have not implemented programs that have broad employee support and measurably increase morale and productivity. Many agencies have cited a lack of expertise, along with their own time constraints to enable them to give

adequate attention to developing and implementing a reward and recognition program. This approach is new and creative because it provides the specific elements that have hindered agencies from implementing these programs – 1) a clear methodology for program design and implementation, and 2) direct consulting assistance from our staff to facilitate the design and implementation process.

5. What were the program's start-up costs?

There were few specific purchases related to the program. Approximately $75.00 was allocated toward buying written material and on on-line purchases of materials. Approximately 100 hours of staff time from OHR's consultants went into researching the topic and developing the nine-step model. Materials were printed in-house.

6. What are the programs operating costs?

The operating costs consist primarily of staff time dedicated to facilitating the agency reward and recognition system development. Initial estimates indicate that approximately 40-60 hours of OHR staff time will be involved in each agency's consulting process. Additional costs include agency staff time (most design teams consist of 8-12 members who will also need to dedicated 30-50 hours to the effort), and the cost of implementing the specific program in the agency. We have recommended that agencies allocate approximately $20 - $50 per full-time equivalent position for recognition, depending upon the availability of funds. The agency may also decide to align bonus and other compensation methods with the system. If the agency chooses this option, additional costs would have to be calculated in the total program cost.

7. How is the program funded?

OHR is using existing staff to support the program. Agency funding approaches differ from organization to organization, but all have implemented the programs within existing funds.

8. Did this program originate in your state?

To the best of our knowledge, we have originated this program.

9. Are you aware of similar programs in other states?

We are not aware of other, similar programs.

10. How do you measure success of this program?

Each agency has specific goals for its recognition program. As part of the design of each recognition program, we work with agencies to identify performance indicators. These indicators relate to the increased frequency of desired behaviors (e.g., timeliness of actions, or following customer service guidelines) and the decrease in undesirable behaviors (e.g., absenteeism, or founded complaints). Other measures include employee

satisfaction with the program and, in the long-term, improved retention and decreased turnover.

11. Has the program grown or changed since its inception?

The program has not yet changed from the original design.