



RECOGNITION IN THE WORKPLACE: INTERNATIONAL PRACTICES AND CULTURAL DIFFERENCES

Recognition in the workplace is still far from being integrated into all organizational cultures. Some executives see it as belonging to the realm of psychology or philosophy, while others simply consider it a waste of time. In reality, it is a valid management practice for boosting employee well-being and economic performance. Above and beyond humanist and moral considerations, it is a question of mutual interest and efficiency generated by the engagement of all stakeholders.



By CHRISTOPHE LAVAL,
CRP, Founding President, VPHR
(Vision Performance
Humain Reconnaissance)

Conference
*La reconnaissance au travail:
pratiques internationales
et différences culturelles*

Recognizing employees makes them feel valued and enhances their self-esteem, sense of ownership, job satisfaction, team spirit and personal and professional well-being, all of which in turn increases their ability to achieve objectives.

SUSTAINABLE PERFORMANCE

In recent years, the gulf between employees on the one hand and the organization and its management on the other has widened. Given the current crisis, which is essentially a global crisis of confidence, this gulf could deepen into distrust if we don't seize the opportunity to create value through employee engagement.

From 1998 to 2004, independent financial analysts reviewed the financial per-

formance of leading organizations on the *Great Place to Work* Institute's list of best workplaces and among *Fortune* magazine's *100 Best Companies*. Their findings show that the average annual return of top-ranking companies was significantly higher than the market in general (S&P 500).

In 2006, Towers Perrin analyzed data from some 50 multinationals, focusing particularly on the engagement levels of their 664,000 employees and their financial performance based on operating income and earnings per share. The findings were striking: the financial performance of companies with high levels of employee engagement was far superior to that where employee engagement levels were lower. Among the former, operating income

improved by 19.2%, while the latter saw their operating income decline by 37.7%.

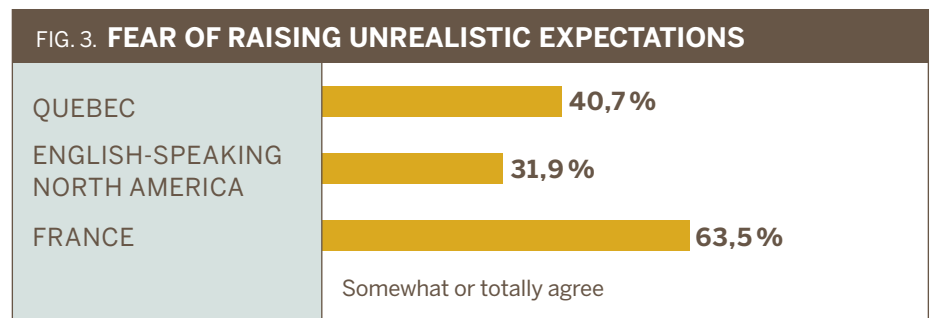
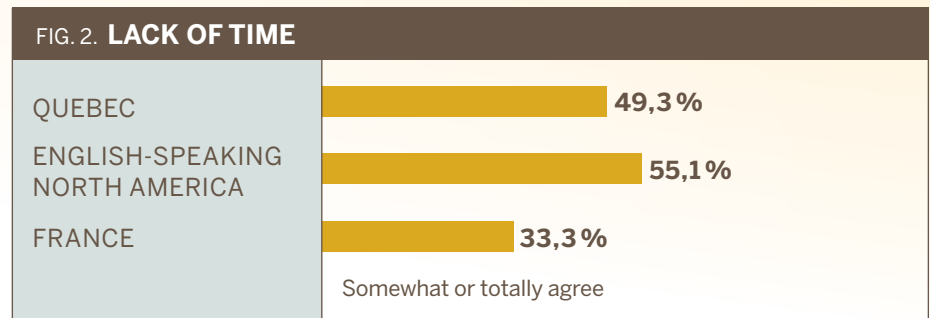
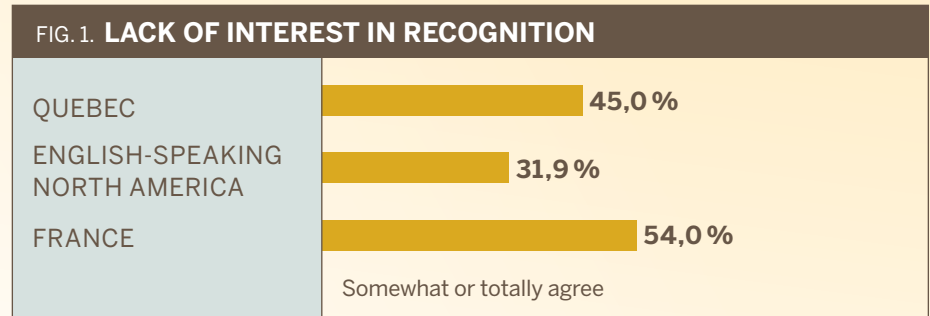
Sustainable performance is the key. Experience has shown that it's easy enough to make surface changes (e.g. cutting personnel, training, communications and marketing costs) that quickly have a positive "cosmetic" impact on financial performance. However, it's much more complicated to prepare for in-depth changes and reduce hidden costs in order to be able to bounce back after the crisis.

And that's where recognition in the workplace has a major role to play. Organizations that incorporate it into their strategy and take action will definitely gain a leading edge on world markets. A genuine and constructive recognition policy has many benefits: it can reduce turnover by improving employee retention and the organization's appeal, cut down on absenteeism, boost customer loyalty through superior service, improve the social climate, etc.

A UNIVERSAL CONCEPT

In both North America and Europe, everyone agrees on the importance of employee recognition. In a recent issue of the French magazine *Personnel*, Florent Francoeur, CHRP, President and CEO of the *Ordre des conseillers en ressources humaines agréés*, commented on the growing concern in Quebec. In a survey the *Ordre* conducted among its members in November 2009, 63% of respondents reported that their organization had implemented a recognition strategy, primarily (in order of importance) to improve employee engagement, retention, and motivation; to create a positive working environment; and to encourage specific behaviours.

In the United States, *Recognition Professionals International (RPI)*, a professional organization of enterprises wishing to share their good practices, was formed several years ago. It now has a membership of over 1,000 companies and offers a Certified Recognition Professional designation. With 90% of its companies currently



implementing recognition programs, the US would appear to be the chief advocate of recognition at work. Yet when surveyed, 60% of American employees still claim they don't feel recognized.

In France, surveys highlight lack of recognition as the main reason employees feel undervalued and unmotivated. They also indicate that recognition is the reward employees most expect from their direct superiors. But here again, recognition has not yet gained wider currency among the country's organizations.

TYPES AND PRACTICES: SOME NOTABLE DIFFERENCES

To identify possible avenues to explore and the drivers and obstacles inherent in diverse cultures, VPHR conducted a poll among 700 executives in different countries in May/June 2010. After reviewing the barriers to recognition at work in each country, we

examined the findings in light of the four forms of recognition developed by Professor Jean-Pierre Brun at Université Laval: personal recognition (existential), recognition of work practice, recognition of job dedication (investment in the job) and recognition of results. Three specific groups were isolated: French-speaking Quebecers, English-speaking North Americans and the French.

While the study findings were generally similar, the following examples clearly demonstrate that the same policies cannot be applied on both sides of the Atlantic since practices are impacted by cultural differences and reactions in Quebec sometimes differ from those in the rest of North America.

IMPORTANCE OF OBSTACLES DIFFERS ACCORDING TO CULTURE

More than half of the French managers surveyed mentioned lack of interest in recognition as an obstacle to putting it into

practice, whereas some two-thirds of English-speaking North American respondents did not think it was an important consideration. More advanced than France, Quebec seems to be situated somewhere in between, even though figures show there is still some way to go before francophone decision makers are won over.

In the US and English-speaking Canada, over 50% of respondents felt lack of time was an obstacle, whereas time was not really an issue in France, where the fear of raising unrealistic expectations was a major factor (63.5%). French business leaders seemed to feel that recognizing employees would make them more demanding and companies would be unable to meet their demands.

DIFFERENT COUNTRIES, DIFFERENT PRACTICES

In France, recognition of work practice and recognition of results tend to be priorities, in contrast to North America where more importance is placed on personal recognition.

Three practices are particularly significant.

- Awarding financial rewards for results, through a variable pay plan or on an ad-hoc basis, is very common in France: more than two organizations out of three occasionally or frequently award recognition in the form of a bonus or an exceptional financial reward, compared to one out of two in North America. Monetary rewards, which are a major component of *Compensation & Benefits* policies, are essential to ensure that salaries remain market competitive. But they aren't enough; international studies have repeatedly shown that financial rewards are not even the main driver of employee motivation and engagement. According to the *Compensation & Benefits* review, which has devoted a number of articles to the subject in recent years, the traditional total compensation system is in crisis since its attempt to identify high-performance employees and

FIG. 4. BONUSSES OR EXCEPTIONAL FINANCIAL REWARDS

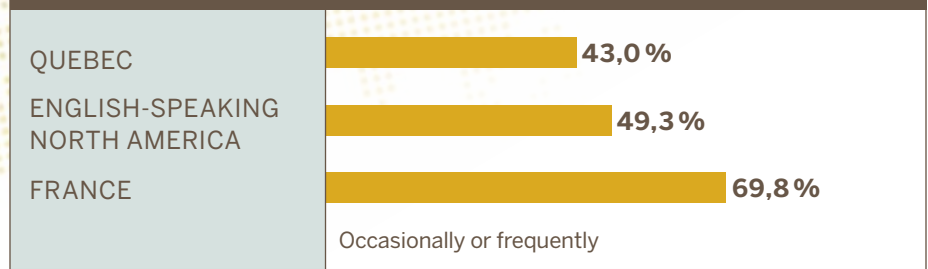


FIG. 5. RECOGNITION OF JOB-RELATED SKILLS

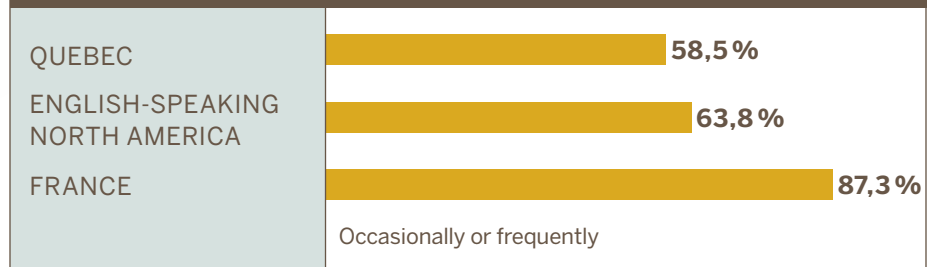
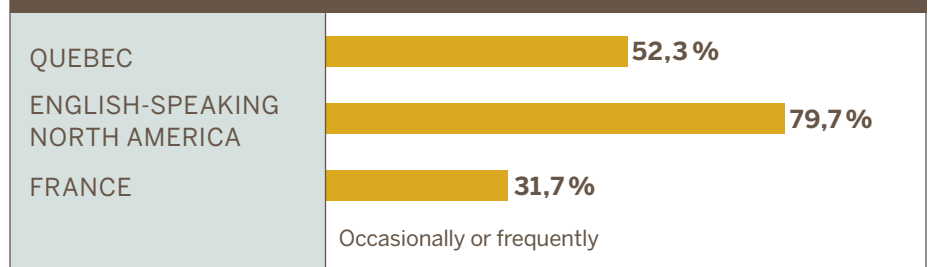


FIG. 6. RECOGNITION CEREMONIES



encourage them through uniquely financial rewards has been unsuccessful.

The key now lies in effective management, successful career management and non-monetary recognition.

- Their focus on recognition of work practice, through the recognition of job-related skills, is what chiefly distinguishes French organizations from their North American counterparts. French respondents reported record levels of over 80% in this area, confirming the strong trend in France to prioritize technical expertise.
- Public acknowledgement through recognition ceremonies is far more common in North American organizations, particularly in English-speaking enterprises (close to 80%). In Quebec, more than 50% of organizations use of this type of formal recognition, compared to only 32% in France, where

there is great reluctance to publicly acknowledge employees.

CONCLUSION

These figures illustrate the substantial differences between regions and countries and point up the importance of geographic culture in relation to recognition practices. Managers in Montreal, Paris or New York “decode” information differently. But geographical differences are certainly not the only factor to be considered; corporate culture also plays a significant role. It remains to be hoped that all decision makers will realize the importance of recognition, adapt their practices to their particular culture, and reap the mutual benefits for their organization and their employees.

Recognition in the workplace is a universal need, yet how it is expressed and received varies considerably from one country to the next and one organization to another. 