



Showing the Value of Recognition: Measuring the Impact and ROI of Recognition Programs

Chester Elton, Founder, The Culture Works

Jack J. Phillips, Ph.D., Chairman, ROI Institute, Inc.

Objectives

After attending this session, participants should be able to:

- Identify how employee appreciation enhances motivation and productivity.
- Use the eight most powerful gratitude practices to enhance team performance and trust.
- Identify the five levels of outcomes.
- Explain the need to deliver impact and ROI for selected recognition programs.
- Design recognition programs to deliver results using design thinking principles.



Resources

APPLICATION GUIDE

The ROI Methodology® in 12 Easy Steps

A step-by-step guide for developing Impact and ROI for programs, projects, and solutions in the following areas:

- Human Resources/Human Capital
- Training/Learning/Development
- Leadership/Coaching/Mentoring
- Knowledge Management/Transfer
- Recognition/Incentives/Engagement
- Work Arrangement Systems
- Change Management/Culture
- Talent Management/Retention
- Policies/Procedures/Processes
- Technology/Systems/IT
- Meetings/Events/Conferences
- Marketing/Advertising/Promotion
- Compliance/Risk Management
- Organization Development
- Project Management
- Quality/Six Sigma/Lean
- Communications/Public Policy/Social
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Finance
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Nonprofit
- Faith-Based Programs

The ROI Methodology® is a balanced approach that generates six types of data:

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

The process includes a step to isolate the effects of the program, or solution.

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Patricia Pulliam Phillips, PhD and Jack J. Phillips, PhD

Value for Money

Measuring the Return on Non-Capital Investments



ROI Case Studies
Volume I

Leading with Gratitude

Eight Leadership Practices for Extraordinary Business Results

Adrian Gostick
Chester Elton

Authors of the New York Times bestseller *The Carrot Principle*

ROI INSTITUTE®

the CULTUREWORKS®
Leadership. Wellness. Gratitude.



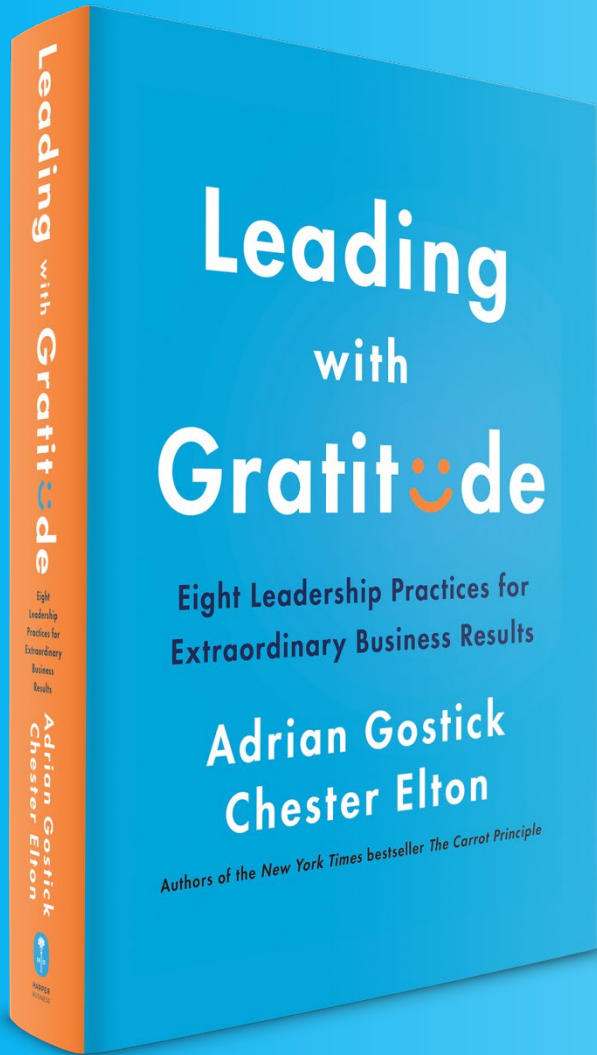
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How is your current recognition or incentive program working? (Select all that apply.)

- ☐ It's not supported by senior executives.
- ☐ Team members are not happy with it.
- ☐ It could be improved.
- ☐ It seems to be working appropriately.
- ☐ It's achieving its purpose.
- ☐ It's driving business performance.



Leading with GRATITUDE

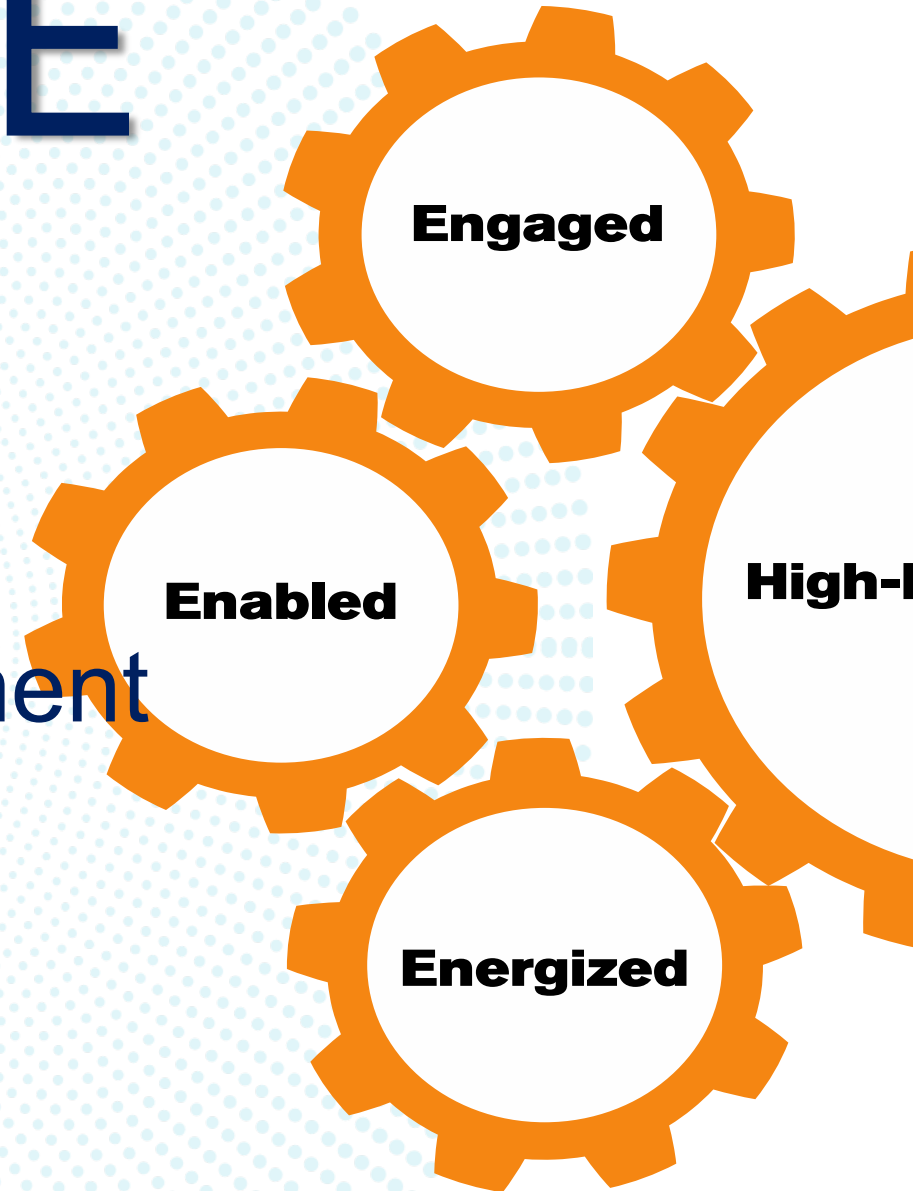
Why it is important & How to do it

All In Culture Defined

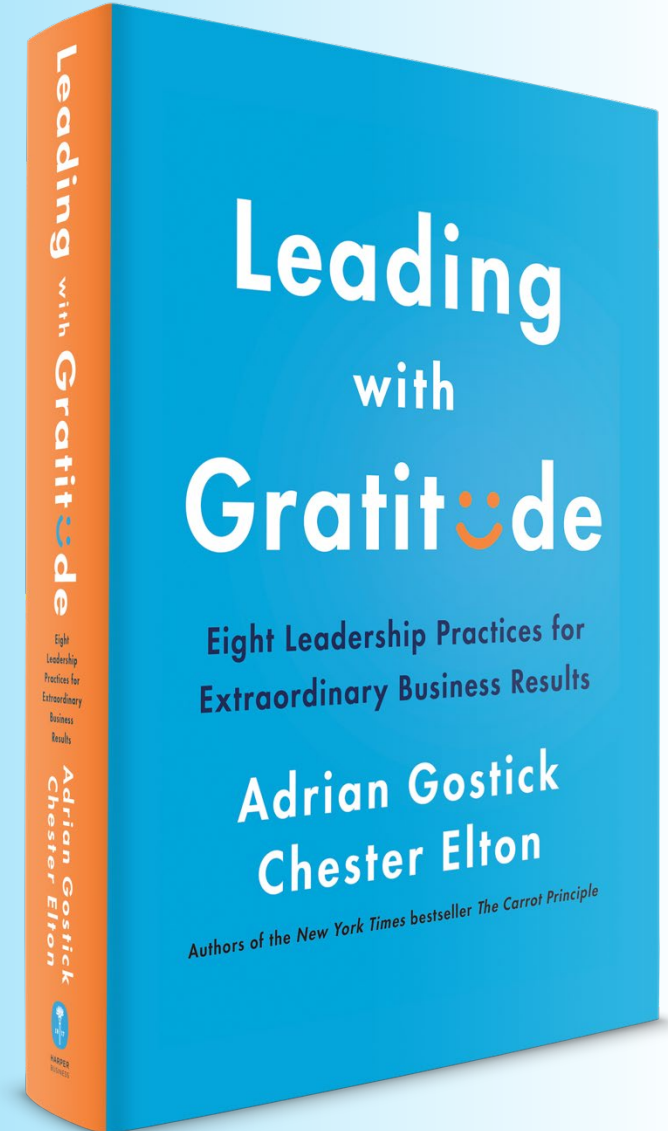
Noun: “1. a small work group, large division, or entire organization where people **BELIEVE** what they do **MATTERS**, and they can make a **DIFFERENCE**”

E + E + E

- **Engaged** – Strong attachment to company and willing to give extra effort
- **Enabled** – Work in an environment that supports productivity
- **Energized** – Greater sense of well-being and drive



Leading with Gratitude



The Soft Stuff is
the Hard Stuff.

This is the stuff
our *mums*
taught us.
Right?



SEEING

1. Solicit & Act On Input
2. Assume Positive Intent
3. Walk in Their Shoes
4. Look for Small Wins

EXPRESSING

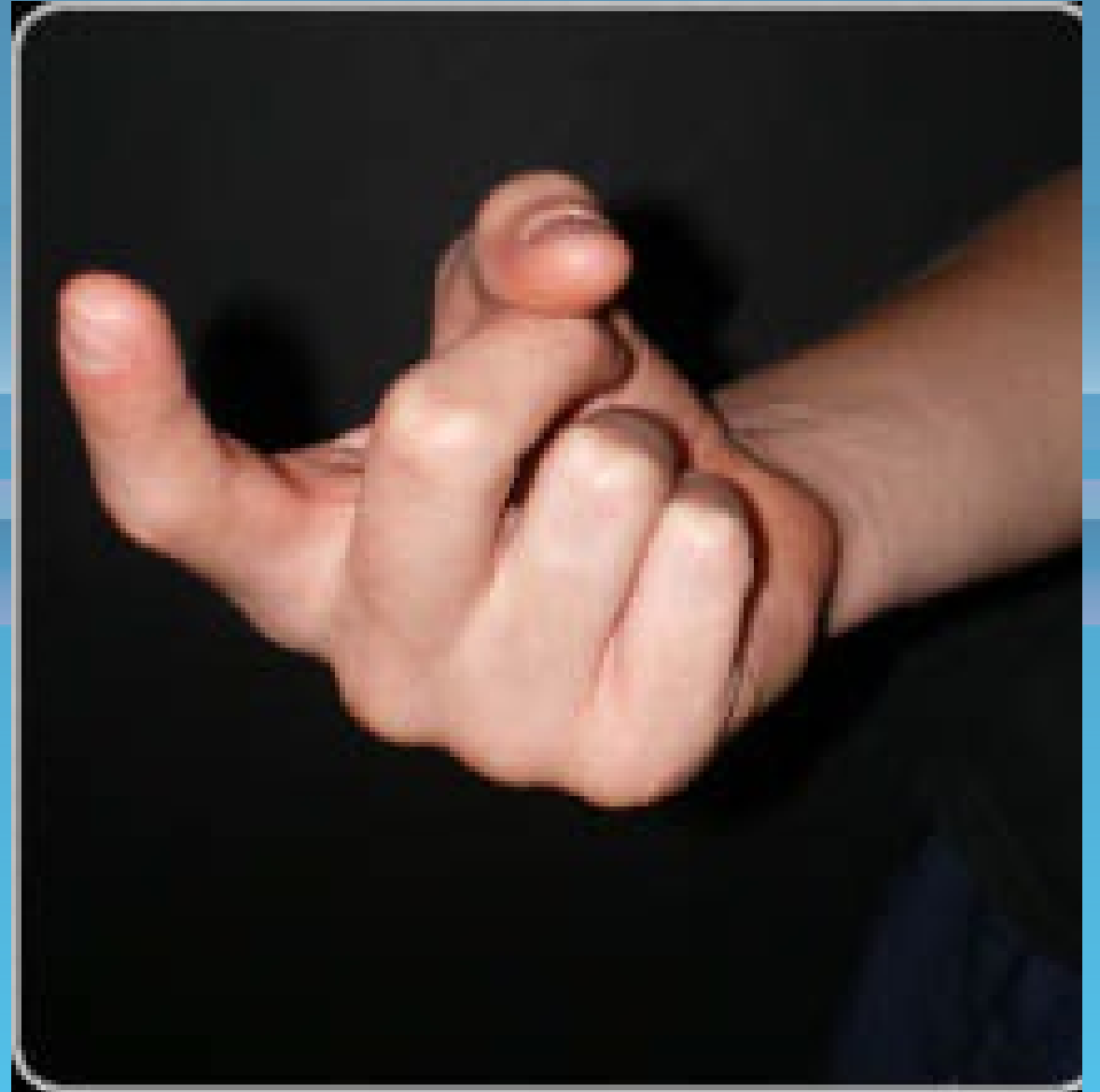
5. Give it Now, Give it Often, Don't Be Afraid
6. Tailor to the Individual
7. Reinforce Core Values
8. Make it Peer-to-Peer

2

**Assume Positive
Intent**

“Can I talk to
you for a
second?”

*What is your first thought
when you hear this from
your boss?*





*“Whatever anybody says or does, **assume positive** intent. Your whole approach to a person or problem becomes very different. When leaders assume negative intent, they can quickly become angry or annoyed by those who bring them problems.”*

Indra Nooyi

Retired Chairman & CEO

PepsiCo



**What does
WD-40
Stand for?**

The logo features the text "WD-40" in a bold, blue, sans-serif font. A small registered trademark symbol (®) is located at the bottom right of the "0". The text is centered within a bright yellow shield-shaped background that has a curved bottom edge.

WD-40®

**Water
Displacement
40th formula.**

The WD-40 logo is displayed in a bold, blue, sans-serif font. The letters 'WD' are significantly larger than the '-40'. A small registered trademark symbol (®) is located at the bottom right of the '0'. The logo is set against a bright yellow shield-shaped background.

WD-40®

**We don't make
mistakes... we
have learning
moments.**



“Let’s not waste a good crisis. Everywhere our people go they’ll hear about the horror; when they come to work with us, they are going to hear about **hope.**”

Garry Ridge
CEO WD-40 Company

A portrait of Garry Ridge, CEO, smiling. He is a middle-aged man with a bald head, wearing a dark blue suit jacket over a light blue shirt. The background is a blurred green and brown, suggesting an outdoor setting with trees.

WD-40 Through the Crisis

- Rule: No lying, no faking, no hiding conversations
 - Communicate EVERY day
- Focus on people development
 - Gratitude tied to
 - core values

Garry Ridge, CEO

WD-40 by 2021



Record earnings

99 percent employee engagement

300 percent increase in market cap.

WD-40 by 2021



1997 market cap of \$250 million

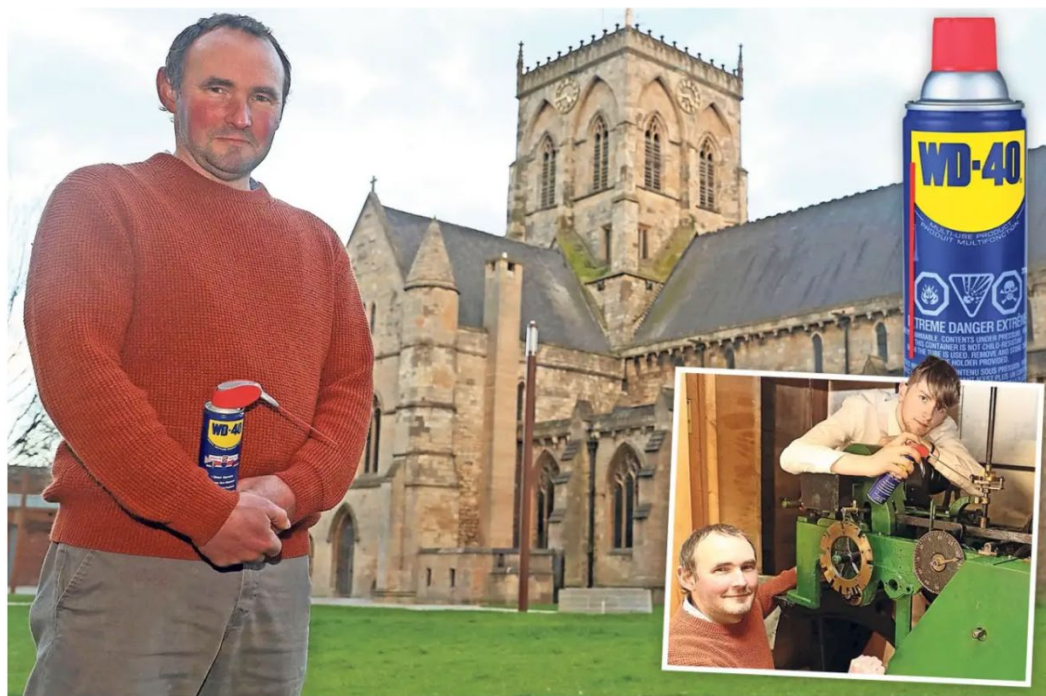
From a US based company to Global

2021 market cap of \$3.5 Billion!

WD-40®



“We exist to create positive lasting memories in everything we do. We solve problems. We make things work smoothly. We create opportunities.”



News > UK News

OIL BETTER NOW I was quoted £50,000 to fix the local church clock – but all it took was a £3 can of WD-40

WD-40®



Gratitude Grinches

*“This view of ‘I want to be very **stingy** with gratitude’ gets **confused** to mean I’m not being **demanding**. It’s the opposite. You can be demanding and bestow gratitude very **often** and be **authentic**.”*

Ken Chenault,
Retired CEO American Express

Big Ideas:

Cross Functional Communication

- 💡 Pick up the phone or go see the person (if at all possible).
- 💡 Gather all the facts before making any decisions or conclusions.
- 💡 Take a forward-looking approach (i.e., “What could we do differently in the future when faced with this situation?”)
- 💡 Pay close attention to all communication to avoid passive-aggressive language and set a positive tone.

4

Look for Small Wins



Meet Carlos Aguilera

General Manager,
DFW Airport

A great coach!



 **Budget**®

AVIS®

Look for those who live
the values



What ratio of positive to negative is the ideal in the workplace?

A. 1 to 1?

B. 2 to 1?

C. 3 to 1?

D. 5 to 1?

What ratio of positive to negative is the ideal in the workplace?

D. 5 to 1!!!



Look For Small Wins

- What are small wins look like your world at work?
 - How can make that a habit?

5

**Do it Now
Do it Often
Don't be Afraid**

now!







often!

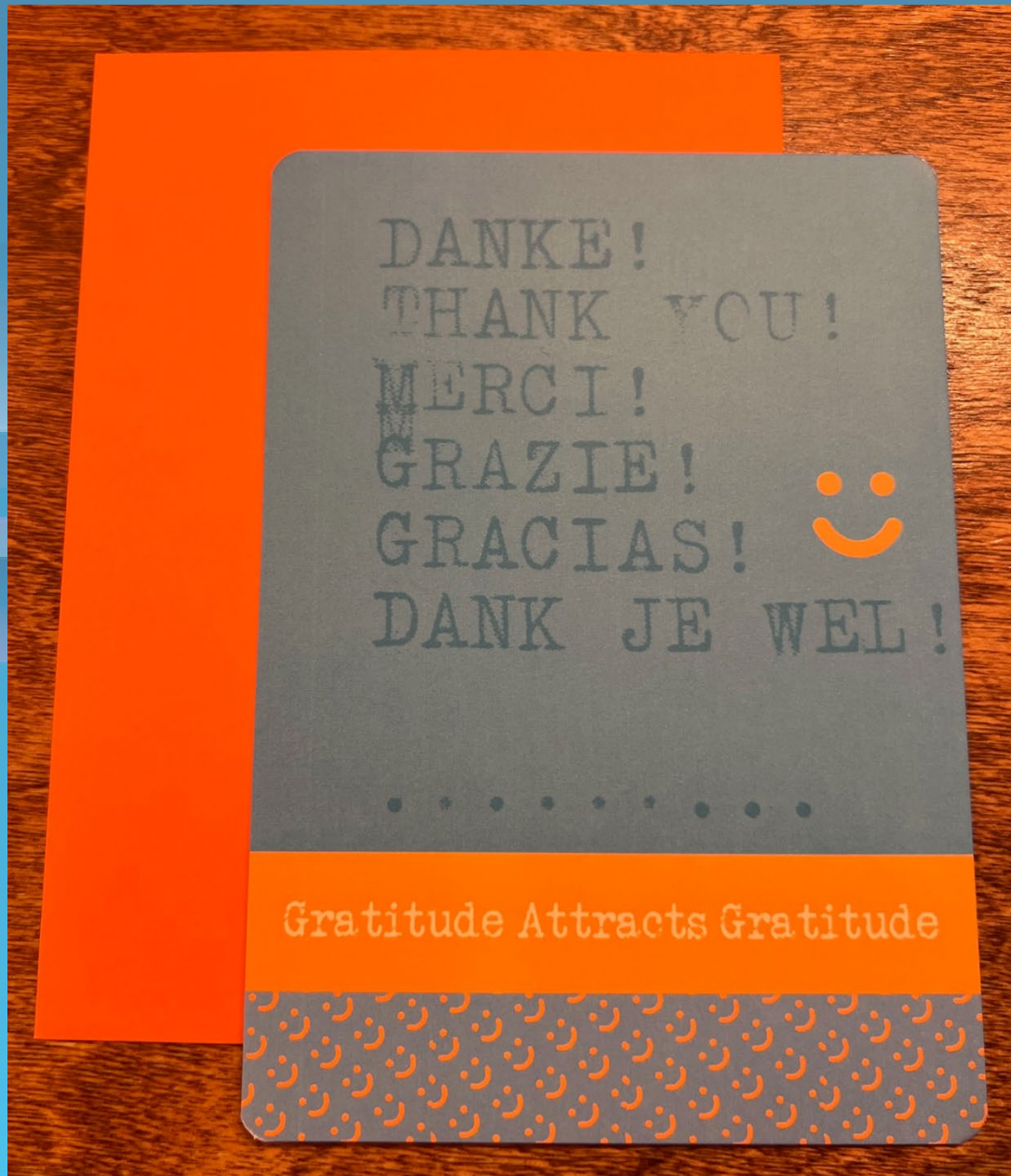


specific!

General praise has
NO Impact!



How many
of you have
ever
received a
handwritten
note?





A Handwritten Note

- Who deserves more than just an... “Atta Boy!”
- Be Specific. Be Sincere. What was the value?

sincere!

Appreciate the Family



wow!

An idea a week

- Letter to the family
- A random text of gratitude
- Remember special days
- Go to lunch
- Parking space for a week
- ***Handwritten note***
- Cup of coffee
- Half day off to spend w/ kids
- Scrapbook of memories
- Tickets to movie, play, game
- Recognition box
- Friday inspirational movie
- A Rolex watch!
- A pat on the back

A pat on the *back*!



Not a *slap* to the Head!

*If you want to
make your day a
little better...go
appreciate
someone.*

Those Most *Engaged* at
Work

150% more likely to
have happier life overall

University of California,
Professor Sonya
Lyubomirsky

TAKE IT HOME





3 THINGS FOR DINNER



SERVE TOGETHER



TEACH KIDS TO GIVE



"Everyone's
having a
tough day"

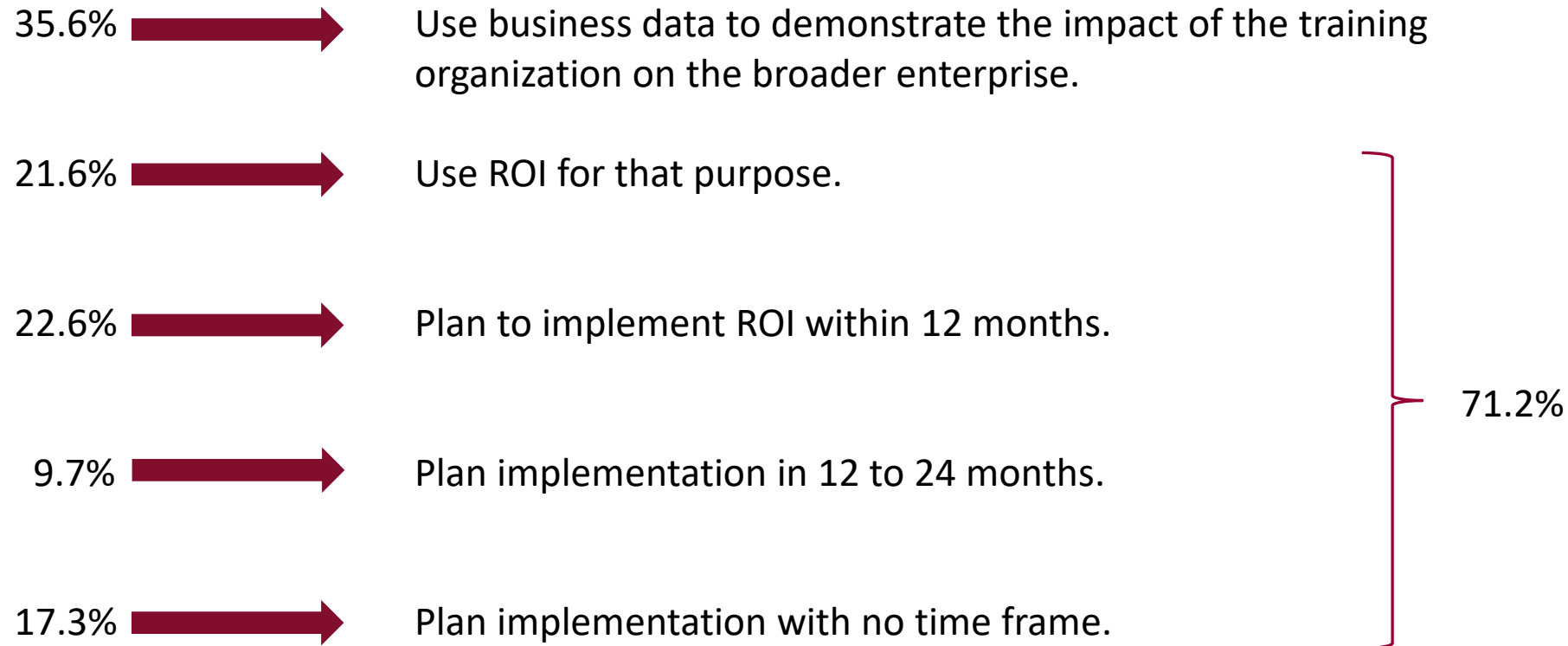


What CEOs Want

ROI Institute and ATD research show that the data CEOs receive are not demonstrating what they want out of their talent investment. (N=96)

Measures	Currently Measure	Should Measure	Importance
Inputs and Indicators	94%	86%	6
Efficiency	78%	82%	7
Reaction	53%	22%	8
Learning	32%	28%	5
Application	11%	61%	4
Impact	8%	96%	1
ROI	4%	74%	2
Awards	40%	44%	3

CLOs Use or Plan to Use ROI



(N=335)



“Ultimately, the success of any program is based on whether it improves business results.”

— Training Top 10 Hall of Fame – May 2017

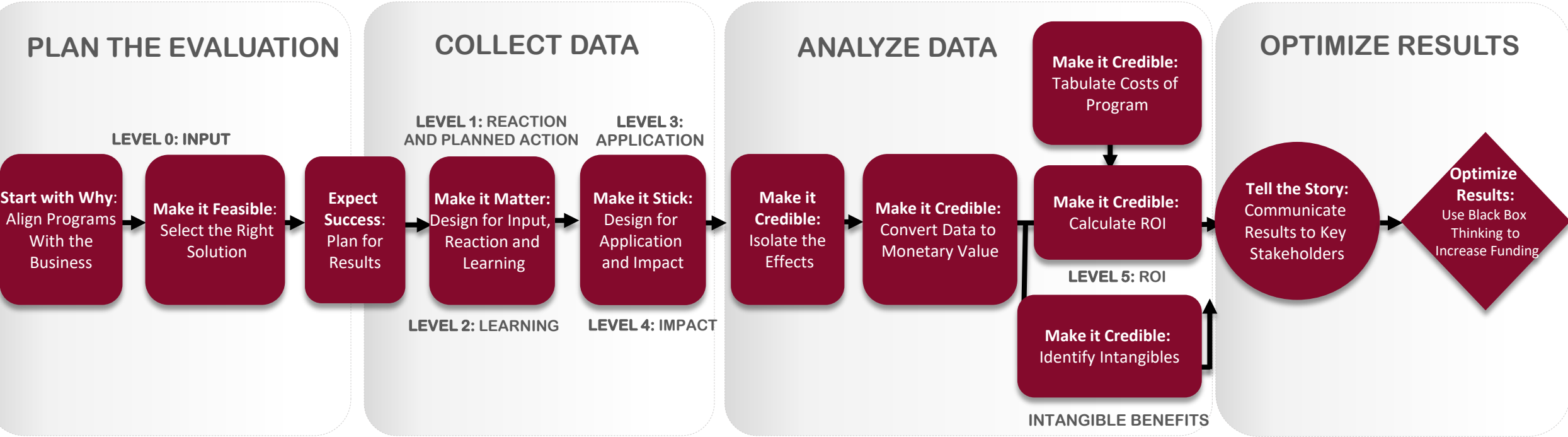
A 2020 benchmarking report indicates that **37%** of programs are evaluated at the **impact** level and **18%** at the **ROI** level.

— *ROI Institute, Inc. User Survey*



The ROI Methodology Process Model

Designing for the Delivery of Business Results





Level		Recommended % of Programs	**Benchmarking %
0	Input	100%	100%
1	Reaction	100%	80%
2	Learning	80-90%	70%
3	Application	30%	49%
4	Impact	10%	37%
5	ROI	5%	18%

*Percentage of programs evaluated at each level each year

**Benchmarking 2020

What is your status?

Characteristics of Programs Suitable for Impact & ROI



Cost of the program



Linkage of program to operational goals and issues



Importance of program to strategic objectives



Top executive interest in the evaluation



Visibility of the program



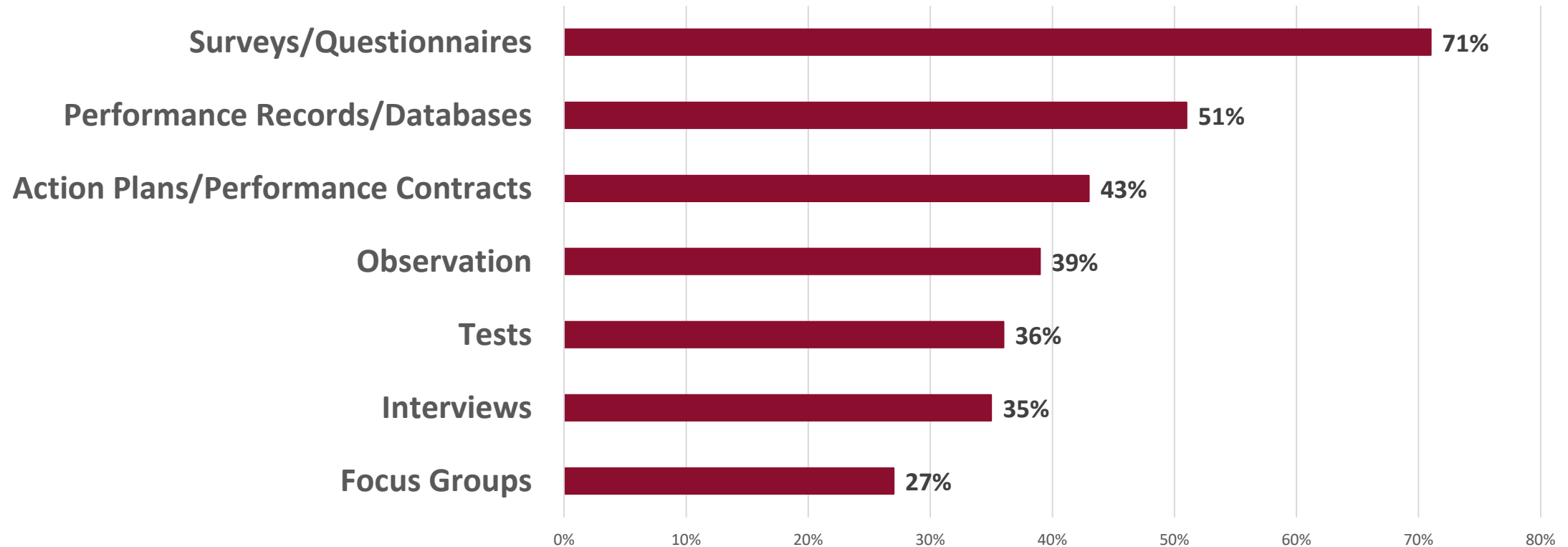
Size of target audience



Investment of time required

Challenge #1: Post-Program Data Collection

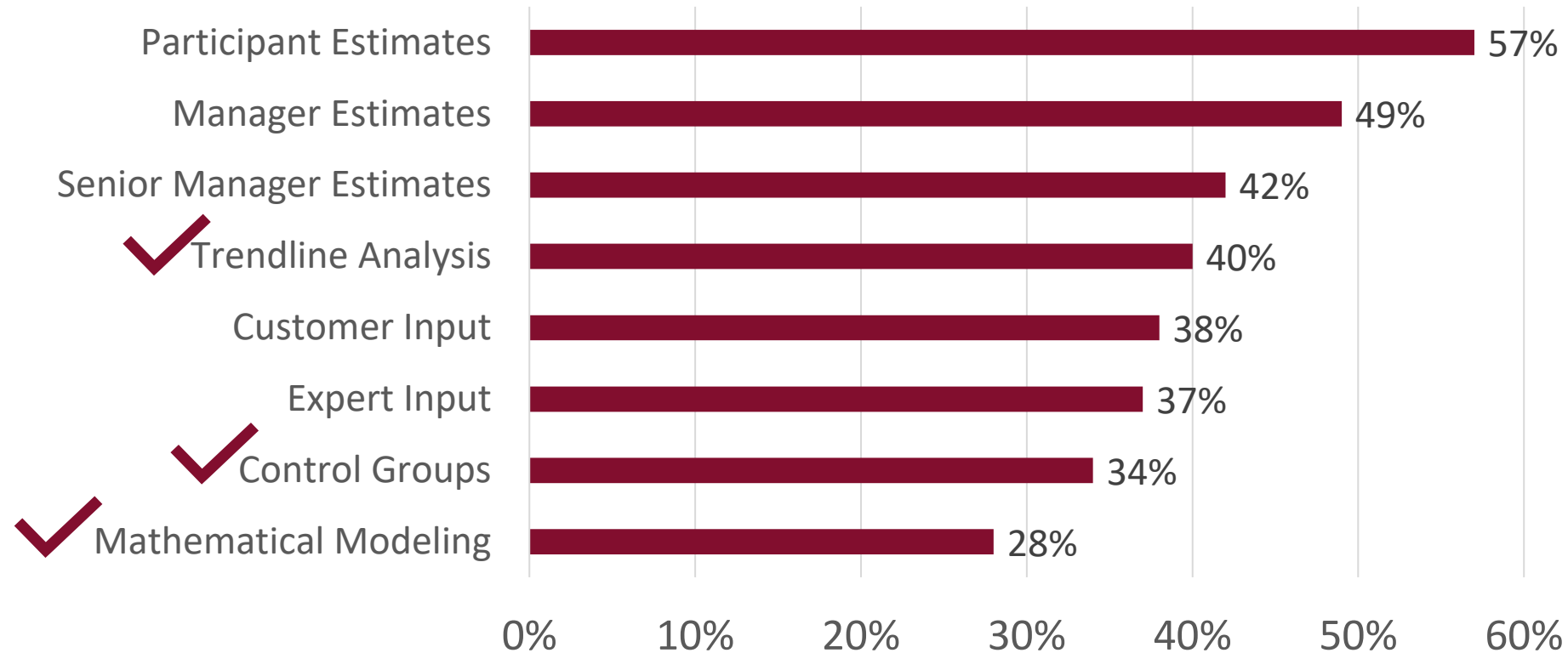
Data Collection Methods



*Survey of Users, N = 246

Challenge #2: Isolating the Effects of a Program

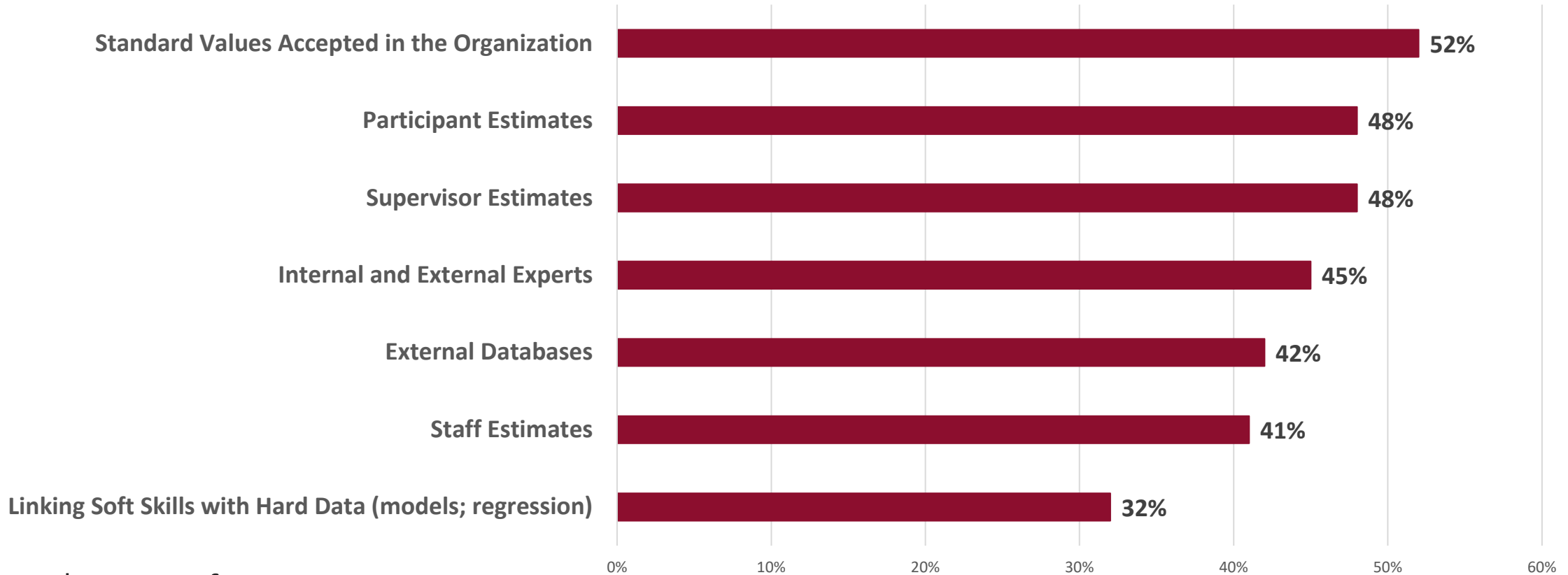
Isolation Methods



*Survey of Users, N = 246

Challenge #3: Converting Data to Money

Data Conversion Methods



*Survey of Users, N = 246

Intangibles

- Adaptability
- Awards
- Brand awareness
- Career minded
- Caring
- Collaboration
- Communication
- Conflicts
- Corporate social responsibility
- Decisiveness
- Engagement
- Image
- Innovation
- Job satisfaction
- Leadership
- Networking
- Organizational climate
- Organizational commitment
- Reputation
- Stress
- Talent
- Teamwork



Measuring ROI in a Safety Incentive Program

National Steel





Case Study

- National Steel divisions incurred **unacceptable accident frequency rates, accident severity rates, and total accident costs**. For a two-year period, these costs had been around the \$400,000 to \$500,000 range annually.
- Safety managers **met to seek appropriate solutions**.
- HR specialists analyzed the cost and types of accidents.
- As a result of the assessment, the team implemented a **group-based safety incentive plan**.
- The plan included a **\$75 cash award** to each employee in the plant for every six months the plant worked without a medical treatment case.

ROI Calculation

$$\text{BCR} = \frac{\$345,898}{\$72,172} = \boxed{4.79:1}$$

$$\text{ROI} = \frac{\$345,898 - \$72,172}{\$345,898} \times 100 = \boxed{379\%}$$

The Payoff

- Justify/defend budgets.
- Align projects to business needs.
- Show contributions of selected projects.
- Earn senior management/administrators' respect.
- Build staff morale.
- Improve support for projects.
- Enhance design and implementation processes.
- Identify inefficient projects that need to be redesigned or eliminated.
- Identify successful projects that can be implemented in other areas.
- Earn a “seat at the table”.





Be Proactive

Remember, when it comes to delivering results:

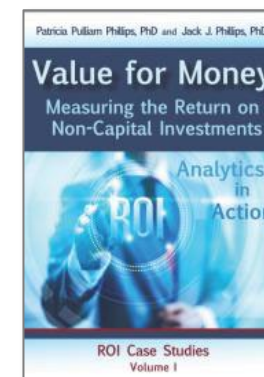
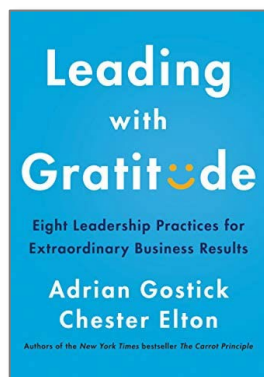
- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable.

Progress is optional.



SCAN ME



[CLICK HERE](#) or scan the QR code to access the resources from today's session.

ROI Learning Center

**Hosted by Training Magazine Network
Created by ROI Institute, Inc.**

Four realities occur in today's learning and development environment, globally.

1. Most top executives want learning and development to be aligned with the business.
2. The concept of ROI is familiar to most people.
3. Connecting learning and development to the business is not that difficult.
4. Thousands of L&D professionals are routinely doing this.

The ROI Learning Center provides tools, templates, and case studies to help prepare you for success in today's environment. Our goal is to take the mystery out of the ROI process.

Start at Level 1 and explore each level at your own pace. Each of the five levels will bring you closer to calculating the ROI of your program or project. There is also a calculator to help you calculate ROI when you have the appropriate data.

<https://www.trainingmagnetnetwork.com/roilearningcenter>



Level 1 Reaction

Level 2 Learning

Level 3 Application

Level 4 Impact

Level 5 ROI

ROI Calculator



Patti Phillips, Ph.D.
Chief Executive
Officer
ROI Institute



Jack Phillips, Ph.D.
Chairman
ROI Institute



Questions?

Email Us

chester@chesterelton.com

Jack@roiinstitute.net