

# Creating a Recognition Culture

Deloitte Canada “Stands up” to Support Its Talent Management Initiative with a Reward and Recognition Program

—Katherine Jones, *Principal Analyst* | August, 2011

## ▶ IN THIS CASE STUDY

Creating a culture of recognition does not just happen overnight. As a response to employee disenfranchisement that leads to attrition, organizations are seeking alternatives to enable appreciation and acknowledgement of positive behaviors or work well done. Formal employee reward and recognition programs are increasingly tied into the larger picture of the corporate talent management strategy. The challenge for HR is to integrate recognition into the goals and objectives of that strategy, aligning a total rewards initiative with the performance outcomes sought. Retention is the primary driver of the total rewards concept today as the decline of morale (measured in engagement surveys) often stems from employees who are feeling under-recognized and under-rewarded.

Bersin & Associates believes that total rewards is the critical integration of an organization’s strategic approach to incenting and rewarding its talent. We define total rewards as,

*“All the monetary and non-monetary elements provided to incent candidates to join an organization and to motivate performance and engagement of existing employees that are valued enough to retain employees.”*

### FOCUS:

TALENT  
MANAGEMENT

TALENT  
STRATEGY

LEARNING  
PROGRAMS

WORKFORCE  
PLANNING

PERFORMANCE  
MANAGEMENT

LEADERSHIP  
DEVELOPMENT


SUCCESSION  
MANAGEMENT

COMPETENCY  
MANAGEMENT

TALENT SYSTEMS

This case study details the development and implementation of a rewards and recognition program deployed by Deloitte Canada, one of that country's leading professional services firms.

The report highlights:

- One successful model for implementation and delivery of a recognition program;
- Emerging best practices in integrated total rewards / talent management initiatives; and,
- The use of the I Love Rewards solution to facilitate a countrywide rewards and recognition program. 



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## Company Overview

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, financial advisory and enterprise risk services to a wide range of Canadian and international clients. Deloitte is the Canadian member firm of Deloitte Touche Tohmatsu Limited (DTTL), which is an association of firms operating in more than 140 countries. Together, DTTL member firms have tens of thousands of employees around the world. In Quebec, Deloitte operates as Samson Bélair / Deloitte & Touche.

### Figure 1: Deloitte Canada at a Glance

- **Founded:** Total Employees: 7,638
- **Number of Partners:** 542
- **Number of Professionals:** 5,263
- **Offices:** 57
- **Revenue FY'2010:** \$1,387 million

Source: Deloitte Canada, 2011.

## Talent Management: Challenges

In 2009, Deloitte Canada's talent management organization was organized by geography, and experienced duplication and inconsistency in talent management efforts; talent management strategies often differed by geography. Employees cited inconsistent employee experiences as an issue (e.g., experiences were good in one service or market, and not another) and leaders did not have a direct line of sight to employees who should be recognized.

In Deloitte's project-based culture, typically only when a senior leader actually saw something good was recognition given, but there was no guarantee that recognition would ever be given. No consistent criteria existed on which to base recognition, as well as no connection between recognition and the firm's business strategies.

Qualitative and quantitative feedback from the internal employee engagement survey data indicated that employees were feeling under-recognized. The economy was not good. Deloitte was carefully managing the employee experience during this time to ensure that its employees continued to be motivated and it was able to retain them.

The employee engagement team knew that it needed a recognition program as part of the overall talent management strategy. It had to be a program that accomplished the objective of rewarding and recognizing to motivate



### KEY POINT

In 2009, Deloitte Canada's talent management organization was organized by geography, and experienced duplication and inconsistency in talent management efforts.

and retain talent. Deloitte Canada saw its talent pool as highly specialized, with difficult-to-replace skills sets; during a period which was internally referred to as “managing in volatile times,” retention was key. The company also had to deliver consistent experiences for employees, while improving visibility of all of the great things its employees did every day.

The identified challenges included:

- How to create more opportunities to recognize people in unique ways;
- How to “celebrate” recognition;
- Find ways for peer-to-peer recognition; and,
- Enable better line of sight for recognition moments.

The employee engagement team was responsible for informing basic talent processes, such as onboarding, orientation and ongoing employee experiences. As the team also played a supporting role in the business with change and communication initiatives, the employee engagement team had the responsibility of deciding on a solution in partnership with the total rewards team. According to the senior manager of the employee engagement team,

*“We wanted to create an opportunity for up, down and sideways recognition. And we wanted to make sure we did the right thing, so that our people knew recognition was important. A culture of recognition is an important differentiator in the marketplace.”*

## Talent Management: Strategy

Prior to implementing a recognition solution, Deloitte first realigned its talent management strategy on a companywide basis – to be structured and led at the national level. The talent management components that are central to this strategy include:

- Employee engagement;
- Performance management;
- Learning;
- Mobility;
- Total rewards; and,
- Campus and experienced hire programs.



### KEY POINT

Deloitte Canada's employee engagement team was responsible for informing basic talent processes, such as onboarding, orientation and ongoing employee experiences.

This realignment has made it easier to integrate the experiences that the company is delivering to its employees.

## Talent Management: Solution

In July 2010, Deloitte Canada built and implemented its own proprietary reward and recognition solution, which was an electronic “thank you” tool. The team kept it simple, so that it did not represent a significant investment but could easily be built upon if successful. Called the “Stand up” program, it enabled employees to send non-monetary thank you notes.

Response to the proprietary thank you tool was immediate and positive – and for Deloitte’s employee engagement team, this was significant. Demonstrating that reward and recognition was an immediate need had been the first step.

The validation that such a program needed to become bigger and better was the second step. The feedback was that free thank you notes were great to recognize everyday excellence, but there was a need for something bigger. As the senior manager of the employee engagement team remarked,

*“We knew we needed to do something more than a free thank you because our people clearly told us ... that was the key thing we were looking for. We needed a tool that would allow us to add some kind of monetary element to this ... something tangible for employees that would be personally meaningful to them ... and it couldn’t be a company-branded coffee cup.”*

In making the case for a total rewards program, the Deloitte team members knew that their key criteria for switching from the company’s proprietary solution to a third-party solution was they had to do better than a free thank you. There had to be a monetary aspect to the reward and recognition piece.

The solution also had to easily integrate with Deloitte’s existing infrastructure and provide the visibility needed. It also had to fit with the national talent management strategy – and it had to be successful and be a world-class recognition tool that focused on individual recognition. With I Love Rewards, the company launched the next phase of its Stand up recognition program, which included the following three main components:

1. **Stand up** – A mechanism to recognize anyone, anytime through simple thank you notes;
2. **Take a Bow** – A process by which anyone can recognize significant contributions via a point-based system that enables recipients to collect



### KEY POINT

Deloitte Canada built and implemented its own proprietary reward and recognition solution, which was an electronic “thank you” tool.

points and redeem them for something special through an online catalogue; and,

3. **Green Dot Awards** – Special awards that partners and associate partners give to their employees to recognize above and beyond contributions.

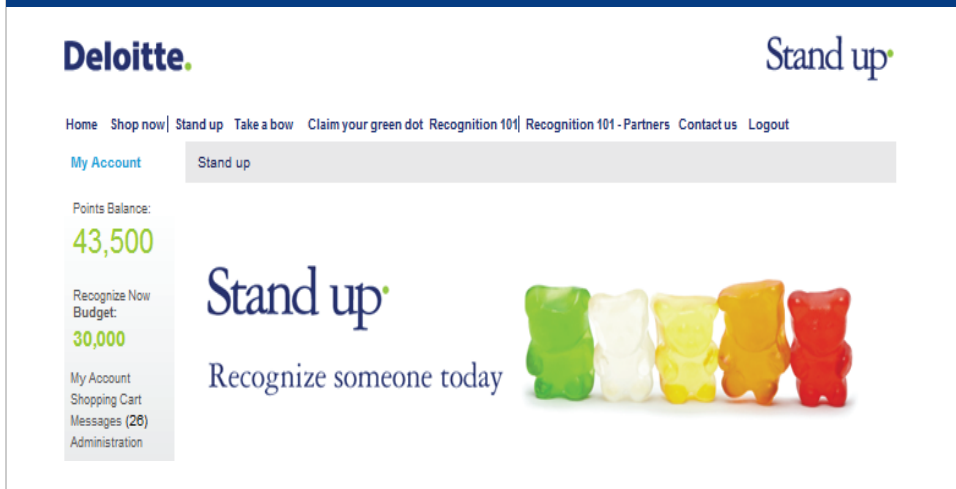
Distribution of the Green Dot Awards represents a tangible and personal recognition opportunity for employees within Deloitte.

## How the Stand up Program Works

Deloitte sets an annual budget for points and employees have their “recognize now” budgets refreshed quarterly. Employees receive enough points each quarter to send eight Take a Bow (point-based) recognitions. Sending Stand ups are nonmonetary and are unlimited. The points system at Deloitte works as follows.

- Everyone in the firm has points to award, and those points can be awarded across services and geographies.
- Points are considered a taxable benefit at the time of redemption and any points awarded can be carried over from one year into the next fiscal year.
- Point budgets given to employees vary, depending upon the level of the employee. For example, 5,000 points are allotted for a partner recognition and that corresponds to \$50; senior manager recognition is allotted 2,500 points which translates to \$25 dollars; and, below the manager level is set at 1,000 points, translating to \$10. Leaders (partners) are not eligible to receive points, but anyone can send a Stand up thank you message to a partner.
- There is no approval process required for any recognition given or received.
- It is a very transparent process within the Stand up tool.

**Figure 2: Stand up Program**



Source: Deloitte Canada, 2011.

Leader boards within the Stand up website provide real-time line of sight about those employees recognized most often, as well as those individuals who have recognized or rewarded others most often – regardless of geography or service. The employee engagement team then uses this data to create opportunities to celebrate those individuals.

As one example, Deloitte’s managing partner and chief executive officer recorded his annual message to start the fiscal new year and wanted to create an opportunity for employees to ask him questions. Employee engagement picked the top 18 most-recognized employees, as well as the 18 top recognizing employees, and gave them the opportunity to ask the CEO questions virtually and be part of his message.

## Technology and Change Management

Deloitte Canada officially started working with I Love Rewards in November, 2010. The company’s IT team worked with the solution provider’s team to integrate its data feed, so that any data within the company’s system would port into the I Love Rewards’ system nightly.

To prepare employees for the switch to the enhanced Stand up tool, Deloitte held training sessions for all talent team members. The company also proceeded to develop an ongoing communications strategy around Stand up, targeted at employees. The employee engagement team created a teaser campaign for Stand up and then grandfathered the proprietary solution into it. A desktop icon on all workstations links employees directly to the Stand up website.



### KEY POINT

Deloitte proceeded to develop an ongoing communications strategy around Stand up, targeted at employees.

## Program Results

On January 10th, just seven months after first initiating the company's homegrown recognition project, the team transitioned to and launched the improved Stand up program. The team defined success as having 50 percent of employees activate their accounts within the first month. The response to the new program was overwhelming. According to the senior manager of employee engagement,

*"In the first 24 hours, 50 percent had signed up. Within the first month, 97 percent of employees had signed up. It was unbelievable. We're averaging someone being thanked every 44 seconds now. I really think there was a pent-up need for something like this. The great thing about the tool is it takes away all obstacles ... literally, all you have to do is click, enter the person's name, enter your note and it's done. And then people can save points and buy something they really want – vacations, home electronics, etcetera. So we know they're getting something they really want."*

As of this writing, usage of the Stand up tool has just completed year one. Deloitte is looking closely at account activations, unique givers and unique receivers. To date, a minimum of 75 percent of all employees have given and received at least one reward. As the senior manager of employee engagement summarized,

*"We aim for at least one recognition sent per week, per person. This will signal that it is part of our culture."*

Employees say they like the fact that rewards are now all in one place. They also prefer that a full record of people from whom they have received recognition or to whom they have given recognition (along with the reason) is all accessible in one place. The system has also had a significant influence on transparency within Deloitte's employee culture since all recognitions given appear in a public newsfeed on the recognition site.

When asked about any possible misuse of the system, we were told, "... It's probably inevitable with something like this," but so far seems focused on points-trading at junior levels (e.g., two people giving each other all their points). However, Deloitte sees such activity in less than one percent of all cases and misuse of the the tool quickly stops when employees realize how visible their actions are. Overall, Deloitte is very happy with the results that it is seeing. The senior manager of employee engagement summed up this project,



### KEY POINT

One year after implementation, a minimum of 75 percent of all employees have given and received at least one reward.



### KEY POINT

Deloitte's employee engagement team believes the program is having a transformational effect on the company's culture.

*“Doing something like this for almost 8,000 people was a very big deal. Very few other organizations could help us build something that big and quickly. I Love Rewards is helping us do what we set out to make happen and that is enabling people to do the right thing as easily as possible.”*

## Best Practices

The best practices gleaned from the strategy include good planning, maintaining executive support, a solid plan for gathering analytics and attaining good support from the solution provider (see Figure 3).

**Figure 3: Practices That Make a Difference**

Best Practice	Commentary
Planning is key	Deloitte felt that the planning it did upfront helped significantly with its implementation of Stand up. Gathering input from employees early and often in the design process also helped.
Secure and maintain executive support	Recognition needs to be a key component of the overall talent management strategy. Deloitte’s employee engagement team had a “champion network” within Deloitte, comprised of people and leaders all across the country who helped them implement Stand up. These individuals had a vested interest in the success of the program and were key to rolling out the solution in various marketplaces.
Focus on the key behaviors to be changed	Deloitte Canada currently highlights top recognizers on the Stand up leader boards to emphasize how important this behavior is. Over time, the company plans to move toward highlighting top-recognized employees.
Develop robust and meaningful metrics to track success	Stand up has enabled the employee engagement team at Deloitte to implement metrics at a much more significant size and scale – even enabling the team to have service-specific dashboards within Stand up.
Have a dedicated vendor support team that understands the culture	Having a dedicated support team at I Love Rewards that understood Deloitte’s culture was also very important to the success of the Stand up implementation.

Source: Bersin & Associates, 2011.

## Conclusions

Deloitte's employee engagement team concludes that the use of Stand up will significantly and positively impact employee morale. The team believes the program is having a transformational effect on company culture, is providing the tools and greater transparency to reward and recognize, and is key to building engagement and performance within the firm's culture.

## Appendix I: Topics for Discussion and Learning

The following sections will provide you with considerations for sharing and implementing the best practices that were highlighted in this report.

### Key Learnings

Below is a list of key learnings (the “gems”) from this case study.

- 1 A well-thought-through strategy for implementation, using pilot programs and employee training, is key to rapid adoption and use.
- 2 A total rewards initiative must mesh into the overall global talent management strategy.
- 3 As in any corporatwide initiative, secure and maintain executive support.

### Ideas for Action

Below is a list of actions that you can take in order to apply or implement the best practices highlighted in this report. These are some of the foundational elements that we highly recommend be in place inside your company in order to execute such a plan, process or program.

- 1 Ascertain the current recognition “culture” in your company. Is public praise for a job well done likely?
- 2 How does praise “flow” in your organization? Peer to peer? Top down from management? Do managers recognize stellar performance in their peers? In their subordinates?
- 3 Do you know if your employees feel unrewarded or unrecognized for the work they perform, especially for those activities that are “above and beyond the call of duty?”

## Questions to Consider

Below is a list of discussion questions that you can ask your team, colleagues and business leaders, which will help you to take the next steps.

- 1 Do we know how engaged our employees feel today? Do we think disengagement is leading to unwanted attrition?
- 2 Would a formal recognition program increase that engagement? What metrics would you use to ascertain if a total rewards initiative affected retention?
- 3 If disengagement is not a concern, what other benefits would your firm derive from a total rewards initiative?

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## About Us

Bersin & Associates is the only research and advisory consulting firm focused solely on *WhatWorks*® research in enterprise learning and talent management. With more than 25 years of experience in enterprise learning, technology and HR business processes, Bersin & Associates provides actionable, research-based services to help learning and HR managers and executives improve operational effectiveness and business impact.

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