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**Best Practices in Rewarding
and
Recognising Employee Achievements**

Submitted in partial fulfilment of the requirements of the degree of
Masters of Philosophy

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Declaration

The research in this thesis constitutes work carried out by the candidate unless otherwise stated. The thesis is less than 30,000 words in length, exclusive of tables, figures, bibliography and appendices, and complies with the stipulations set out for the degree of Masters of Philosophy by Massey University.

Thesis Abstract

Managers and Human Resource professionals are constantly seeking answers to the question of how best to reward and recognise their employees. Whilst there is a raft of international information the need for New Zealand-based research and answers has been identified. The focus of this study is on Reward and Recognition (R & R) practices in New Zealand organisations so that key findings, best practices and/or recommendations in this important area can be identified and shared with other New Zealand organisations.

This study involved a three phase methodology (1) a review of international and national literature on R & R, (2) the collection and analysis of quantitative data using an electronic e-mail survey, and (3) the collection and analysis of qualitative data using a structured interview process with eight organisations considered to be best practice.

This thesis provides discussion on:

- The impetus for this study;
- Key themes from the literature;
- The development of a model for rewarding and recognising employees;
- Quantitative results from the survey;
- Qualitative findings from the interview process; and
- Key findings for organisations wishing to implement a R & R strategy.

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3. Dr. Robin Mann – Director, Centre for Organisational Excellence Research, Massey University.
4. NZ Benchmarking Club Human Resource Workgroup members
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iv. Key Definitions and Abbreviations

The following key definitions were used throughout this study and should be referred to when reading this thesis:

Achievement - when something is successfully carried through, accomplished, attained, fulfilled, reached or made.

Benchmarking - Is a systematic process for identifying and implementing best or better practices. Although experts break benchmarking into several types, there exist two main types of benchmarking: (1) Performance/competitive benchmarking – involving comparing the performance levels of organisations for a specific process in order to identifying opportunities for improvement and/or set performance targets or benchmarks, and (2) Best practice benchmarking; - where organisations search for and study organisations that are high performers in particular areas of interest. The processes and performance levels of these organisations are studied in order to identify, capture, analyse, and then implement best practices.

Business Process Improvement Resource.com (BPIR.com) - The BPIR.com website was launched in April 2002 by the COER. Its vision is to be the essential Internet resource for performance improvement. The BPIR.com aims to assist organisations world-wide to improve their performance by providing a web-site resource that includes the quick provision of relevant information on the latest thinking/research into organisational improvement in areas such as benchmarking, best practices, performance improvement activities, performance measures. Various business excellence models such as the CPE are used as the frameworks for structuring the information.

Centre for Organisational Excellence Research (COER) - The Centre for Organisational Excellence Research (COER), Massey University (New Zealand) was formed in February 2001 to integrate a number of initiatives

aimed at helping organisations to significantly improve their business performance. These initiatives are all focused on benchmarking, best practices, and organisational excellence using the strategies of acquiring, sharing, and applying knowledge on organisational excellence.

Criteria for Performance Excellence (CPE) - The CPE is the framework used and managed by the NZBEF and provides an internationally recognised framework for organisational assessment and improvement. Adopted from the National Institute of Science and Technology (NIST). It is the framework behind the US Malcolm Baldrige National Quality Award, and is the basis for over 60 other national Business Excellence/Quality awards around the world. In New Zealand it is known as the New Zealand Business Excellence Framework.

Innovation - to propose or implement new, unique or fresh methods, ideas or approaches (or the like), to make changes, to do something differently, to invent, discover or create a new idea or item, to improve something.

New Zealand Benchmarking Club (NZBC) – Managed by the COER, the Club consisted of organisations that were striving to achieve an ambitious vision of "World-class performance by members, and widespread adoption of excellent business practices within NZ". The Club's processes were centred on benchmarking and the CPE, and included workshops for sharing best practices, workgroups for undertaking focussed benchmarking studies, benchmarking training, production of best practice reports, an annual business excellence assessment against the CPE, and benchmarking research support. Activities are measured using the Baldrige Criteria for Performance Excellence or CPE.

New Zealand Business Excellence Foundation (NZBEF) - The NZBEF is a not-for-profit charitable trust set up by private and public enterprise to help improve the overall performance of New Zealand organisations in a range of sectors. The Foundation's mandate is to assist New Zealand organisations improve their performance and capabilities by providing a best practice

business framework also known as the Criteria for Performance Excellence (CPE) and by offering support, training, self assessments and networking with like-minded managers.

Recognition - the act of formally or informally acknowledging, crediting, rewarding, thanking, praising, or identifying someone or something previously seen or known.

Reward - anything that satisfies or pleases, that is given (and received), in return for something done e.g. a monetary sum or other form of compensation or remuneration, recognition, due credit, acknowledgment, thanks, a tribute, praise, or honour for certain actions.

Special project team members – individuals who are brought together to work on a specific, planned and time-bound project.

Workgroup – a group of people, such as in a department or section, who work together everyday (except when referring to the New Zealand Benchmarking Club Human Resource Focus workgroup).

v. Publications

Publications arising from this thesis:

1. Campbell-Allen, N.M. (2004) Best Practices in Reward and Recognition of Employee Innovation and Achievement - Preliminary Research Results, New Zealand Benchmarking Club Conference, Conference Presentation and Proceedings, 28th November 2002, Auckland, New Zealand.
2. Campbell-Allen, N.M., Houston, D., & Mann, R., (2005) Best Practices in Reward and Recognition of Employee Innovation and Achievement, Qualcon Conference Presentation and Proceedings, 31st October – 2nd November 2005, Sydney, Australia
3. Campbell-Allen, N.M., Houston, D., & Mann, R., (2006) Best Practices in Reward and Recognition of Employee Innovation and Achievement, 11th World Congress for Total Quality Management Presentation and Proceedings, 4th – 6th December 2006, Wellington, New Zealand
4. Pending - Campbell-Allen, N.M., Houston, D., & Mann, R., (2008), Best Practices in Reward and Recognition of Employee Innovation and Achievement , which has been accepted for publication is due to appear in a 2008 special issue of the TOTAL QUALITY MANAGEMENT & BUSINESS EXCELLENCE JOURNAL