Healthcare attracts the most dedicated, hardworking people of any industry yet sometimes we struggle to find appropriate ways to recognise and reward excellent behaviour and performance. Managers realise that the opportunity to save lives and provide caring service is what drew many of their front-line employees to healthcare.

Reward and recognition programs reinforce a healthcare organisation’s commitment to service excellence. Systematic reward and recognition benefits not only individual performance but influences overall employee satisfaction, employee loyalty, retention, and patient satisfaction.

The May 2005 Satisfaction snapshot is a summary extract from a recent white paper developed following extensive research into current reward and recognition best practices. A literature review and data analysis illustrate the benefits of integrating reward and recognition programs and practices throughout your organisation and outlines what you need to consider when developing your own program.

In summary, successful reward and recognition programs are carefully planned and diligently executed. Empowering employees to help provide recognition to coworkers removes much of the burden from management and helps ensure that all employees’ excellent performance is rewarded and recognised. While no perfect program can be created that will last forever, following the guidelines can lead you to a successful program. It is recommended that you start small and work your way to the larger programs as you assess the needs of your own organisation. Nothing will undermine the success of a rewards and recognition program like a program no one believes in.
Reward and Recognition in the Health Care Industry

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Executive Summary

Press Ganey researchers and consultants applied their expertise to analyse patient satisfaction data, employee satisfaction data and reward program data supplied by Press Ganey clients in the demographic profile to create this white paper.

Definition of terms

Many programs exist to reward and recognise employees. Bowen (2002) defines a reward as something given or received in return for a service. **Rewards** in this context are defined as any tangible gift given to an employee to award them for his/her contribution to an organisation. Rewards can be simple as a candy bar up to more substantial monetary incentives. Rewards can be informal, formal, or designed for a specific achievement.

Recognition is the public acknowledgment of an employee’s contribution to the organisation. This report will also provide specific examples of award programs - combinations of reward and recognition - which have been successfully implemented in healthcare facilities.

Do most hospitals reward employees for patient satisfaction?

According to Press Ganey databases, providing monetary incentives for patient satisfaction scores is not a common practice. Of 1,067 reporting facilities from the 2004 report, only 32% provide rewards based upon the results of their patient satisfaction surveys.

However, most hospitals include customer service performance ratings as a part of an employee’s annual performance evaluations and/or offer non-monetary rewards and recognition to top performers at the individual, department, team and/or organisational level.

What is the best way to reward employees for improved patient satisfaction results?

Our research suggests the optimal structure for a rewards program provides incentives for everyone – executives, managers and front-line staff. This was the only structure to demonstrate a positive difference in overall patient satisfaction. The positive effect of rewarding all employees on overall patient satisfaction may not seem large, small movements in mean scores result in more pronounced movement in percentile rankings and reflect actual changes in the patient experience. A strong reward and recognition program helps focus employees on service excellence. With many of the differences being found in the room section of the survey, employees may be paying closer attention to the "little details" that separate the good from the great.

How should facilities reward and recognise individual employees?

Evidence from past research demonstrates that rewarding and recognising specific behaviours and results will improve performance through positive reinforcement. The literature review and qualitative interviews provides a set of guiding principles for rewarding and recognising employees: (1) tailor the rewards, recognition and reinforcement; (2) use both monetary and non-monetary rewards; (3) ensure timeliness of rewards; (4) understand the interdependence of employee satisfaction, patient satisfaction and retention of employees; (5) leadership involvement is critical; (6) organisational alignment; and (7) continuous assessment.

Employees who feel excellent performance is rewarded in the organisation report higher overall satisfaction and are more likely to recommend their hospital as a good place to work.

Moving forward

As leader, manager or executive, one cannot single-handedly perform the myriad of activities needed to accomplish the organisation’s goals. The executive and manager’s raison d’etre is to create conditions that enable achievement within the organisation or unit.

Rewarding and recognising employees is simply one of many strategies proven to create an environment conducive to achieving desired results, especially patient, employee and doctor satisfaction.

The best results are achieved when rewards and recognition are aligned with the organisation’s strategic goals and integrated into everyday management systems.
Methods

Literature review

A literature review was performed utilising the numerous structured search strategies of the Medline database resulting in 706 sources evaluated. Beyond medical literature, searches of the EBSCO, ScienceDirect, InterScience and PubMed/Medline databases were conducted and the findings evaluated.

Quantitative analyses

Quantitative analyses utilised data collected from the patients’ discharged from Inpatient facilities from January 1, 2002 through December 31, 2002 and demographic data on these facilities for the 2002 report. One of the questions on the facility demographic profile survey is

Do you use PG scores for incentive programs? YES or NO.
If yes, in what areas? (check all applicable) __Executive Staff __Managers __Other Staff.

A total of 1,105 facilities responded to this question on the demographic profile. Patient satisfaction scores by each survey item and overall satisfaction were aggregated by facility.

The same analyses were performed with data from January 1, 2003 through December 31, 2003. No statistically significant or practically significant differences were found between the two data sets.

To understand the connection between reward and recognition and employee satisfaction, responses from the Press Ganey Employee Perspectives Survey from January 1, 2003 through December 31, 2003 were compared. Results from 70 different healthcare facilities totaling 70,815 respondents were aggregated for the data analysis.

“Excellent performance is recognised here”, a 4-point scale question from the employee perspectives survey, was used to measure employee’s satisfaction with the facility’s rewards and recognition program. The responses were then compared to other questions within the survey to identify the relationship between the recognition and overall job satisfaction.

Qualitative interviews

A convenience sample was drawn of 83 health care organisations. Healthcare executives were interviewed via telephone or e-mail in order to obtain qualitative information regarding current rewards and recognition practices in the healthcare industry.

Limitations

Data on the use and structure of incentive programs were obtained from demographic profile datasets, subject to infrequent updates. Incentive programs may have been added, eliminated, or changed since the last update.
Results of Literature Review

Basic purpose and design of rewards and recognition

Rewards and recognition intend to reinforce desired behaviours, improve targeted results and increase employee satisfaction.

First, select areas of opportunity for improvement. Goals may be broad or specific, e.g., patient satisfaction scores, medication error rates or quality as an organisation-wide value. For example, Marszalek-Gaucher and Coffey in *Transforming Healthcare Organizations* (1990) consider recognising, rewarding and promoting employees who exemplify the value of quality critical to establishing corporate leadership for quality.

Second, determine the actions needed that will lead to the desired results. Communicate and reinforce these behaviours on a daily basis through personal, positive reinforcement and recognition by the immediate management (e.g., Thank-you’s, notes of appreciation, a pat on the back, etc.). Aubrey Daniels (2001) found rewards and recognition programs typically falter if they involve a time delay are not a reinforcer or reinforce the wrong behaviour. Acknowledgment of these possible pitfalls emphasises the need for careful initial analysis of desired behaviours and results, daily positive reinforcement of desired behaviours above and beyond any formal program and adherence to the principles outlined below.

This review examines rewards and recognition with improving patient satisfaction as the desired objective. The literature review and qualitative interviews revealed certain underlying principles: (1) tailor the rewards, recognition and reinforcement; (2) use both monetary and non-monetary; (3) ensure timeliness; (4) understand the interdependence of employee satisfaction, patient satisfaction and retention; (5) leadership involvement is critical; (6) align with the organisation’s values and mission, units and teams and the human resources strategy; and (7) continual reassessment.

Tailor the rewards, recognition and reinforcement

The assumption that there exists one “right” way to manage people has been thoroughly discredited (Drucker 1999). Similarly, there exists no sure “right” reward or recognition system. To be effective, rewards, recognition and reinforcement must be tailored to the individual’s values, goals and person (Nelson 1994, Bowen 2000, Daniels 2001, Daniels 1994). Daniels (2001; 1994) and Dickey (1998) recommend surveying employees to compile a list of preferences for each employee. Any organisation-wide rewards and recognition systems’ success heavily depends upon its flexibility (Armstrong 1993). Simply asking those who you would like to reward can provide valuable insight in the best way to reward/recognise them (Hader 2004).

“Match the reward to the person” - Start with the individual’s personal preferences; reward him or her in ways he or she truly finds rewarding. Such rewards may be personal or official, informal or formal, public or private and may take the shape of gifts or activities.

**Match the reward to the achievement** - Effective reinforcement should be customised to take into account the significance of the achievement. An employee who completes a two-year project should be rewarded in a more substantial way than one who simply does a favour for you. The reward should be a function of the amount of time you have to plan and execute it.” (Nelson 1994).

“How difficult is it to write a thank-you note, congratulate a staff member at a public meeting or mention her/him at a public meeting? While all of these actions may seem appropriate they might be the wrong approach depending on the individual or group you’re recognising” (Hader 2004).

Catherine Meek, CEO, Meek and Associates, provides the following guidelines for reward and recognition programs (Nelson 1994):

- Programs should reflect the company’s values and business strategy.
- Employees should participate in the development and execution of the programs.
- The programs can involve cash, noncash or both.
- Since what is meaningful to you may not be meaningful to someone else, the programs should encompass variety.
- The programs should be highly public.
- The programs have a short life span and must be changed frequently.
Use both monetary and non-monetary rewards

Monetary/tangible rewards will have little impact on behaviour without the intangible positive reinforcers (eg. managerial praise, public/peer recognition, thank-you notes, etc.) (Daniels 2001; Hansen et al. 2002; Rosal 2002; Nelson 1994). Peer-reviewed research, published literature, Press Ganey survey results and anecdotal evidence all support the superior effectiveness of these non-monetary, informal rewards over exclusively monetary rewards. Strategies utilised must be inherently sincere and substantive—a review by Eshleman et al. (1999) found the following to be “praise that matters” to nurses— “treating employees with respect, focusing on the positive, designing recognition systems, expressing confidence in employees, providing opportunity for participative management and promoting career development and advancement.”

“See the behaviour and praise it. It’s as simple as that. I recently held a series of focus groups in which I was attempting to identify employee attitudes about rewards and recognition programs. The overriding opinion was that programs aren’t nearly as valuable to employees as a word of recognition from their immediate supervisors.” (Baird 2000).

“Many people say they wish their organisations would give fewer tangibles and more social reinforcers...If people receive social reinforcement on the four-to-one ratio (a minimum of four socials to one tangible) and receive reinforcers for behaviours, not only results, they will view the tangible as a symbolic representation of the social reinforcement they have already received. A tangible reinforcer carries the most impact when it symbolises the recognised behaviour or result.” (Allen 1990).

Ensure timeliness

Positive reinforcement of new behaviours must occur promptly and frequently or other, undesired behaviours may emerge and replace the desired behaviour (Daniels 2001; 1994). Positive reinforcers such as “Thank you’s”, recognition, etc. play an important role. Client facilities have experienced frequent success with small, ‘on-the-spot’ rewards which provide immediate reinforcement for desired behaviours. A controlled study has quantified this effect in a family practice setting—medical records completion rates were targeted for improvement; the practice simply posted a weekly list of doctors (identifying the compliant and noncompliant) and gave candy bars to those in compliance—this reduced the rate from 50% to 10%-30% (Purdom et al. 1996).

“To be effective, rewards need to be given as soon as possible after the desired behaviour or achievement. Rewards that come weeks or months later do little to motivate employees to repeat their actions. You should always say why the reward is being given – that is, provide a context for the achievement. Once you have consistently rewarded desired performance, your pattern of recognition may become more intermittent as the desired behaviour becomes habitual with employees” (Nelson 1994).

“Reward, recognise and reinforce Associate performance for customer satisfaction behaviours that are well done. Behavioural science research teaches us that people respond favourably to reward, recognition and reinforcement. Behaviour that is reinforced will be repeated. Thus, if top customer satisfaction ratings are the goal, then there must be some reward, recognition and reinforcement for achieving that goal. Customer satisfaction ratings that are incorporated into the compensation package for management and staff tend to act as a team builder and incentive for greater customer satisfaction performance results “ (Sherman S. 1999).
Understand the interdependence of employee satisfaction, patient satisfaction and retention


In a 2003 study of summary data from 33 hospitals from around the US that had collected both patient and employee satisfaction data, Press Ganey Associates found a correlation (R=0.7739) between patient and employee satisfaction (Figure 1).

Figure 1.

Relationship Between Patient Satisfaction and Employee Satisfaction

Others have identified a relationship between employee satisfaction, customer satisfaction and profit (Heskett et al. 1994; Rucci et al. 1998; Anderson and Mittal 2000). Furthermore, a recent study has explicitly shown a similarly cyclical relationship between nurse satisfaction, patient satisfaction, quality of care and nurse retention (Newman et al. 2001) In light of this connection to retention, valuing employee satisfaction makes financial sense—the average turnover cost of a front-line worker is $7,000 and $75,000 for a middle manager (Bozell 2000).

Herzberg’s seminal research (1968) revealed that recognition was the second-highest factor contributing to employee satisfaction (Figure 2). Importantly, certain factors produce only dissatisfaction, such as policy and administration, supervision, relationship with supervisor, salary, etc. Hygiene factors like these, once appropriately addressed, only eliminate dissatisfaction and demoralisation. Only recognition, achievement and other factors will actually produce motivation and high employee satisfaction.

"Commitment increases when employees receive public affirmation of a job well done" (Ulrich et al 1999).

"Because morale is connected to patient satisfaction, attendees were asked to provide one idea about how morale could be improved within their hospitals. The theme is consistent. Just as there is an awareness that patients need recognition for who they are, so does staff. Over half the responses to the question were smile, thank them, recognise and appreciate them. Why would morale-improving actions that are so simple, so inexpensive, and so powerful even need to be mentioned? Why on earth isn’t an atmosphere of warmth, friendliness and support a given within all health care institutions? Is there an unspoken, perhaps unconscious, premise operating that says staff are "supposed" to do their jobs without needing recognition or appreciation? Smiles and thank-yous are simultaneously incredibly cheap and incredibly valuable. Their cost in time and money is minimal, their benefit enormous. They are "good medicine." Why isn’t your hospital flooded with smiles and thank-yous?" (Losee 1998).

"Most workers want their contributions recognised and when management recognises their value they respond by increasing their commitment" (Risher 1997).
"...employees have to be managed as if they were volunteers. They are paid, to be sure. But knowledge workers have mobility. They can leave...We have known for fifty years that money alone does not motivate to perform...Volunteers, we know, have to get more satisfaction from their work than paid employees, precisely because they do not get a paycheck." (Drucker 1999).

"...patient satisfaction and employee satisfaction go hand in hand. When staff know they are satisfying patients, they justify and reinforce their career choice" (Press 2002).
Leadership involvement is critical

Bowen (2000) and Nelson (1994) emphasise the importance of leadership support to obtaining successful results from rewards and recognition efforts. A recurrent theme among Press Ganey client survey results was the visible and spirited support of leadership. Executives and managers served employees at celebrations—they served drinks, made meals, scooped ice cream, took recognised employees out to breakfast or lunch, sang silly songs, danced—basically leaders served, inspired and celebrated. Leaders need to "use every staff meeting or event to celebrate successes, learn from experience, and build team spirit." (Scott 2001). Personally handing out separate bonus checks immediately following an achievement leaves a more significant impression on a person than the easier method of rolling the bonus into the regular paycheck (Knez & Simester 2002). Leaders exponentially increase the impact of rewards by making them visible and memorable.

Beyond spirit and visible support, leaders establish the conditions for organisational, system, unit and employee success. Kouzes and Posner’s research (1995) elucidated a set of leadership behaviours indicative of success: challenging the process; shared vision; enabling others to act; modeling the way; and encouraging the heart.

A study by McNeese-Smith (1996) examined the relationship of these five leadership behaviours to the employee outcomes of productivity, satisfaction and organisational commitment in a hospital setting. Each behaviour displayed a positive relationship to the employee outcomes of productivity, job satisfaction and organisational commitment demonstrating the efficacy of a leadership model in general. Specifically, the strongest predictor of employee organisational commitment was "Challenging the Process." For employee productivity, "Modeling the Way" was the strongest predictor. Integrating components of these models into leadership practice should have a positive effect on these three employee outcomes in a healthcare organisation as well as facilitating the success of a rewards and recognition program.

"Leaders also inspire by charisma and personal example. Separate from the cognitive and moral aspects of organisational life, there is an emotional component, whether the work is satisfying or stultifying, important or trivial, invigorating or daunting; and whether the work place is enjoyable or unenjoyable, comforting or threatening, collaborative or contentious." (Griffith 1999).

Ten Commitments of Leadership (Kouzes and Posner 1995):

- **Challenging the process:**
  1. Search Out challenging opportunities to change, grow, innovate and improve.
  2. Experiment, take risks, and learn from the accompanying mistakes.

- **Shared vision:**
  3. Envision an uplifting and enabling future.
  4. Enlist others in a common vision by appealing to their values, interests, hopes and dreams.

- **Enabling others to act:**
  5. Foster collaboration by promoting cooperative goals and building trust.
  6. Strengthen people by giving power away, providing choice, developing competence, assigning critical tasks and offering visible support.

- **Modeling the way:**
  7. Set the example by behaving in ways that are consistent with shared values.
  8. Achieve small wins that promote consistent progress and build commitment.

- **Encouraging the heart:**
  9. Recognise the individual contributions to the success of every project.
  10. Celebrate team accomplishments regularly.

Miami Valley Hospital (Dayton, OH):

"The best recognition is from immediate supervisors. Get started by encouraging and teaching managers how to recognise and reward employees. Rewards do not need to be large (high dollar value) but something tangible and fun is good. (Our candy bars in the We Care basket all have cute sayings – M & M - peanut says "I’m nuts about the work you do").) Support from the top is also important. Employees will wait in line for 10 - 15 minutes for our CEO to make their cotton candy. Execs need to be visible and consistent in their support of patient and employee satisfaction."
Aligning with organisational values and mission

Any recognition and reward effort must be thoroughly and visibly integrated with the targeted results, organisational values and the organisation’s mission (Armstrong 1993; Bowen 2000; Rosal 2002). Rewards and recognition that coordinate with an organisation’s structure help employees apply the organisation’s values and mission. For example, Holy Cross Hospital sought to change its culture and relationship with employees to a shared “partnership” embodied by honest communication. To initiate and increase this value and behaviour, Holy Cross:

“...provided many rewards connected with service improvement and idea generation. We’d do things like give away cups of popcorn or flowers or pizza to communicate messages about desired partner behaviour. We’d perform skits about what’s the right way to answer the phone, things along these lines. At the same time, we put a drive on idea implementation, one idea per individual. We put people to work on teams in departments and across the organisation. In our first year, we generated 1,600 new ideas.” (Hays 1999).

Aligning with organisational unit/team structure

Hospital systems require the constant support from staff that are not always in the patients’ immediate view. It is important to match specific portions of an individual’s job to the reward he or she is are receiving (Bowen 2000).

Creating a reward and recognition program that includes team rewards and employee opportunities to reward each other helps bring to light employees who are working diligently behind the scenes. Employees value the praise and recognition from fellow employees as much, if not more than that from outside sources (Nelson 1994). Creating programs that make sure all employees are included is important in building a unified organisation.

Set Different Incentive Levels at the Legend Group:

Our challenge has been to motivate three distinctly different groups-executive team members, middle managers and the rest of our line employees. We have different expectations for each group and they each require different kinds of incentives.

Our executive team needs a sense of ownership in the company. Many state-owned enterprises in China face a special challenge: They cannot give their senior executives stock. But we took an untraditional approach; we reformed our ownership structure to make Legend a joint stock company, enabling us to give all our executive team members stock. In addition, senior executives need recognition, so we provide them with opportunities to speak to the media. To date, we've lost no senior executives to other companies.

Midlevel managers want to become senior managers, so they respond best to challenges--to opportunities to display and hone their talents. We set very high performance standards for our middle managers and we let them participate in strategic processes, in designing their own work and in making and executing their own decisions. If they get good results, they are handsomely rewarded.

Line employees need a sense of stability. If they take responsibility and are conscientious, they earn a predictable bonus. We also tie team performance to company or unit performance and individual performance to team performance. For example, we might let the team decide how to allocate a percentage of their team bonus to individuals, with some general guidelines from the corporate level.
In hospitals, basic work as well as quality improvement occurs largely within units or teams; systems, processes and managerial support should focus on these groups of front-line employees in direct contact with the patient (Nelson et al 2002; Mohr & Batalden 2002).

The entire purpose of reward and recognition is to encourage behaviours that lead to desirable results. Therefore, align rewards and recognition with existing the goals, measures and behaviours of teams and units instead of working against these structures. Reward the teams and people that exhibit the behaviours and results desired.

“Pay well. Stop the silly game of paying people the lowest wage possible. Lower wages do not equal lower labour costs. Pay people little and they bring low gusto and productivity to the job. Strive to be in the top half of employers in regards to salary, the ideal spot is to be in the bottom of the top third. Paying top dollar isn’t necessary if the organisation offers the additional ‘paycheck’ of ‘best place to work.’ Stop step increases, cost of living adjustments, overall organisation performance incentives and other killers of achievement. Put all salary dollars into merit and measurable individual and team incentives. Compress wages, have fewer levels and wider ranges. Deemphasise pay and worry over dollars. Add lots of socialisation, recognition, celebration and motivational events. People do not live by ‘bread’ alone.” (Sherman 1999).

“We have also been reluctant to acknowledge that ‘workers,’ in contrast to managers, can and do affect the organisation’s success. In hindsight, it is shocking that the idea that workers affect customer satisfaction has only gained widespread acceptance in the past few years.” (Risher 1997).

**Aligning with organisational human resources strategy**

Adapting a key point from *Good to Great* (Collins 2001) — the purpose of rewards is not to “motivate” the right behaviours from the wrong people but to get, keep and satisfy the right people in the first place. Rewards simply do not motivate behaviours as well as recognition. Hansen et al. (2002) recommend distinguishing between rewards and recognition. Utilise rewards such as bonuses, awards, etc. as an additional benefit integrated with the organisation’s comprehensive retention strategy. Ensure that the people being hired possess self-motivation, share the organisation values and accept the organisation’s standards (Collins 2001; Baird 2000). Organisations can successfully integrate rewards with performance evaluations, organisational values, service standards and quality improvement (Berry 1999).

“Do not confuse *incentives* with *techniques* for improvement!... Furthermore, be especially careful to base your reward structure on methodologically sound principles...Offering monetary rewards to staff is not really necessary for high patient satisfaction. Rewards are a nice gesture and if you have the profit to justify it, everyone can use an extra buck, but it is not essential.” (Press 2002)

**Continuous reassessment and adjustment**

Organisations and cultures are subject to constant change and without careful monitoring and reassessment, a formal reward or recognition could lose its efficacy, or worse, demotivate employees. Nelson (1994) contends that rewards and recognition programs should have short life spans to prevent the waning of enthusiasm. A rewards and recognition committee can be empowered to review programs and their practice on a regular basis.

“The right mix of financial and non-financial rewards can only be achieved by the careful and continuous analysis of the circumstances of the organisation and the needs of its members.” (Armstrong 1993).
Results of Original Quantitative Research

Who provides incentives?

Figure 1 shows the percentage of facilities responding YES and NO to the first part of the question on providing incentives for patient satisfaction results using their organisation’s mean score. In 2003, of 1,067 acute care respondents, only 32% (341) have initiated incentive programs tied to patient satisfaction scores. The percentage of hospitals respondents providing incentives for patient satisfaction was the same in 2002.

No meaningful difference in overall patient satisfaction exists between those responding in the affirmative and those without incentive programs. (Figure 1). It appears that simple provision of an incentive does not substantially affect overall patient satisfaction.

Figure 1. Acute care facilities providing incentives for patient satisfaction, 2003

Data from Jan. 1-Dec. 31 2003
n=1067

“Patient Satisfaction is good medicine. and good business”
-(Press 2002)
Incentive structures and overall patient satisfaction

Different combinations of incentive program structures could produce different results. We analysed the results for different incentive structures to determine which (if any) method results in the highest patient satisfaction. We compared each incentive structure to the mean score for no incentives, which was 83.06 in 2002 and 83.97 in 2003. Figure 2 illustrates the results of this analysis.

With a single exception, every incentive structure had a mean score lower than no incentives. Incentivising everyone was the only one structure with scores above the no incentives mean; the 0.45 difference was nearly statistically significant in 2002 \( t(897) = -1.89, p < 0.10 \). The difference in the 2003 data was less at 0.15. Limitations of the data and lack of robust statistical significance cannot support extensive hypotheses, save one. Conclusion: If an organisation provides monetary incentives for patient satisfaction measures, rewarding all categories of employees may provide the best chances for success.

Figure 2. Overall patient satisfaction mean scores for different incentive structures in 2003 & 2004
Monetary incentives for all employees: Effect on individual questions

Higher scores for rewarding all employees were seen throughout all individual questions compared to providing no incentives. Further analysis compared the single-item scores of the different monetary incentive structures. The largest increases were seen in several single-item measures; specifically, four items in the Room dimension, two items in the Personal Issues dimension and “Information given to your family about your condition and treatment” (Table 1).

In 2002 data, two measures that are considered high priorities for improvement in many hospitals: “Staff sensitivity to the inconvenience that health problems and hospitalisation can cause” and “Degree to which hospital staff addressed your emotional/spiritual needs” showed a positive difference of 1.72 and 1.43, respectively in 2002 between hospitals who provide monetary incentives for patient satisfaction results versus those who do not.

That rewarding all employees yields increases among these particular items is not surprising. For example, “Noise level in and around room” showed the greatest positive difference at 1.78 in 2002 and 1.50 in 2003. With rewards for everyone in place, staff may begin to place a higher importance on the “little things.” For instance, front-line staff may begin to pick up litter on their own and be conscious of the noise in the hallway; housekeeping may respond quicker to patient requests; staff may focus more energy on attending to patients’ and families’ concerns, etc. Rewarding all employees for patient satisfaction could be one component of an overarching agenda to improve service quality; knowing that these measures tend to be most appreciably affected is helpful.

Rewarding all employees may not seem to produce a large positive difference on overall patient satisfaction, but small movements in mean scores result in more pronounced movement in percentile rankings. Larger increases among these single-item measures provide a more lucid demonstration of the power of universal provision of rewards for patient satisfaction. The actual difference between scores of the good hospitals and the great hospitals may be small but a more positive patient experience is an important difference for you and your patients.

Table 1: When all employee categories are included in reward/incentive plan, question scores with largest increases for 2003 and 2004.

<table>
<thead>
<tr>
<th>Question</th>
<th>Survey Section</th>
<th>Mean Difference of Question Score Between All-Employee Incentive Program and No Incentive Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise level in and around room</td>
<td>Room</td>
<td>+1.78</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.50</td>
</tr>
<tr>
<td>Staff sensitivity to the inconvenience that health problems and hospitalisation can cause</td>
<td>Personal Issues</td>
<td>+1.72</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.04</td>
</tr>
<tr>
<td>Degree to which hospital staff addressed your emotional/spiritual needs</td>
<td>Personal Issues</td>
<td>+1.43</td>
</tr>
<tr>
<td></td>
<td></td>
<td>----</td>
</tr>
<tr>
<td>Room temperature</td>
<td>Room</td>
<td>+1.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.35</td>
</tr>
<tr>
<td>Information given to your family about your condition and treatment</td>
<td>Visitors and Family</td>
<td>+1.29</td>
</tr>
<tr>
<td></td>
<td></td>
<td>----</td>
</tr>
<tr>
<td>Pleasantness of room décor</td>
<td>Room</td>
<td>+1.27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.40</td>
</tr>
<tr>
<td>How well things worked (TV, call button, lights, bed, etc)</td>
<td>Room</td>
<td>+1.23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.08</td>
</tr>
<tr>
<td>Room Cleanliness</td>
<td>Room</td>
<td>----</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.11</td>
</tr>
<tr>
<td>Overall cheerfulness of the hospital</td>
<td>Overall</td>
<td>----</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.07</td>
</tr>
</tbody>
</table>

---- (no significant difference)
**Employee satisfaction: The relationship between recognition and job satisfaction**

To assess the relationship between employee recognition and overall job satisfaction, Press Ganey Employee Perspectives Survey responses from January 1, 2003 through December 31, 2003 were analysed. Results from 70 different healthcare facilities totaling 70,815 respondents were aggregated for the data analysis.

To assess employees’ perceptions about their organisation’s recognition and rewards program, the Press Ganey Employee Perspective Survey utilises the question:

“Excellent performance is recognised here”

With a “Strongly Disagree to Strongly Agree” 1-4 rating scale, the question encompasses all areas of rewards and recognition. The measure does not mark the presence or absence of a specific or formal program but the employee’s satisfaction with how the organisation rewards and recognises excellent performance.

To understand the relationship between recognition and overall job satisfaction in relation to other measures on the Employee Perspectives survey, correlations from the survey questions and ranked for four of the general morale questions. Questions within the survey are divided into 15 sections. Questions within a given section are expected to be highly correlated, therefore questions that were in the “Morale” section were eliminated from the rankings. Table 2 shows the question, the correlation coefficient, and rank for “Excellent performance is recognised” relative to other survey questions.

**Table 2: Correlation and rank of morale questions with “Excellent performance is recognised”**

<table>
<thead>
<tr>
<th>Question</th>
<th>R</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommend as a good place to work</td>
<td>0.532</td>
<td>3</td>
</tr>
<tr>
<td>High standards of performance here</td>
<td>0.449</td>
<td>6</td>
</tr>
<tr>
<td>Overall job satisfaction</td>
<td>0.429</td>
<td>7</td>
</tr>
<tr>
<td>Job will be satisfying in the future</td>
<td>0.421</td>
<td>7</td>
</tr>
</tbody>
</table>

As shown the table, “Excellent performance is recognised” had an R=.532 and was the third most highly correlated item with “Recommend as a good place to work.” Recognition was the seventh most highly correlated item with “Overall job satisfaction.” The high correlations and ranks illustrate the importance of recognition to employees. Recommending an employer as a good place to work is a strong indicator of employee loyalty and a positive overall work experience.

“Motivation is truly an “inside” job. Nobody can make you do something against your will” - (Bowen 2000).
**Employee satisfaction: The relationship of recognition and job satisfaction continued**

Questions within the survey are divided into 15 sections. Question within a given are expected to be highly correlated, therefore “Excellent performance is recognised” was compared to satisfaction questions outside of the recognition section. The relationship of “Excellent performance is recognised here” was compared to the other 70 non-section satisfaction questions to understand what questions on the employee satisfaction survey have the strongest relationship with employee’s perception of recognition.

Table 3 provides the top 15 questions having the highest inter-time correlation with “Excellent performance is recognised” and their corresponding correlation coefficients (R).

**Table 3: Top inter-item correlations by survey question with “Excellent performance is recognised”**

<table>
<thead>
<tr>
<th>Question</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with my involvement in decision-making</td>
<td>0.533</td>
</tr>
<tr>
<td>Senior Leadership listens to employees</td>
<td>0.515</td>
</tr>
<tr>
<td>I have an opportunity to influence policies &amp; decisions that affect my work</td>
<td>0.512</td>
</tr>
<tr>
<td>Members of my work group are asked for their opinions before decisions are made</td>
<td>0.509</td>
</tr>
<tr>
<td>I receive the support I need to adapt change</td>
<td>0.506</td>
</tr>
<tr>
<td>I would recommend this facility to a friend as a good place to work</td>
<td>0.503</td>
</tr>
<tr>
<td>Senior Leadership is aware of concerns</td>
<td>0.497</td>
</tr>
<tr>
<td>Senior Leadership responds promptly</td>
<td>0.495</td>
</tr>
<tr>
<td>There is adequate communication regarding change in the organisation</td>
<td>0.489</td>
</tr>
<tr>
<td>Senior Leadership is straightforward and honest</td>
<td>0.489</td>
</tr>
<tr>
<td>My supervisor sets fair standards of performance</td>
<td>0.488</td>
</tr>
<tr>
<td>My supervisor provides coaching to help me achieve my goals</td>
<td>0.486</td>
</tr>
<tr>
<td>My supervisor recognises my ideas or suggestions for improvement</td>
<td>0.481</td>
</tr>
<tr>
<td>I am satisfied with the manner in which my supervisor handles complaints</td>
<td>0.480</td>
</tr>
<tr>
<td>The values of the organisation are evident in our everyday practices</td>
<td>0.477</td>
</tr>
</tbody>
</table>

As illustrated by Table 3, “Excellent performance is recognised” has a strong relationship with numerous aspects of the overall work experience. Employees who feel adequately recognised have higher ratings of decision-making processes, senior leadership and their own supervisors. There is also a strong relationship between recommending the facility as a good place to work and the organisation values being evident in daily practices.

It is important to note that recognition was not highly correlated with items that recognition should not effect. For example “Excellent performance is recognised” had much smaller correlation with “Our benefits program meets our needs” (R=0.255 ). Benefit programs assessment should be independent of the recognition program. The list of the top inter-item correlations illustrates the areas that a strong recognition program will most likely influence.
Results of Qualitative Interviews

To assess current reward and recognition practices we interviewed representatives from 83 health care organisations about the success of their current reward and recognition initiatives. The literature review illustrates the importance of both monetary and non-monetary rewards. To provide a practical application of the findings from the literature review and the qualitative interviews, the following is an example list of current reward and recognition programs ideas. Not all rewards, recognition and award programs are mentioned but the list provides a solid foundation to spark creative ideas within your own organisation.

**Rewards:**

*Individual*
- Monetary bonuses (Annual, biannual, quarterly or monthly; tied to performance goals in patient satisfaction and budget).
- Lunch with CEO
- Breakfast with CEO
- Movie Tickets
- Phone Cards
- Balloon Bouquets
- Meal Tickets
- Candy/cookie basket kept full for the week
- Cookie tray
- Bagel and Coffee Day
- Flowers
- Office refrigerator
- Microwave
- Computers
- Watches
- Large balloon bouquet
- T-shirts
- Organisation-themed clothing
- Tote bags
- Candy
- Boxes of chocolate
- Day passes to community center
- Gift certificates:
  - Gift Shop
  - Restaurant
  - Shopping Centre
  - Amazon.com
  - Bookstore
  - Petrol
  - Travel
  - Specialty Stores

*Team/Department*
- Pizza party
- Ice cream social
- Cotton candy celebration
- Popcorn party
- Picnic
- Holiday party
- Department lunch
- Recognition dinners
- Training graduation luncheon
- Surprise rewards (immediately responding to report of patient satisfaction scores above goal).

**Recognition:**

*Public*
- Positive patient comments included in employee newsletter
- Positive patient comments tracked, posted on Intranet or on bulletin board
- “Best Comments” – most superlative patient comments
- Patient satisfaction "News Corner"
- Gold stars - worn on name tags when positive patient comments are received.
- Pin - to wear on their ID badge and attend a recognition lunch or dinner (via nomination by employee or manager).
- Special/temporary customer service recognition programs with a definitive beginning and end.
- Biweekly newsletter solely for presenting positive patient comments, recognising people

*Private*
- Positive survey comments given to department supervisor and head administrator
- Personal thank you notes from CEO
- Personal thank you notes from Manager
- Thank you card mailed to person’s home (personally signed by CEO)
- Birthday card mailed to person’s home (personally signed by CEO)
- Add positive patient comments to personnel file.
- Sincere praise from manager
Award Examples:
The following list highlights specific award programs of Press Ganey clients that combine reward and recognition for specific accomplishments.

**Individual**
- Employee of the Month, Employee of the Year
- Associate of the Week
- Multiple employees of the month
- Wow Certificates
- Go-Beyond Award
- Quality Creativity Award
- Chairman’s Quality Award
- Outstanding Service Award
- Super Star Program-to highlight associates who exemplify strong customer service standards
- Doctor of the Month, Doctor of the Year
- Departmental Service Award Programs
- “Hand and Heart” Award – given to employee demonstrating highest patient satisfaction.
- Suggestion/Idea Box Award – best idea or suggestion for improving customer service, patient care, etc. each month receives a monetary bonus (up to $200), award and photo with CEO.
- On the Spot Award – recognition for “On the Spot” customer service. The recipient receives an award and gift certificate ($20-100).
- Teamwork Award
- “Applause” – gives an employee, visitor, volunteer, etc. the opportunity to write about excellent internal customer service or teamwork. Placed on the “Applause” bulletin board for one month.
- Sweet Service Rewards-Candy bars that reward and communicate rewards and organisational values. (See Sweet Secrets to Service Success article in the Recommended Reading).

**Team**
- “C.A.R.I.N.G.” contest – employees nominate each other on the basis of exhibition of organisation’s values. Six categories (one for each letter/value), winner of each category received Bookshop gift certificate and picture in newsletter.
- “Support Services Trophy”- Support staff evaluated for timeliness, phone etiquette, accuracy, attitude, overall rating.
- “Tiger” Award – Ceremony for award given to department which is presented with a stuffed tiger (the organisation’s mascot), a plaque and a gift chosen by the manager of the department for each staff member.
- Traveling Trophy – given to the Inpatient care area that achieves the highest patient satisfaction scores. Trophy is filled with ‘goodies’. Another trophy recognises the most improved area for both Inpatient and Outpatient.
- “WOW” Certificate delivered to employee by manager with 2 balloons. One balloon for them and one balloon to give to a fellow employee to say thanks for making the success possible because no one can do what they do all by themselves. Information sent to personnel file and person considered for employee of the quarter.
- Teams select a section, subsection or question of the survey to focus on improving for the next year. Teams are recognised for scores at or above the 95th percentile (reported weekly, monthly, quarterly).

“People tend to be satisfied, productive and motivated when effective performance is recognised and rewarded in ways they highly value.” -(Nelson, 1994)
Implementation Guidelines

To implement a successful program what is being rewarded needs to be identified first. The following is a list of example events that have triggered awards in other organisations. Using the knowledge gained about the necessary components of a successful reward and recognition program, the following guideline will provide practical suggestions to help you create your own program.

Example event triggers

**Individual**
- Positive patient comments
- Positive co-worker comments
- Suggested cost saving strategies
- Suggested patient safety strategies
- Coworker identified performance above the call of duty
- Project and committee involvement
- Volunteering for skill training
- Involvement in professional organisations
- Attainment of additional degree or specialty certification
- Employee referral
- Years of service

**Team/Organization/Team**
- Patient satisfaction score improvement
- 100% response on employee satisfaction surveys
- Organisation fiscal report improvements
- Successful accreditation from regulatory agencies (e.g. ACHS)
- Unit participation in hospital sponsored activities and committees
- Clinical care improvements for patients (e.g. reduction in pressure ulcers)
- Clinical care improvements for employees (e.g. reduction in doctor wait times)
- Successful implementation of new procedure
- Attainment of organisational goals
- Environmental excellence (e.g. consistently organised nurses station)

Tailor the rewards, recognition and reinforcement

- Use positive patient feedback with a ‘very good’ rating to trigger rewards and recognition.
- Achieving goals should bring rewards/recognition. If bonuses are tied to meeting patient satisfaction and budgetary goals, do not award the bonus if these goals are not met.
- Base the rewards and recognition on data (e.g. number of positive patient comments, money saved in an idea/suggestion, reduction of delay in streamlining a process, etc.).
- Consider basing bonuses on unit performance (meeting goals for overall scores, scores in specific areas and/or improvement goals).
- Allow for distribution at staff’s discretion to avoid unforeseen circumstances that senior management may not be aware of.
- Allow front-line staff to recognise employees who contribute to service excellence but do not have direct patient contact.

Use both monetary and non-monetary rewards and recognition

- Be consistent with what is being rewarded/recognised (i.e. positive patient comments, cost-saving suggestions). If one person is recognised for being mentioned on an employee satisfaction surveys, all employees who are mentioned should be recognised.
- Vary how rewarding is done (i.e. don’t use cafeteria coupons for everything or the same program for years).
- Use a combination of small informal rewards and larger formal award programs.
- Say it in writing.
- Remember recognition is often more important than rewards.

Ensure timeliness of the reward and recognition

- Make rewards as immediate as possible.
- Prepare to reward and recognition before the goals are met so the program can be deployed immediately.
- Allow for all managers to provide small rewards or recognition when they see positive behaviour in action.
Understand the interdependence of employee satisfaction, patient satisfaction and retention

• Opportunities to be rewarded and recognised should be afforded to all employees.
• Have opportunities for all employees to reward/recognise others.
• Track all rewards, recognition and positive reinforcement to ensure that no one is overly targeted and that no one is missed for at least positive reinforcement.
• Provide tools for employees to keep track of their own rewards and recognition.
• Use the program to enhance team relationships not hurt them.

Leadership involvement is critical

• Talk about why the reward is being given.
• Talk about the person(s) receiving the reward, what makes them special.
• Participate directly in the reward/recognition process.
• Show excitement and enthusiasm for the rewards.
• Make it memorable and fun.
• Keep the rewards a secret until the last minute always using surprise and “whimsy.”
• Take photos – put them on the Intranet, bulletin boards, newsletter, etc.
• Be willing to laugh at yourself.

Align with the organisation's values and mission

• Connect reward programs directly to mission statement, organisational goals and hiring strategy.
• Look to hire self-motivated people who later will be rewarded.
• Rewards and recognition are to show appreciation for strong motivation and action, not create motivation
• Make rewards specific to job function/contribution. Using only blanket rewards does not personalise the experience.

Continual reassessment

• Ask employees how they would like to be rewarded.
• Create new programs to reward achieving new goals.
• Remember a single program’s effectiveness is usually only short-term.
• Continual cost-benefit analysis of the program, including employee morale as part of the benefit.
• Examine programs effectiveness in terms of employee satisfaction and retention.
• The program is a win-win for all stakeholders involved.
• Monitor to make sure you are not generating adverse results.

Conclusion

Successful reward and recognition programs are carefully planned and diligently executed. Empowering employees to help provide recognition to coworkers removes much of the burden from management and helps ensure that all employees’ excellent performance is rewarded and recognised. While no perfect program can be created that will last forever, following the guidelines can lead you to a successful program. It is recommended that you start small and work your way to the larger programs as you assess the needs of your own organisation. Nothing will undermine the success of a rewards and recognition program like a program no one believes in.
References


McNeese-Smith D. Increasing employee productivity, job satisfaction, and organizational commitment. *Hospital & Health Services Administration*; Chicago; Summer 1996.


Recommended Reading: (rank-ordered)


