Recognition to Drive Engagement – A Scotiabank Case Study

Ramón Edilio Vargas  
*Director Global Employee Recognition at Scotiabank*

Vanessa Brangwyn  
*Chief Customer Officer at Achievers*
• The Impact of Recognition
• The Service Profit Chain
• Customer Case Study - Scotiabank
• Pillars of Success
We all know recognition works...

“Recognizing employees is the simplest way to improve morale and employee engagement.”

Source: Harvard Business Review May 9, 2016
Organizations in the top quartile of employee engagement scores had **17% higher productivity** than those in the bottom quartile.

Source: Gallup – Q12 Meta Analysis May 2016
The Employee Experience determines the Customer Experience.
Employee Engagement

Stakeholder Value

Customer Loyalty

THE SERVICE PROFIT CHAIN
And the business thrives...

Companies with highly-engaged workplaces outperform their peers in earnings per share by +147%.

Source: Gallup – Q12 Meta Analysis May 2016
Ramón Edilio Vargas
Director Global Employee Recognition at Scotiabank
Global Employee Recognition team located in Toronto owns the global policy for 3 major recognition programs:

- **Applause 2.0**: informal, ongoing, social recognition, with and w/o points
- **Best of the Best**: formal, annual, performance-based
- **Tributes**: formal, annual, tenure-based, 1\textsuperscript{st}, 5\textsuperscript{th}, every other 5\textsuperscript{th} year
GLOBAL CONSIDERATIONS

• 3 languages (English, French, Spanish)
• Purchasing Power Parity
• GER determines key messages globally, local / B.U. customize for their groups
• Country / regional teams empowered to design locally-relevant campaigns
• Country reporter access through Applause 2.0
• Monthly calls to gather input, feedback
Applause 2.0

• Available to 90,000 users in 40 countries
• Largest groups in Canada, Mexico, Peru, Colombia, Chile, Central America and the Caribbean
• Includes all business units and functions
• Cultural shifts and Bank values used as recognition categories
• 5 KPI tracked throughout the year, monthly dashboards
• Two major global campaigns in the year to raise awareness and drive usage
Leveraging Applause 2.0: Journey at a Glance

- **Launch March 2016**
- **Best of the Best 2016 Awards**
- **2004-2016: Applause Legacy Program**
- **Applause 2.0 Survey**
- **Awards Survey**
- **2 Minute Recognition Survey**
- **Tributes Survey**
- **NEW COUNTRY IMPLEMENTATIONS IN CENTRAL & LAT AM**
- **‘PAY IT FORWARD’ Campaign**
- **Launched Points to Award in Canada & Enabled Boost**
- **100% OF EMPLOYEES HAVE ACCESS!**
PILLARS OF PROGRAM SUCCESS

Executive Support
- Focus on what's important to Exec level
- Develop strategy to support Exec goals
- Identify key champions
- Make it easy to engage and support
- Measure, Report, Refine

People Leadership Accountability
- Define key behaviors that drive results
- Identify key champions
- Train & educate
- Hold leaders accountable
- Drive competitive spirit

Continuous Communication
- Set recognition, engagement, and business alignment goals
- Commit to ongoing mass & targeted strategy
- Keep it fresh and fun

Alignment to Business
- Define core business objectives
- Engage People Leaders & Employees through multi-channel communications
- Set success metrics, measure results and adjust as needed

May 21st 2018
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May 21st 2018
EXECUTIVE SUPPORT AND PEOPLE LEADERSHIP ACCOUNTABILITY

Monthly Ambassador Updates

Recognition Ambassadors

Leaders’ Blogs

Quarterly SVP Updates

Town Hall Topics
APPLAUSE 2.0 - KEY PERFORMANCE INDICATORS

All Bank Overview
F2018 Year to Date

- KPIs defined using Employee input – survey
- Focus on people managers & added individual contributor in F18
- 3-pronged strategy
- Dashboards shared monthly with key stakeholders

Based on employees who have enabled their account to date
All Employee Activation **86%**

Based on employees who have logged in within the past 30 days
Monthly Active Users **52%**

Based on average recognitions sent by PMs per month
People Manager Sent Recognition Index **2.6**

Based on PMs who send 1+ recognitions per month
People Manager Sent Recognition Coverage **55%**

Based on average recognitions sent by PMs per month
People Manager Budget Usage **42%**

- ▲ Up 1% from F2017
- ▲ Up 3% from F2017
- ▲ Up 0.5 from F2017

F18 Year to Date

- All Bank Overview
  - All Employee Activation **86%**
  - Monthly Active Users **52%**
  - People Manager Sent Recognition Index **2.6**
  - People Manager Sent Recognition Coverage **55%**
  - People Manager Budget Usage **42%**

- ▲ Up 1% from F2017
- ▲ Up 3% from F2017
- ▲ Up 0.5 from F2017

- F18
- F17
- F16
- F18 Target
- F18 Individual Contributor

May 21st 2018
Unnamed Corp. Function
F2018 Year to Date

Based on employees who have enabled their account to date
All Employee Activation 89%

Based on PMs who send 1+ recognitions per month
People Manager Sent Recognition Coverage 53%

Based on employees who have logged in within the past 30 days
Monthly Active Users 54%

Based on average recognitions sent by PMs per month
People Manager Sent Recognition Index 1.9

Corp. Function Story

- Met with Head and executive mgmt. team in Jan 2017
- Head committed to use all his points each month, and ask his direct reports about their recognition activity
- Recognition Ambassador appointed in July

Achievers | Scotiabank
May 21st 2018
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CONTINUOUS COMMUNICATION

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• Customer view
  • NPS - Customer Satisfaction

• Employee view
  • Engagement scores
  • Performance scores
  • Turnover

• Results Driver opportunities
  (regional ownership)
- Inclusive program
- KPIs and results transparency
- Strategic campaigns
- Recognition Ambassadors