



## Turn Best Practices into Common Practices With On-the-Spot Recognition

By Louise Anderson

There's a lot of talk these days about the link between employee recognition and employee retention. It is no wonder considering that at this very moment about 3 in 10 of your workers are thinking about walking out the door for greener pastures. Nearly half expect to be working for a different company three years from now.<sup>1</sup> Every new head you have to hunt costs somewhere between \$2,000 and \$100,000 to get them oriented, trained and engaged; this is no small investment. So how can these employees be so cavalier about leaving your company? It's simple: they do not feel they are recognized adequately for their work.<sup>2</sup>

Research shows managers know recognition is important and realize they should do it more often. But just how important is recognition? Business Futurists Roger Herman and Joyce Gioia report that statistics show companies who recognize their people outperform companies that don't by 30 to 40 percent.

In addition, a new generation, the Generation Ys, are bringing the digital way of life to the workforce. With technology close at hand, Generation Ys are used to working in an unrestrictive environment – one without the confines of office cubicles. Although they may not be physically connected, they are connected by technology. And they are used to working in a world in which instant feedback and praise is just a click away. With instant messaging and texting, why should they wait to hear how they are doing?

Coaching is equally important to Generation Ys. They have digital talent, but to move through the organization, they need to develop leadership skills through guidance and mentorship. They need feedback and guidance to channel their abilities to multi-task, problem solve and innovate.

“The key for employers is to realize that this generation — at least when they are new to the workforce — need a bit of special care and handling. There's no way they can go months without a review; they need constant (and not too critical) feedback.”<sup>3</sup>

It's a matter of dollars, cents, and common sense. Employees, especially Generation Ys, want immediate feedback, and they want to be recognized for a job well done. Rewards and recognition respond to this need by validating performance and motivating employees toward continuous improvement. Recognition leads to happy, motivated, and engaged employees, and that adds to the bottom line – both in employee retention and net revenue.

More and more companies are realizing the importance of recognition and dedicating more resources to recognition strategies. A total of \$46.1 billion was spent by U.S. companies on incentive travel and merchandise in 2006. That total represents a significant increase from the just-under-\$30 billion figure that was reported in the Federation's last comprehensive survey in 2000.<sup>4</sup>

With this type of dollar commitment, companies want a return on their investment and realize that just any recognition won't do. To be truly effective, recognition has to meet two criteria: it must reward the right behaviors and it must be immediate.

### TURN BEST PRACTICES INTO COMMON PRACTICES

Employees should be recognized for behaviors and activities that are based on best practices – well-defined, credible standards that align with and support corporate goals. Simply put, best practices are those behaviors and activities exhibited by your top performers. The greatest success occurs when best practices turn into common practices. To determine your best practices:

First, identify your top performers. Everyone knows who they are – the ones who are closing the most sales; getting commitments that put the check in the mail; fixing people's problems in short order and moving on to the next opportunity.

Second, find out how those top performers are doing what they're doing. You can do this by asking five basic questions:

1. How's it going?
2. What's contributing to your success?
3. What are your obstacles?
4. Hmmm. Any other obstacles?
5. If you had a magic wand and could add, change or delete anything today, what would it be?

Third, define what you need in terms of behaviors and results. Based on the answers to the five questions, identify two or three behaviors that your top performers are already doing to get the results you're looking for. Choose two behaviors (quality indicators) and one result metric (productivity indicator). In sales, for example, we do not reward people simply for sales made. They're already receiving commission for that. Instead, we reward them for targeting 10 key clients and for going after the knowledge they need (behaviors). Then, we reward them for closing targeted sales (results). This can work in all parts of your company, not just sales!

Fourth, reward people on the spot for achieving the behaviors. This is not as easy as it may sound. Managers have to be on the ball to observe, evaluate, coach, and reinforce the new behaviors. They have to be consistent, rewarding only those behaviors that meet the stated criteria.

Finally, clone your top performers' behaviors. Don't wait until the end of the program to copy what high performers are doing. This is where you gain speed over your competitors. Keep learning and applying best practices throughout the program to accelerate achieving your goals. Then take a break and make a new plan. When you launch your next focus, set the baseline higher so you're not paying for achieving the same goals all over again.

How do you help others copy what top performers are doing?

- Identify your early adapters – the top performers who have unique ways of achieving the goals.
- Go talk to a few of them.
- Ask them the five questions until you figure out what each person

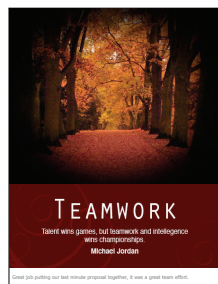
did that worked – their best practices.

- Talk up what they are doing and reward and recognize others who take the same steps.
- Also reward those in their sphere of influence (managers, peers and/or support people identified as part of the best-practice process).

### HERE AND NOW

Employees won't wait until their annual performance review to be recognized and rewarded for exhibiting best practices. On-the-spot recognition – recognition given as close to the event as possible – creates a positive environment that fosters improved performance. Spontaneous, on-the-spot recognition is highly motivating. It provides immediate positive feedback while building a strong, positive culture based on respect, recognition, and a dedication to excellence.

Technology has made on-the-spot recognition easier to administer and more exciting to receive. Anderson Performance Improvement Company, an innovator in the performance improvement industry, is a proponent of two tools that take on-the-spot recognition to a new level: E-Cards and on-the-spot Scratch-and-Win Cards.



E-Card, an electronic greeting card, is an online, recognition tool that's easy to use, efficient, GREEN, and highly effective. It works at all levels, driving performance improvement throughout the organization.

Best practices are documented in the online tool. The giver, a manager or peer, witnesses an employee exhibiting a best practice, checks the best practice listed on the E-Card, adds a personal comment if desired, and blasts the E-Card to the receiver.

E-Cards can be standalone with no point/award value attached or pre-loaded with award points. The award points are automatically deposited into the recipient's account to accumulate and be redeemed for merchandise. Because E-Cards are designed to be graphically appealing, they are typically printed and displayed by the receiver. Other employees see the E-Cards, increasing the visibility of the recognition platform and reinforcing the desired behaviors.



Scratch-and-Win is a unique discretionary awards tool

that creatively combines printed cards (with a hidden scratch-off point value) and online redemption of rewards. Ideal for managers and team leads, Scratch-and-Win Cards are an effective on-the-spot recognition tool to visibly recognize the right behaviors, right when they occur. The desired behaviors can be printed on the back of the cards to serve as a constant reminder.

On-the-spot awards such as E-Cards and Scratch-and-Win Cards have definite benefits for managers:

- Provides visible, consistent recognition by formalizing an often informal process.
- Reinforces the message; they are great communication tools.
- Helps identify best practices by consistently rewarding behaviors that become best practices to share.
- Easy to use; busy managers appreciate the simple, convenient process.
- Easy to measure through actionable management reports with valuable data on employee performance.
- Relays objectives; a drop-down menu of reason codes for each reward links to best practices and the recipient must choose

the reason for which he or she earned the card.

On-the-spot recognition benefits employees as well:

- Motivates by encouraging enterprise-wide performance improvement.
- Empowers employees as they feel valued because their contributions are appreciated.
- Engages employees to help drive day-to-day behavior change and continuous improvement.
- Encourages teamwork; employees enjoy the camaraderie that stems from recognizing one another's strengths.
- Boosts moral as peer recognition is a powerful way to energize your team.
- Fosters loyalty; employees appreciate – and are loyal to – companies with positive, rewarding cultures.
- Reinforces corporate standards and company values; helps employees incorporate key company values into their personal goals.

All awards and on-the-spot recognition are tracked and available in a variety of reports for coaching and tax compliance requirements.

Scottrade, a premier stock trading company, incorporated E-Cards and Scratch-and-Win Cards into their recognition platform. Employees recognize each other with E-Cards. One of the reasons for the award is selected (criteria include quality, teamwork, integrity, innovation, customer service, attitude, communication), the recipient receives a set point value for the E-Card recognition. Members of Scottrade's management have Scratch-and-Win Cards to recognize associates for "doing the right things right." These on-the-spot awards are redeemed through the Scottrade online recognition platform.

"The Scratch-and-Wins have been a huge success," said Jane Wulf, Executive Director, Human Resources. "They add an element of excitement and anticipation to the program."

Companies are realizing the powerful impact on-the-spot recognition has to reinforce desired behaviors and achieve results. Highly visible, immediate, consistent, motivational and engaging, on-the-spot recognition works across all industries and is effective for employees of all ages. It works so well that Anderson Performance Improvement Company reports their clients spent from 13 percent to 25 percent of their recognition budget on on-the-spot rewards. The bottom line: the appropriate recognition at the appropriate time reinforces best practices, ultimately improving performance of the organization.

<sup>1</sup> Robert Half International and careerbuilder.com. "Employment dynamics and growth expectations (EDGE) report reveals job seekers have more influence than they realize," May 1, 2005.

<sup>2</sup> 2004 Poll, The Gallup Organization.

<sup>3</sup> www.quintcareers.com

<sup>4</sup> Federation Study 2007: A Study of the Incentive Merchandise and Travel Marketplace, sponsored by the Incentive Federation and conducted and prepared by GfK, the fourth largest marketing research organization in the world.

