

## **Impact your Bottom Line Now ... Build a Culture of Recognition with all the Generations**

By Louise Anderson

In tough economic times, with layoffs, reduced hours and scaled-back perks, employees are often asked to do more with less. When a lack of recognition and incentives is added to this situation, production and employee engagement suffer.

But it doesn't have to be that way. Building a culture of recognition, through incentives, can reverse a downward spiral. Business Futurists Roger Herman and Joyce Gioia report that statistics show companies who recognize their people outperform companies who don't by 30 to 40 percent. In addition to driving business results, recognition and incentives change employee culture – encouraging loyalty, engagement, and enthusiasm for the job.

A culture of recognition exists in organizations that *catch people doing the right things right*. In these organizations:

- Recognition is a corporate value, operating at every level.
- Recognition is a form of feedback, especially valued by Gen X and Y employees\*.
- Recognition happens informally and formally.
- Improvement is rewarded, not just top performers.
- Reward programs are customized. Employees choose rewards meaningful to them; another hot button with Gen X and Yers\*.
- Best Practices – behaviors and activities that get results – are identified, cloned, and rewarded.

\*The influx of Gen X and Yers into the workforce has increased the importance of a culture of recognition. These generations were raised on feedback, recognition and reward. They thrive in a supportive environment that values their unique contributions and rewards them, not just as a collective group, but in personal, individual ways as well.



### **Turn Best Practices into Common Practices**

In a culture of recognition, just any recognition won't do. The most effective recognition **rewards the right behaviors and is immediate.**

Recognize 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 goal is to turn Best Practices into common practices. To determine your Best Practices, engage management to:

1. **Identify your top performers.** Everyone knows who they are – the ones who are good collaborators and get the job done. They close the most sales, get commitments that put checks in the bank, and quickly fix problems and move on to the next opportunity.
2. **Find out how those top performers do what they do.** Ask these five basic questions:
  - How's it going?
  - What's contributing to your success?
  - What are your obstacles?
  - If you had a magic wand and could add, change or delete anything today, what would it be?
  - How are you recognized for doing what management wants you to do?
3. **Define what you need in terms of behaviors and results.** Based on the answers to these questions, identify two or three behaviors your top performers do to get the results you're looking for. Choose two behaviors (quality/quantity) and one result metric (productivity indicator). In sales, for example, we do not reward people simply for sales made. They already receive commission for that. Instead we reward them for targeting ten key clients and going after the knowledge they need (behaviors). Then, we reward them for closing targeted sales (results).
4. **Reward people on the spot for achieving these behaviors.** It's not always easy. Managers must be on the ball to observe, evaluate, and reinforce new behaviors. That's coaching!

Employees won't always wait until their annual performance review to be recognized and rewarded. On-the-spot recognition creates a positive environment that fosters improved performance.

This is especially true for Gen X and Y employees. Baby Boomers find hard work the reward in and of itself; Gen X and Yers demand feedback and thrive on recognition. As the most coached generation, they want to know how they are doing and how they can be more successful faster. They expect timely rewards or its effectiveness is diminished. They want public recognition in front of peers. Recognition says to them, "I've noticed you. I want you to be successful." Make recognition and rewards timely and public, and your Gen X and Y employees will reward you with continuous performance improvement.

Lastly, 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. Learn and apply 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 again.

### **Reward Managers Too**

Since success depends on managers' observation and coaching skills, sweeten the pot for them, too. Reward them based on a pre-determined percentage of employees who achieve success. Catch managers doing something right and reward them; you'll ensure their buy-in and support. Show them it's IMPORTANT – not just a nice thing to do.

### **Technology Makes It Easy**

Technology has made on-the-spot recognition easier to administer and more exciting to receive. Since Gen X and Yers grew up with technology, they expect online recognition tools.

E-Card, an electronic greeting card, is easy to use, GREEN, and highly effective. The giver, a manager or peer, witnesses an employee exhibiting a documented Best Practice, writes the Best Practice exhibited on the E-Card, adds a personal comment, and blasts the E-Card to the receiver. A copy of the E-Card is sent to the receiver's manager as the ultimate recognition.

E-Cards, as stand-alones or associated with a reward, are graphically appealing and typically 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 discretionary awards tool that creatively combines printed cards (with a hidden variable scratch-off point value) and online redemption of rewards. Ideal for managers and team leads, Scratch-and-Win Cards visibly recognize the right behaviors, right when they occur. The desired behaviors can be printed on the back of the cards, serving as a constant reminder of the target behaviors.

### **Sustaining a Culture of Recognition**

The keys to building a culture of recognition: involve your management team and employees, identify and clone behaviors and activities that model success, and put rewards in place that are immediate and personal. To keep recognition a priority, re-evaluate your reward programs often to ensure they are focused on the right behaviors and current goals. The result will be employees, including Gen X and Yers, who are engaged, motivated, and productive.