



BEYOND THE

BY CAROL PLETCHER

HOW TO GET MORE OUT OF YOUR RECOGNITION PROGRAM.

NO MATTER HOW SHAKY the financial forecast, no matter how downbeat the mood in the room at the quarterly meeting, everyone brightens when the agenda turns to employee recognition, right? It's a moment to celebrate achievement and get everyone excited about new ideas and eager to do something worthy of attention.

Except that it rarely works that way. More typically, recognition is an afterthought, relegated to a quick grip-and-grin photo op at meeting's end—complete with commemorative plaque or \$25 gift certificate in an envelope—or even just an e-mailed memo from the VP of HR.

No one, presumably, needs convincing that showing appreciation and thanks to employees is a good thing. But few top executives have taken the time to really think about recognition and make it a priority, and it shows. Studies demonstrate a strong link between recognition and enhanced financial performance, yet companies often delegate these programs to an HR staff person to run with little executive oversight. Some 90 percent of large U.S. organizations have recognition

purpose. Worse, it's a wasted opportunity to gather key information and ideas, and to drive home strategic thinking in the organization. For most companies, recognition is an underutilized asset, one that you can—and should—set on the right track.

A recognition program shouldn't just aim to make your people feel properly appreciated—if you do it right, it'll help drive home your priorities and messages as well as yield feedback and information that's both critical and unavailable elsewhere. Executives have long sought effective ways to talk directly and quickly to employees: to ask them to buy into the company's efforts, to change what they are doing, to meet aggressive project goals, to accelerate a project.

Your recognition programs telegraph what you value and what you want to happen; recognition is how your employees perceive what they are supposed to do. Employees competing to be recognized believe that they are working on the right things, that they are demonstrating the right ethics, values, and behaviors.

by taking steps to revisit and revise their recognition efforts for strategic purposes beyond engagement. These three real-life cases should get you thinking.

One large U.S. service company asked its program to do more than say thank you—it used recognition to catalyze an organizational restructuring, transitioning from a highly centralized structure to a flat organization with decision-making authority closer to the customer. To communicate to everyone the new values that would govern new behaviors, management instituted a companywide online recognition program.

Recognizing someone required viewing activities through a strategic-value lens, meaning that being recognized took on the added dimension of demonstrating the new corporate values and behaviors. In less than a year, more than half of the company's employees had submitted at least one recognition recommendation, with justifications explaining the link between corporate strategy and the would-be recipient's behaviors. In other words, recognition quickly moved far

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programs, but in surveys, relatively few employees say they feel recognized. The problem isn't lack of funding, since companies spend more than you might realize on these programs—4 to 6 percent of salary per employee.

So most likely, your recognition program is simply ineffective in its stated

So if you're unsure of whether your message—or strategic plan, or shift in culture—is getting through, a well-run recognition program can tell you. Examining entries and recommendations delivers a clear picture of how your communication works, in real time.

Some companies have shown the way

beyond, "Thank you, Josephine, for the extra help" notes. In a short time, the program helped school the workforce in the company's values and, more important, how those values translated into action on customers' behalf.

Executives went further: They used employees' recognition submissions to

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monitor both the message integrity and communication effectiveness. Monthly, they reviewed the metrics associated with submissions: the total number, the number associated with each value category, the location of both the nominator and the nominee. In addition, they scanned a selection of justification explanations to evaluate whether the activities reflected the intended behaviors. One example: Early on, employees seemed to be mistaking the stated value *reuse, recycle, repurpose* for an environmental exhortation. Management revised the wording to *leverage and share knowledge* and saw the number of recommendations citing the value increase.

This is a powerful idea: You can easily focus your criteria on strategic goals without diluting a perception or engagement already inherent in the programs.

In an unorthodox approach, another company turned the tables on supplier recognition and used *customer* recognition to effect a tricky infrastructure reorganization. The company found itself, after fifteen years of following an aggressive acquisition strategy, with 150 overlapping sales districts and antiquated IT systems incapable of cross-communication. Because the installation of a new system would precipitate an array of consequences for customers, customer relationships were at risk. Competitors could already smell the opportunity to cherry-pick the best customers.

The reorganization team quickly realized that there could be only one true measure of success for this project: securing the customer base in the new organization. Using the recognition program, they built a project plan based on recognition of customers' milestones in transitioning to the new system. Each step of a customer's transition—starting with its business case for the infrastructure change and ending with the launch—was recognized and celebrated in some usual ways, such as pizza for the customer team, and in some unique ways, such as joint career-development sessions. The program used recognition

to motivate customers to stay on task and on schedule.

This approach provided unanticipated benefits—for example, the co-development of the customer's financial case showed how modifying the customer's infrastructure could enhance efficiency all across the order-to-cash process. Next, executives had an opportunity to engage customers in crafting a new relationship. Last, since the business value for the changes could be realized only when the customers transitioned to the new system, recognizing the customer's achievements reinforced the strategic importance of customer retention.

This is an unorthodox idea: You can easily communicate strategic messages about customers to your own employees by using a customer recognition program.

A large multinational with more than fifty business units discovered what was really going on with its strategic innovation initiative by looking inside its recognition program. Besides honoring employees for significant achievements, the program had long provided a snapshot of the flow of achievements—but as is all too common, after the award ceremony no one had looked closely at the submissions. The process of selecting and bestowing the coveted corporate award for innovation soon became a leading indicator for assessing progress in building innovation capability—and an inventory of ideas and achievements.

The analysis showed that the number of submissions was essentially proportional to the number of employees within a region. This means that project teams, close to the business issues, were delivering innovation achievements; this was good. Next, the achievements were categorized to develop an understanding of the company's total innovation portfolio—a far more strategic view than just new products.

Submissions were evaluated first according to novelty; even though all the award winners demonstrated the novelty criteria, most of the other achievements tended to be me-too renditions

of competitors' offerings. In addition, many of the achievements focused on productivity gains, efficiencies, and extensions. All of these productivity enhancements were valuable, but few achievements could potentially differentiate the company from its competitors—the focus of the exercise and the point of the award. By examining the total submission portfolio—not just the winners—the company could accurately assess its innovation capability.

This is a do-it-yourself idea: You can quickly mine your programs to determine whether your message is getting through at essentially zero cost.

Now, I'm not suggesting that you personally scrutinize each submission, thank-you note, or project milestone. But you do need to get involved in managing recognition as a critical tool for strategy execution. Three ideas to get you started:

- Ask those who review your corporate award submissions to map the achievements against the top five strategic challenges. The submission inventory is your success portfolio—what does it tell you?
- Review and reposition the criteria for the recognition program that involve the largest number of people. You can easily modify criteria to elicit behaviors, accomplishments, and achievements to reflect today's tough challenges.
- Experiment with recognition in new ways. Use recognition to challenge that behind-schedule project team as a way to get them back on track. Recognition programs broadcast what you value—are you using it to accelerate performance?

It's time to ask recognition to do more—to play a larger role in strategy, to become a two-way communications tool that both reinforces your priorities and keeps you updated on your efforts. There's no reason to continue wasting time and money on a program that delivers little and survives only because it gives a few lucky people something to hang on their cubicle walls. ■