

Using Rewards and Recognition To Meet Your Goals

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Did you know, three in ten workers are thinking about leaving their jobs? Nearly half expect to be working for a different company three years from now, (as researched by Robert Half International and CareerBuilder.com). Did you know it costs between \$2,000 and \$100,000 to get a new employee trained and engaged in the company's culture? This isn't exactly spare change. So why are these employees considering walking out the door? Many cite lack of recognition.

So how can you stall out this trend in your company? *The answer involves the use of well-designed reward and recognition programs.* Most companies admit their top performers are well recognized. But what about the other 80% of the workforce?

By following eight simple principles, you can put rewards in place that will motivate all your people, not just your top performers, to make the changes that are critical to this year's success. As you read through the eight principles, keep in mind you don't have to go it alone. Enlist the help of a performance improvement company to ensure an ROI, both in terms of financial gains and engagement of your people.



Principle One: Keep it Simple

To start on your new reward track, identify your main strategy and link your reward to that strategy. This involves defining your "Call to Action," what you want people to do. Keep it simple by rewarding for two behaviors and/or activities and one result. Behaviors are anything someone has to do to get a result, and better yet, they are early indicators. Think of it as taking the pulse and temperature of your people's interest and engagement along the way. This allows you to take corrective measures, if needed. Once the behaviors are in place, the results will follow. Identify one result metric. By keeping it simple, your people will know exactly what they need to do to achieve the winning result.



Principle Two: Make a Splash

Inspire your employees; give them a vision for doing their jobs better and arm them with the resources they need to succeed. It starts with clearly communicating your Call to Action. Key leaders must be 100% on board, and they must call people to action. The rules for giving or receiving rewards or recognition must be crystal clear. As important, the program must be visible. The launch should have a theme, and it should be an event with hoopla, prizes, festivity, and most importantly, food. Keep the momentum going by placing visuals around the workplace to ensure people know what's expected of them and what's ultimately in it for them.

Use reward credits or an online Point system in lieu of cash as a reward medium. Cash can quickly be perceived as entitlement, whereas a

Point system allows you to reward weekly or even daily with small rewards without calling to mind a cash value. Your performance improvement company should have an electronic system that allows participants to accrue Points, watch their progress via a passcode-protected website, and spend their Points on items they select from an online catalog. An added bonus of a Point system is cost savings in administrative labor and powerful reporting.



Principle Three: Play to Win

Once the program successfully changes participant behavior, run it for no longer than 60 days. Let's say in the first 60 days your Call to Action was rewarding salespeople for learning about a new product or conducting a strategic meeting with a top-level decision maker. Now take a short break (30 days) before initiating the next Call to Action. To build momentum in upcoming Call to Actions, look to the behaviors and activities of your top performers. Identify what they are doing and then reward others for emulating those behaviors. Remember to celebrate your success after each Call to Action, and be sure to raise the bar slightly with the next Call to Action.



Principle Four: Mix it Up

For optimum performance, mix compensation (base pay and commission) with incentives and recognition. Avoid cash-only rewards; again, cash can be viewed as entitlement. A non-cash reward system allows people to choose what they want from a collection of high-quality items with their interests in mind. It's a guilt-free "purchase," and one with no specific monetary value attached.



Principle Five: Maximize your Money

Make sure to get what you pay for; never pay for results that would have occurred without the program. Rule structures can be designed to reward participants for emulating top performers, those people who increase revenue and profits. Most people's performance will improve significantly and quickly when they know exactly what to do, and many more will join the ranks of your top performers. Your program's ROI and the projected incremental gains from sources such as increased sales, reduced costs, reduced turnover, or decreased overtime is an often-overlooked source of hidden savings.



Principle Six: Review your Rewards

To ensure rewards **are** rewarding, follow three rules.

1. **Give people a choice**, which gives them a chance to set their own goal. For one employee, the goal may be diamond earrings; for another employee, a big-screen television; still another, a fishing vacation. As people see their goal coming within reach, they can't wait to ask, "What do I need to do next?"
2. **Random reinforcement means catching people doing the right things right** and rewarding them on the spot. Points are great on-the-spot rewards. People will catch on to the program's goals quickly, and so will everyone watching them.
3. **Combine individual and team rewards.** As a general rule, reward individuals for behaviors and teams for results. A word about team rewards: they get groups teaching each other and sharing with each other.



Principle Seven: Check your Focus

Focus can be lost in the process of putting together the rewards, budget, administration, tracking, and the communications. Your performance improvement company can help you double check the program goals to make sure they align with your strategy. It's also important to check to make sure your managers are coaching and reinforcing the Call to Action behaviors, and that the environment among managers supports the change. Additionally, ask yourself if the program is fair to the participants and the Call to Action is verifiable.



Principle Eight: Watch your Gauges

Pay attention to the program's measurements: Who's involved, who's doing it best, and what improvements do you see? By paying attention, adjustments can be made at strategic times throughout the program, instead of at the end of the program when it's really too late. In the process, make it easy for managers to access and interpret

the data. This allows them to be champions of the program when they see the return on investment, especially if they can figure out how to take credit for it.

By using these eight principles, you will discover a proven path to success. When all people, not just the top performers are recognized for key strategies, everyone will benefit. You'll accelerate your profits, and your people will be happier with their performance and their jobs. You don't have to do it on your own. Capitalize on the expertise of a performance improvement company and watch your results accelerate even faster.