



# EMPLOYEE RECOGNITION: SELLING, IMPLEMENTING AND COMMUNICATING THE PROGRAM

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## **Selling Management on the Program**

### *Rationale for the Program*

It is important to explain the link between motivation of employees and results that benefit the organization. A review of the studies that have shown the correlation can be very convincing to senior management teams that are generally quantitatively driven. Using examples of the impact on performance achieved by competitors and other companies that have implemented these types of programs can also be effective selling points. When managers see a direct contribution to the bottom line, the program is more likely to sustain their interest in the use of rewards and recognition throughout the organization, as well as their approval for the generous funding of the program.

### *Common Reasons for Resistance*

Senior management is most often concerned about the perceived high cost of the program and a minimal impact on performance. A focus on the research can negate these concerns or at least help minimize them.

### *Overcoming the “Nay-Sayers”*

The best strategy to “sell” a new reward and recognition program requires a proactive stance and intense advance preparation. Arming yourself with the research on the correlation between the implementation of these types of programs and the significant advances in performance and profitability that they can stimulate is critical to gaining management buy-in for the programs.

## **A 10-Step Model for Creating and Implementing Your New Program**

### *1. Target Your Audience*

Think about the organization and the style of its management as well as its culture. Decide early who the program is intended to motivate and outline with as much detail as possible who you are trying to reach and why. Typically, senior-level employees are not included in these types of programs due to their inclusion in management bonus plans.

### *2. Choose the Goal/Link Program to Company Objectives*

Think through why and how this program will benefit your organization. Be clear about the types of performance and behaviors that you are trying to encourage. Remember that the behaviors you reward are likely to be repeated. Get input from the right sources upfront. Talk with management and employees about expectations for the recognition program. Gather examples of performance and behaviors that they would like to see rewarded. Analyze the ideas to develop the guidelines for identifying the performance to be recognized. Touch base with employees and supervisors to confirm that they think the guidelines or measures are reasonable and will be perceived as worthwhile.

### ***3. Build a Budget/Incorporate Funding Into Budget Planning***

It is critical to establish a pool of money (upfront) with which the company will work for the coming year. Establish methods to distribute the funds to various departments, divisions and/or subsidiaries so that managers feel that the distribution is fair and equitable and so that the money is pre-allocated and available to fund the program once it is announced to employees.

### ***4. Develop Eligibility Guidelines***

Clearly define all those who will be eligible for recognition under the program. Do not leave any room for misrepresentation and misunderstanding. Are all employees eligible, just certain categories of exempt or nonexempt employees or just those in certain divisions or subsidiaries? Involve as many employees and supervisors as possible in the design and development of the program to ensure that it will truly meet the needs of the company.

### ***5. Define Performance Measures***

Decide on the performance goals that will be measured and clearly define the thresholds needed to trigger an award. Following are examples of the types of performance issues that are frequently established by companies for recognition and reward purposes: meeting goals, productivity, teambuilding, contribution to profitability, cost reduction, sales, attendance, safety and other miscellaneous measures.

### ***6. Identify the Decision Makers***

Specify who the decision makers will be in terms of approving rewards. Ideally, it is important to distribute the authority and responsibility for the administration of the program as widely as possible in the organization. Provide both criteria and show examples of the types of work behaviors that warrant the award. This will make it easier for all to understand how to judge the desired outcomes. It will also ensure timely recognition, which is extremely important in order for the program to be effective.

### ***7. Choose the Awards***

Because employees are motivated by different things, it may be most effective to offer a diversity of both cash and non-cash incentives in order to make the program meaningful to all participants. Steer clear of developing and designing a program that assumes that all employees want the same rewards for a job well done, even though there are significant differences in their jobs, work locations and working environments.

### ***8. Communicate the Program***

It is critical to provide supervisors and managers with advance information about the program and how it will work, so that they are “in the know” before they start getting questions from employees. An FAQ packet can be an effective way to brief them in advance on the rationale for the program as well as to explain how it will work in practice. Special sessions focused on explaining the new program to this group in advance may also prove to be effective.

Once supervisors and managers have been briefed, a “kick-off” communication to all employees explaining the reasons for the program and the potential rewards should come from the senior management of the organization. Depending on the company’s culture, this news may come from company meetings, be posted in the company’s regular newsletter, on the corporate intranet or via letters to employee homes.

### ***9. Present the Awards***

It is important to remind managers of the options available to them to recognize and reward employee achievements, so that they feel comfortable in the presentation of the rewards to employees. This can be done through policies and procedures, in supervisory training sessions, in staff meetings and through specific interoffice correspondence.

During the presentation of awards to employees, it is important for managers and supervisors to be specific with regard to why the contributions are important, how they benefit the organization and how they reflect positively on the mission of the company. This type of presentation will ensure a continuous link between the behavior and results that benefit the company. Depending on the personality of the recipient and/or the magnitude of the award, presentations of the award can be made one-on-one with the employee, in a department or team setting or sometimes in a companywide meeting.

**The 2003 Employee Recognition Survey**, sponsored by World-At-Work and the National Association for Employee Recognition (NAER), indicated that 69% of respondents presented recognition awards to the recipients in one-on-one meetings with their managers, while 63% presented their awards at special events (e.g., banquet, luncheon, etc.), staff meetings (59%) or companywide meetings (37%), mailed the awards to the employees’ homes (7%) or used another method of presenting the awards (10%).

### ***10. Continuously Evaluate the Program’s Effectiveness***

Be prepared to change and modify the program as circumstances may warrant. Listen to employees and managers so that you can incorporate their suggestions into future improvements to the program. Document the cost savings and productivity gains associated with the program and conduct periodic surveys of employees to ensure that the program retains its effectiveness. Annual audits of the program will help keep it current and on track.

### **Communicating and Training Employees and Management About the Program**

A few rare managers are “naturals” when it comes to the elements of recognition and rewards. Most others need to acquire skills related to recognizing employee contributions and giving effective feedback and praise. As a result, all managers should be trained on:

- Stressing the importance of the program to employees and explaining how it can impact the company’s bottom line.

- Providing employees with an understanding on how they can impact the organization's goals and drive the business to success.
- Discussing the approach for managing and rewarding both individual and team performance.
- Explaining how the program works and how employees can achieve recognition.
- Learning ways to motivate and inspire others.
- Learning how to communicate needs, expectations and goals clearly.

Ideally, training should begin as high in the management hierarchy as possible and produce results that prompt involvement by senior management. The lack of participation by executives may not prevent others from achieving significant results, but it may take longer to achieve the results.

It is somewhat surprising that only 20% of the organizations participating in the *2003 Employee Recognition Survey* had a formal training program for managers about their reward and recognition programs; however, of those who did offer such training, 75% offered in-person training, 36% updated managers through their handbooks, 21% utilized online programs, 10% used videos and 12% educated managers through other means.

#### ***Program Documentation and Administration***

It is critical to document the specific guidelines, criteria and performance measures that will be part of the program's administration with as much specificity as is humanly possible. This document will serve as a guide to administration and will help resolve any conflicts that may come up in the future.

In the *2003 Employee Recognition Survey*, the HR department was responsible for the actual administration of the program in 48% of responding companies. Other responses included each department being responsible for its own program (15%), compensation (12%), corporate communications (3%), benefits (3%) and other (19%), which was generally a combination of HR and some other department.

In addition, 14% of responding firms indicated that they had a dedicated full-time position responsible for administering the program, while 36% incorporated a part-time position within the department to handle their program. A surprising 42% indicated that no one position was responsible for administering the program.

#### ***Management and Supervisory Accountability in Performance Reviews***

Many companies include a performance dimension in their annual performance reviews for managers and supervisors on how well they reward and recognize strong performers in their respective departments or divisions. Knowing that they will be measured on how well they have used the available tools for motivating employee results tends to help reluctant managers better focus on actively using the recognition program.

## ***Employee Communication Strategies***

Deciding how to communicate the program depends largely upon the culture of the organization and the various types of media readily available—training, staff meetings, policy and procedure manuals, company intranet, e-mail, newsletters, fliers, new employee orientation training, individual letters to employees, etc. It is important, on an ongoing basis, for managers and supervisors to be reminded to consider the options available to them to recognize various kinds of employee achievements.

Nearly nine out of 10 (87%) of organizations with recognition programs had communication plans for their programs. The intranet/Internet was the most widely used communication vehicle (76%), followed by company newsletters (57%), employee orientation programs (57%), employee handbooks (36%) and other (24%), which included e-mail, fliers and posters.

### **Employer Best Practices—Spotlight on Companies That “Get It Right”**

There are numerous companies that really excel at motivating employees to achieve high performance through innovative reward and recognition programs. As a result, it is difficult to single any employers out; however, all of the four companies profiled below have strong cultures that celebrate and reward employee excellence and are representative of the many other companies that also excel in promoting this type of environment.

Intuit spends 1.5% of its base payroll on various forms of awards and incentives. With more than 6,000 employees, that is about \$3.5 to \$4.0 million per year. The company’s approach to incentives has several components, including the “Thanks Program,” which comes with a variety of small noncash awards such as gift certificates to restaurants or movie tickets and written notes of thanks. Each local site establishes its own criteria. Intuit also bestows technical achievement and “Bright Idea” awards for everyday activities, such as process improvements and elimination of bureaucracy. Others, such as the “On the Town” award, are given for contributing to outstanding business results and can come with as much as \$1,000 in merchandise or cash (or both), depending on the magnitude of the achievement. The firm has developed a Web site that helps supervisors effectively use awards and incentives. Managers and locations have been given wide latitude in deciding who and what to reward. Awards are linked to business objectives, and public recognition is an important component of all awards given.

AFLAC, a Georgia-based insurance company, has adopted recognition programs as a way to reinforce “a strong sense of family” that is congruent with the company’s culture. The company recognizes all employees’ birthdays with a card and a present that they can select through a vendor. AFLAC has an employee appreciation week that serves as a focal point for recognition and rewards and includes family-friendly events. For example, on the first Saturday of employee appreciation week AFLAC rents a multi-screen movie theater and makes viewing of family-oriented movies available for free to the company’s 4,000 employees on a first-come, first-served basis. Later in the week, in addition to free breakfasts, random drawings for prizes and other activities, all employees are invited to bring their families to AFLAC celebrations at one of three locations of their choosing: an amusement park, nature facility or petting zoo. Employees also receive a souvenir (such as a picnic basket) at the end of the week.

In addition to employee appreciation week, AFLAC sponsors other recognition programs that include cash rewards for innovative ideas, with the top three winners honored at the end of employee appreciation week. Also, throughout the year, division heads are encouraged to reward

employees who perform “above and beyond the call of duty.” The rewards can include stock options, cash or time off.

T. Rowe Price sponsors a “Spotlight on Excellence” program, which also underscores the company’s values. In addition to a spontaneous, on-the-spot program for a specific achievement, which includes handwritten and electronic thank-you messages, T. Rowe Price uses a more formal recognition program to focus on employees who, in the long run, do work that embodies principles that the company wants to emphasize. Peers or managers are encouraged to nominate employees whose work demonstrates teamwork, service, leadership, integrity or initiative.

In addition to supporting T. Rowe Price’s strategic goals, the recognition program is designed to continue to improve associate satisfaction and morale. The company finds that recognition is very important to the associates and that it creates a “fun” environment. At T. Rowe Price, recognition is built in to the supervisor training curricula so that managers are fully briefed on the programs and how they work.

Boeing emphasizes spontaneity and the personal touch in its Pride@Boeing program. The company has a spot recognition “Instant Awards” program that is simple and accessible to peers and managers alike. The engineering group has 50 employees who have volunteered to be recognition focal points—or “focals,” as they are known—throughout the engineering group, which works on tasks such as developing Boeing’s new 7E7 aircraft. These focals are allowed to provide their colleagues with various items, typically valued at \$10 or less, to use as spot awards. Focals provide these to any manager or other employee who wants to present them to a colleague. Boeing’s awards tend to be fun and sometimes communicate an important company message. Among the more popular items are customized candy bars emblazoned with slogans such as, “We can’t spell success without ‘u’ ” and “Thanks a million.” Boeing also offers movie tickets, personal fans, calculators and other small items, all of which are available from the focals. Another popular item is a voucher for a 10-minute massage from an on-site service with whom Boeing has contracted.

One of Boeing’s success stories in personalizing recognition is its book program, in which books that cover leisure-time interests including cooking, travel and running are awarded. The company also has a more structured, point-based system for recognizing accomplishments or achievements that are above and beyond an employee’s daily duties. Recognized employees are given vouchers that award 25 points to 100 points, which can be redeemed through a vendor for merchandise, some of which bears the Boeing logo. A point is roughly equal to one dollar in value. Peers or managers can award vouchers valued up to 75 points. But an award worth 100 points requires a manager’s review and signature (which helps give the behavior visibility).

Pride@Boeing, which was launched about four years ago, replaced a long-running employee of the month program. That program was scrapped once management realized that it touched too few people.

### **Appendix: Recognition and Reward Program Vendors**

The following listing of reward and recognition vendors is by no means all-inclusive; however, it does include a number of companies commonly consulted for prices and availability of employee incentives.

**American Express Incentive Services**

1309 N. Highway Drive  
Fenton, MO 63099  
800-700-7610  
[www.aeis.com](http://www.aeis.com)

**Awards.com**

1100 Valleybrook Ave.  
Lyndhurst, NJ 07071  
800-4-AWARDS  
[www.awards.com](http://www.awards.com)

**Barnes & Noble Inc.**

800-373-2468  
[www.bn.com](http://www.bn.com)

**Bennett Brothers, Inc.**

30 East Adams St.  
Chicago, IL 60603  
312-621-1619  
[www.bennettbrothers.com](http://www.bennettbrothers.com)

**Blockbuster**

3000 Redbud Blvd.  
McKinney, TX 75061  
972-683-5959  
[www.blockbuster.com](http://www.blockbuster.com)

**bravanta.com**

818 Brannan St.  
San Francisco, CA 94103  
415-934-3861  
[www.bravanta.com](http://www.bravanta.com)

**Bulova Corporation**

1 Bulova Ave.  
Woodside, NY 11377  
718-204-3331  
[www.bulova.com](http://www.bulova.com)

**CorporateGifts.com**

Cranberry Place 2 Cranberry Rd.  
Parsippany, NJ 07054  
800-45-GIFTS  
[www.corporategifts.com](http://www.corporategifts.com)

**Giftcertificates.com**

11510 Blondo Ste 103

Omaha, NE 68164

866-858-0072

[www.giftcertificates.com](http://www.giftcertificates.com)

(An online marketer and transaction processor of gift certificates, allowing employees to select rewards of their choice).

**Herff Jones Corporate Awards**

226 Public Street

Providence, RI 02940-6500

800-428-2665

[www.herff-jones.com](http://www.herff-jones.com)

**Jostens**

6161 Green Valley Drive

Minneapolis, MN

952-830-3300

[www.jostens.com](http://www.jostens.com)

(Helps employers manage the recognition and award process and assists in communication.)

**Lands End Corporate Sales**

6 Lands End Ln.

Dodgeville, WI 53595

608-935-4875

[www.landsend.com/corpsales](http://www.landsend.com/corpsales)

L.L. Bean Inc.

**Casco Street**

Freeport, ME 04033

800-341-4341

[www.llbean.com](http://www.llbean.com)

(Offers clothing and sportswear as corporate gifts and incentives and provides special imprinted apparel.)

**Michael C. Fina Company**

545 Fifth Ave.

New York, NY 10017

800-999-3462

[www.mcfina.com](http://www.mcfina.com)

**Motivational Incentives Group**

8544 Sunset Blvd.

Los Angeles, CA 90069

800-232-2711

[www.motivationalincentives.com](http://www.motivationalincentives.com)

**O.C. Tanner Recognition Co.**

1930 S. State St.

Salt Lake City, UT 84115

800-542-4692

[www.octanner.com](http://www.octanner.com)

(Provider of a wide array of incentive and reward gifts.)

**Omaha Steaks International**

10909 John Gault Blvd.

Omaha, NE 68137

800-228-2480

[www.omahasteaks.com](http://www.omahasteaks.com)

(Business incentives and gifts of steaks, other meats and food items.)

**Red Envelope Gifts Online**

201 Spear St., 3rd Fl.

San Francisco, CA 94105

415-371-9100

[www.redenvelope.com](http://www.redenvelope.com)

**Sesame Place PH**

215-741-5348

[www.sesameplace.com](http://www.sesameplace.com)

(For corporate events, company picnics, and employee reward programs.)

**Terryberry Company**

2033 Oak Industrial Dr. NE

Grand Rapids, MI 49505

800-253-0882

[www.awardrings.com](http://www.awardrings.com)

[www.awardpins.com](http://www.awardpins.com)

**Tiffany and Co.**

727 Fifth Avenue

New York, NY 10022

800-770-0080

[www.tiffany.com](http://www.tiffany.com)

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Prior to joining the academic world, Dr. Daniel spent 15 years working for a Fortune 50 company in the areas of law and human resources, with a strong focus on employment law, mergers and acquisitions and people-related issues. Dr. Daniel is also a member of the faculty of the Lewis College of Business at Marshall University in Huntington, W. Va., where she teaches courses about entrepreneurship, business law and ethics, as well as small business consulting. In addition, she is a part-time faculty member at both Kaplan and DeVry University where she teaches online courses in human resource management, business ethics and business law.

In 2004, Dr. Daniel was named a Fulbright Senior Specialist, and in 2002 she was honored as a Distinguished Alumnus at Centre College, Danville, Ky. She is the author of two books and numerous professional articles in the areas of entrepreneurship, with a particular focus on people and legal issues in a small business environment. Dr. Daniel can be reached via e-mail at [tdaniell@alltel.net](mailto:tdaniell@alltel.net).

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Dr. Metcalf is a part-time faculty member in the organizational systems concentration at Saybrook Graduate School, in the School of Human Services, Administration and Management Division at Capella University, and with the Center for Leadership and Innovation at Ohio University Southern Campus. He currently serves as a vice president for the International Federation for Systems Research, based in Vienna, Austria. He has taught workshops and seminars in the United States, South America, Europe, China and India. He is also the coauthor of a book titled *The Management of People in Mergers & Acquisitions* (with Dr. Teresa A. Daniel) and has written numerous journal articles in the field of organizational systems and intellectual capital. Dr. Metcalf can be reached via e-mail at [gmetcalf@interconnectionsllc.com](mailto:gmetcalf@interconnectionsllc.com).

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Do you have a topic in mind that you would like information on? [info@smarttalent.net](mailto:info@smarttalent.net).