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Employee Recognition Reaps Rewards

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In *How to Win Friends & Influence People*, Dale Carnegie writes about one of the greatest human desires: a feeling of importance.¹ It's his "big secret" for dealing with people. Fulfill that desire and people will gravitate toward you.

Unfortunately, some people try to make themselves feel important by telling long-winded stories or putting other people down. You know the type—he's the guy who makes the big visible eye roll at the cash register clerk who rang his order in wrong or the lady who asks about your vacation and then jumps in to tell you all about her latest excursion.

But then there's the opposite sort of people. They are the ones who instantly make you feel welcome in a new group. They ask you a question and stop to listen to the answer. They notice your accomplishments or make a positive comment on your character. They give you that 'feeling of importance.'

Successful managers are these second kind of folk. They spend less time building their own egos, and more time feeding the staff around them. How can you make others feel important? It's easy. Let them know they are appreciated and that their actions have value to you.

In Carnegie's book, he tells the story of a manager charged with supervising a janitor who did shoddy work. The janitor's work was so bad that it had become a joke with the other employees and production was suffering. This manager tried several different ways to motivate the janitor without success. Finally, she started complimenting him for work that was done well, making it a point to praise him in front of other people. Pretty soon the janitor's work started getting better and better, and before long he was doing such a good job that other people were recognizing him for it, too.

Carnegie first published that story in 1936. Nearly 70 years later, Tom Rath and Donald O. Clifton shared dozens of similar stories in *How Full is Your Bucket*. The core concept of Rath and Clifton's book is the idea that we all have an invisible dipper and bucket, and we perform at our best when our buckets are full. When we praise someone or give them positive attention, we

¹Carnegie, D. *How to Win Friends and Influence People*, New York: Simon & Schuster, 1936.

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fill his bucket without taking anything out of our own. When we criticize or give negative feedback, we take away from his bucket.²

Rath and Clifton, who are connected with the far-reaching Gallup polling organization, surveyed 10,000 business units and found that individuals who receive regular recognition and praise are more productive, better engaged, and more likely to stay in their current job. That's consistent with a U.S. Department of Labor report suggesting the number one reason people leave their jobs is that they don't feel appreciated.³ What's more, Rath and Clifton also found that appreciated employees have fewer accidents on the job and get higher customer service marks from customers.

Unfortunately, it seems that simple thank you's are highly underutilized in the workplace. Carnegie thought so back in 1936, and according to Rath and Clifton, one recent poll found that 65% of Americans had not received recognition for good work in the previous year. That's an astounding detriment of praise.

The authors argue that without praise and positive reinforcement, employees become disengaged. Worse yet, some become negative forces themselves, bringing down others with their complaints and unhappy attitudes. They estimate that employees who are extremely negative or actively disengaged cost the U.S. economy between \$250 and \$300 billion every year simply in lost productivity.

On the other hand, Rath and Clifton found that 9 out of 10 people report being more productive when they are around positive people. To illustrate their argument that positive reinforcement pays dividends, the authors shared an oft-cited 1925 study that evaluated the impact of praise and criticism on children's math scores. After a series of tests, children in one group were singled out by name and praised for their work. Children in another group were also singled out but received negative feedback. A third group was present to hear the praise and the criticism but received no attention at all. By the end of day five, the students who were ignored had improved their scores by just 5%. The students who were criticized improved by 19%. The students who were praised—their scores went up by a remarkable 71%.

What more motivation could you need for embarking on an employee recognition plan? Here are seven ways to start motivating your staff with praise and thanksgiving.

²Rath, T & Clifton, D. *How Full Is Your Bucket*. New York: Gallup, 2004.

³Rath, T & Clifton, D. *How Full Is Your Bucket*. New York: Gallup, 2004.



#1: Give Thanks

You can show your appreciation in many ways, the most simple being a smile or a small gift of your time. Take a few moments to talk with your staff as you pass by the copy machine or meet at the front doors. Make a habit out of learning people's names and use them when you greet someone.



A quick note, whether it is sent via email or scrawled on a Post-It®, can have a big impact. Small gifts with your company's logo on it can also be distributed as inexpensive thank yous. Consider items that employees can use at their desks but that aren't part of the standard office supply cabinet. Drop off your thank you note held in the grip of a Note Nest Clip or Page Pal. The Clip Itz-Star will sit on your employee's desk as a visual reminder that his "star" actions were noticed. Cubicle Clips are another great option for making your thank you functional and keeping it front and center.

Or give other useful gifts pre-printed with a thank you message. We suggest Round Playing Cards imprinted with the message "Thanks to you, COMPANY NAME is running circles around the competition." If the item is appropriate for the company logo only, hang a gift tag on it (such as the large manila price tags found in office supply stores) with a clever saying that links the gift to your company goals. For example, give out watches, timers, or clocks with a note that goes something like this: "Your timely attention means COMPANY NAME always meets its delivery goals."

Of course there are lots of other ways to recognize your staff, and many of them are free. Allow half your team to take a long lunch or leave early one Friday and let the other half go the following week. Give out preferred parking spots for a week or more. That's just what Lands' End does for its seasonal workers to keep these valuable employees coming back year after year. During the holiday season, the temporary staff gets to park closer to the building and permanent employees park farther away.⁴

#2: Be Specific

Be specific with your praise. Try to get in the habit of telling people exactly what they did that you appreciated. In other words, instead of telling Martha she did a 'nice job' on the sales training presentation, you could say something like this:

"Good work on that training session you gave, Martha. I thought your comments about knowing your customer were particularly relevant and I noticed you really held everyone's attention."

Better yet, tie your praise to the company values or explain why the action will help the company. Using the above example, Martha's manager might continue:

"Your presentation will really help get our new team members off on the right foot."

In the comment above, Martha's manager is giving her specific praise and she's linking Martha's actions to the outcome of her work, i.e. the new employees will be better prepared to start selling.

When you give specific praise, you convey sincerity, you give the gift of your attention, and you let someone know how her work has value to the company. Chances are Martha would have felt pretty important after that exchange and she probably would have passed that energy to other people in the office.

The same lesson holds true if you are giving a recognition gift—let your employee know why you are giving it. Taking the time to express your appreciation in words means just as much as the recognition item.

#3: Give Informally

When giving recognition, you have two options, informal and formal. In *Managing With Carrots*, authors Adrian Costick and Chester Elton advise that both types of giving are essential to building a recognition culture. However, they warn that formal giving—which often takes the form of service awards, sales or safety awards—may come to be seen as an entitlement by your employees.⁵ That's why informal recognition is so important.

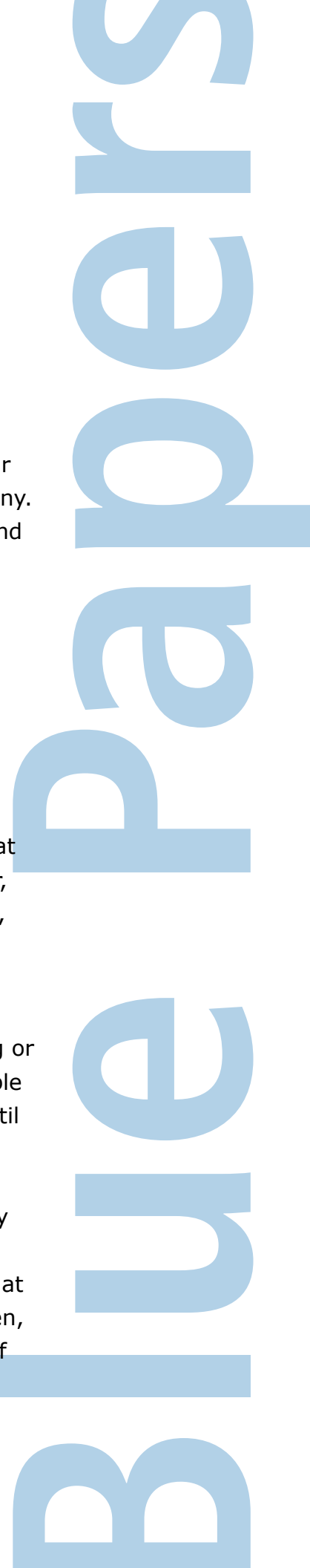
Think about it. What gifts do you remember most—gifts you were expecting or something that came as a surprise? Rath and Clifton report that most people prefer unexpected gifts. To make your employees feel valued, don't wait until the holidays to pass along a token of your appreciation.

In fact, one researcher found that when an organization is good at everyday and informal recognition, employees find greater value in the company's more formal, official recognition programs. The reason, he suggested, is that informal recognition demonstrated greater authenticity. Say thank you often, and your team is less likely to see your annual awards dinner as a matter of mere obligation.⁶

⁴Nelson, B. *The 1001 Rewards & Recognition Fieldbook*, New York: Workman Publishing, 2003.

⁵Gostick, A. & Elton, C. *Managing With Carrots*. Salt Lake City, Utah: Gibbs Smith, 2001.

⁶Saunderson, R. "Survey Findings of the Effectiveness of Employee Recognition in the Public Sector," *Public Personnel Management*, *Public Personnel Management*, Vol. 33, No. 3, p. 255-275



Another benefit of informal giving is that it allows supervisors to provide spontaneous recognition. At large companies, formal recognition can require months to go through the proper approval channels. With informal giving, the employee gets immediate feedback while the manager reinforces actions that support the company's long-term goals. Be a "hallway manager" and take time out to meet with people in their cubicles and chat with them in the corridors. The more you know about your team, the more opportunities for feedback you'll find.

At a department level, informal recognition often includes activities that show appreciation and build camaraderie. At one local machine shop we know, the company president will occasionally bring in a hot cooked meal for employee lunches. Sometimes it's a roaster full of hot ham and mashed potatoes and other times it's an oversized pan of lasagna. They keep a grill out back for cookouts and anytime anyone brings in food for the whole team, the president will take time to grill it for them.

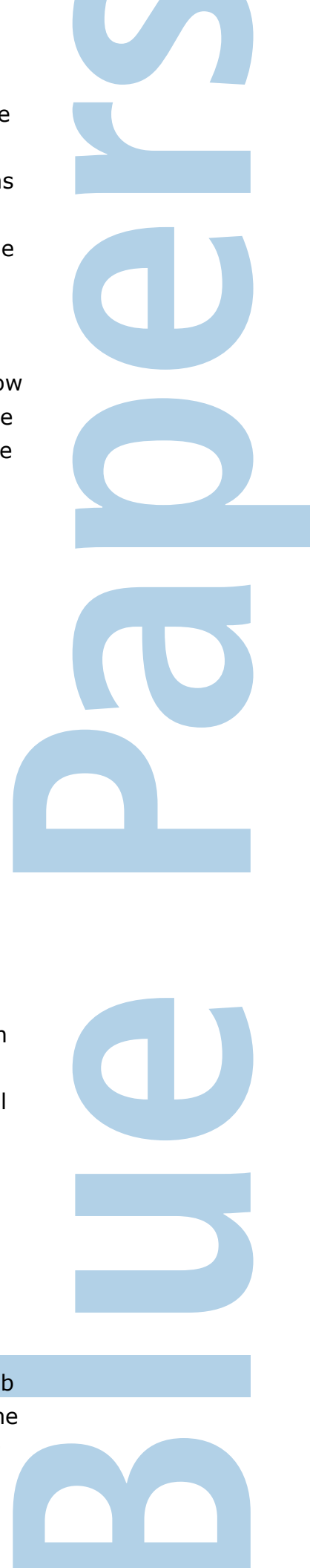
Reward your team for delivering on a tight deadline or meeting some other performance goal. You could order in pizza, pass out company t-shirts, or deliver custom printed lunch bags filled with a gourmet lunch.

#4: Make it a Habit

If you aren't in the habit of praising your team, you're not alone. Building a new habit will take time, but you need to work on it. On the *Managing With Carrots* companion website at www.carrots.com, managers can download a recognition template that tracks employees good deeds. Keep a list of your employees in one column and the weeks of the month across the top. Try to notice and recognize every employee at least once each week. Another manager we've heard of helped himself build the habit by carrying tokens in his right pocket. After he gave someone recognition for a job well done, he transferred the token to his left pocket. Do the same and set yourself a goal to transfer five tokens each day.

#5: Involve the Team

Get everyone involved in the positive praise game and see how fast the momentum builds. Gather a team together to brainstorm recognition programs. You could implement traveling trophies, recognizing people for doing good work. Give out a piggy bank to someone who has saved the company money or a stuffed roadrunner to someone who finished a rush job on time. Ask the person who received the trophy to pass it along to someone else at the next staff meeting. Or, give everyone tokens to pass out to their



coworkers in praise of good work. Whenever someone has collected a certain number of tokens, let him or her pick out their own gift from the company store.

#6: One Size Does Not Fit All

In *Managing With Carrots*, managers are encouraged to find out what form of recognition each of their employees values most. Some people are uncomfortable with public praise. They don't want to be given a plaque or called to the stage during the annual company party. Your employee may find no inherent value in a trophy-type award, or perhaps she is simply shy and doesn't want to be singled out. Still others thrive on the spotlight. When they do well, they want everyone to know. The best recognition programs are flexible enough to accommodate everyone.

Go ahead and ask your team members how they would like to be recognized. They may be so surprised by the question they won't know how to answer you at first! Ask them to think about it and let you know what sort of reward they'd like best.

In *How Full is Your Bucket*, the authors include a "Bucket Filling Interview" or a list of questions you can ask employees to learn more about them and the types of recognition they would most appreciate. Some of their suggestions include the following: From whom do you most like to receive praise? What are your hobbies? Why type of recognition do you like best (private, public, written, verbal)? What form of recognition motivates you (gift certificate, a title or prize, a note)? Find out if your team member would prefer a complimentary round of golf or an early afternoon off to spend with his family.

#7: Presentation Important

When it comes to formal recognition programs, effective presentation is critical. You can't just swing by Bob's desk on his 10th anniversary and toss a gift at him. Create a little pomp and circumstance. If you don't have an official awards ceremony, get a company executive to present the award. If Bob doesn't care for public recognition, take him out for lunch instead. Or, give him a gift certificate to a nice restaurant so he can celebrate with his wife.

In *Managing With Carrots*, the authors cite a study about employee recognition programs. The study showed that only 39% of employees felt their contribution was acknowledged after a gift was poorly presented. On the other hand, 97% felt duly acknowledged after an excellent presentation. Again, a big part of recognition is simply giving the gift of your time. Take the time to say a few

words to Bob about his work and how much you appreciate his commitment to the company.

Let's get right down to it—recognizing employees is important to your bottom line. Employees who feel appreciated are more engaged and more productive. They'll even stick around longer, saving your company thousands and thousands in turnover expense. In short, you can't afford not to say thank you. Make a habit out of it.

And by-the-way ... thank you for taking time to read this Blue Paper. We appreciate your attention to this important topic because it means you value both your company and your employees.

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