5 ways to turn recognition into results

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Recognition and reward programs are seen as an important tool used to drive employee engagement, increase retention and improve productivity. The majority of *Fortune 500* companies have strong recognition programs that are designed to align cultural values, behaviors, accomplishments and results across the entire organization. However, an emerging trend is to leverage the recognition program as a tool to drive strategic and financial goals of the business by involving everyone who can directly impact those goals.

Results-based recognition is an engagement methodology that delivers incremental value to an organization by aligning employee efforts toward strategic initiatives. Teams and individuals have visibility to specific and measurable goals and are rewarded based on achievement. The programs are funded from incremental gains to the business and can vary in duration.

Most importantly, the methodology is built on two key principles of behavioral economics:

- *Social influence*, which indicates that social norms of a group influence how we act, and

- *Idiosyncratic fit*, which is when employees perceive the rewards as being achievable because they can earn them just by doing their job a little better.

Cross-functional alignment toward an objective is a best practice in these initiatives. In order to achieve high-level strategic goals, programs can include both sales and non-sales employees whose efforts can impact the goal. In one example, a leading pharmaceutical company was striving to achieve a stretch market share goal for a product that had been on the market for just over a year. In addition to the goals for their territory sales specialists, BIW designed a program to align the efforts of the entire team supporting the product franchise.

- **Clinical research** associates had targets for completion of the study for an important new indication.

- **Manufacturing and supply chain** teams had goals related to stocking and product availability.

- **Marketing** had goals related to the development, approval and production of materials to support sales efforts.

- **Sales training** had goals related to product training.

A microsite provided updates on progress made toward the goals, along with frequent cross-functional news updates. Environmental and electronic communications served as ongoing reminders of the collective goals. Rewards for the groups were based on the varying

levels of achievement of the stretch objective. The initiative resulted in the achievement of five of the seven functional goals, including two at the "super-stretch" level.

In other cases, programs can be focused on more homogeneous employee audiences. A pharmaceutical company implemented a program for their patient educators to enroll new patients in educational seminars, knowing that an educated patient has better adherence to their treatment and better health outcomes. By using a mix of engagement strategies, measurement updates and both team and individual rewards, the patient educators achieved an enrollment increase of 287% during the program.

In another example, a health insurance company was flooded with calls from new individual members so they implemented a program to reduce Average Handle Time (AHT) in their call centers using BIW's GoalQuest® methodology. They were able to lower AHT by more than 5 minutes per call, while simultaneously improving call quality scores.

A recent program for a global oil manufacturer focused on their need to completely shut down a refinery for a major maintenance project. Safety was not only critical to the health and wellbeing of the employees but also to the bottom line. Anything less than perfect execution would be costly. Planning required months of preparation and everyone in the plant was able to earn points based on the very challenging target of **zero** injuries, **zero** safety incidents and **zero** environmental incidents. They succeeded on all measures – the best results the refinery had ever achieved.

The benefits of a results-based recognition approach are numerous. The organization collectively benefits from the achievement. Individuals gain a better understanding of organizational goals and the behaviors required to achieve individual and team goals. The combination of rewards and recognition delivers maximum engagement. Program owners create a stronger, more dynamic and motivational program that delivers incremental business results.

Here are five tips for implementing results-based recognition in your organization:

1. **Open your recognition platform to additional audience-specific initiatives.** In addition to your enterprise-wide recognition programs, establish a process for business leaders to initiate, obtain approvals, communicate and reward results for their own segmented promotions. When possible, encourage collaborative, cross-functional programs that work across silos.

2. **Design and fund each initiative with the business objectives in mind.** The program's budget should balance the incremental gains of the business with awards that are motivating to participants.

Results-based recognition initiatives should be designed to reward achievement of specific results so that there is a clear return on investment.

3. **Use a campaign approach to create and sustain awareness.** Launch your initiative with a mix of training and communications through a variety of media. Let individuals and teams know how and what they need to do to achieve the goal and the rewards they can earn once it's completed. But don't stop there. Create a comprehensive schedule to provide regular progress updates using a variety of communication channels to keep them informed of progress and motivated along the way.

4. **Take advantage of the robust technology of your recognition system.** Utilize audience segmentation features of your technology platform to share relevant program rules and regular progress updates with your participants. When a goal is achieved, communicate the outcome and reward the audience with a mix of points or reward packages.

5. **Recap and review in scorecards and summaries for leadership.** This includes the business objectives, the strategies and tactics used, total spending, final results and ROI. Results-based recognition generates financial value through your recognition system to demonstrate its worth.

To be successful, design your results-based recognition program in a way that will correlate performance and contribution to recognition. As in the examples noted earlier, sometimes it's not enough to reward only the sales team for selling more; supply chain, marketing and administration are part of the process and need to be recognized for large-scale initiatives. The forensic view of the results should look for evidence that managers who had high levels of recognition activity also drove the highest results through their teams. And were employees who gave and received high levels of recognition also likely to perform better in the individual aspects of the promotion?

Your recognition platform can do more than check off the employee engagement box on your strategic initiatives. Your recognition program can help advance the safety, idea generation, productivity, revenues and profits of the enterprise, divisions, geographies or departments.

To learn more about how BI WORLDWIDE can help you implement results-based recognition in your organization, visit biworldwide.com or email info@biworldwide.com.