



# Guide: Recognition Program

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# Guide: Recognition Program

## Part 1: Overview

Many companies spend upwards of 50 percent of their revenue on salaries and benefits. Yet these same companies spend more money to optimize their computer network than they do to engage and inspire their people. Implementing the company brand strategy is the end goal. Empowering employees to do the right things and recognizing them when they are doing the right things that drive success are necessities for efficient brand strategy implementation. To achieve the goal, leaders need a recognition program with a sound approach; an approach that enables leaders to:

1. Proactively communicate the brand strategy to all employees, enhancing employee understanding.
2. Recognize employees who are delivering upon the company brand strategy and hitting key performance goals and objectives.
3. Effectively measure and quantify the results of strategy execution. Leaders need reports to guide the strategy execution process and to enhance decision-making.
4. Forecast budgets and manage them efficiently based on reported successes.

The purpose of this guide is to provide a framework to consider when setting up an employee recognition program designed to educate employees on the company brand strategy and show appreciation/recognition for employees who do the behaviors and experiences that bring the brand to life. At Brand Integrity, we call this type of program our Achieving Brand Integrity Recognition program. The purpose of the program is two-fold:

1. To effectively communicate the brand strategy throughout the company, helping all employees to understand what it is and how they can deliver upon it in their day-to-day roles.
2. To proactively recognize individuals who catch others delivering the strategy as well as the individuals who do the behaviors and experiences that bring the strategy to life and lead to business success.



# Guide: Recognition Program

## Part 2: Framework for Setting Up a Recognition Program

### How to set up a program that engages employees and leads to consistent participation

Make it about the evidence! Recognize the Witness<sup>1</sup> who sees the desired actions being done. Evidence includes behaviors or experiences that an employee does that shows they are Stewards<sup>2</sup> of the brand. Of course, Stewards should also be recognized for living the brand.

There is one barrier to setting up this type of recognition program. You **MUST** have a brand strategy (or something close to it) that employees can be engaged in delivering. Fortunately, the *Achieve Brand Integrity* book provides you with a variety of tools and guides for building a sustainable brand strategy for your company.

The following steps need to be completed to effectively build and sustain an employee recognition program:

1. Clearly define a company Brand Lens that articulates who you are and what you want to be known for. For more information about Building and Operationally Defining a Brand Lens, refer to Truth 6 of *Achieve Brand Integrity* and download the Guide to Building and Operationally Defining a Brand Lens that is available at [www.brandintegrity.com/truth6](http://www.brandintegrity.com/truth6).
2. Establish behavioral expectations for each Brand Lens concept. The documented behaviors provide employees with the “how” behind the strategy. They also provide necessary insight into what to look for when recognizing others. Refer to the Guide to Building Brand Competencies and Behaviors available for download at [www.brandintegrity.com/truth8](http://www.brandintegrity.com/truth8).
3. Determine Key Performance Indicators (KPIs)<sup>3</sup> that your company is already measuring or would like to begin measuring. KPIs might include measures such as:
  - Sales to new customers
  - Sales to existing customers
  - Customer loyalty
  - Employee satisfaction
  - Productivity improvements
4. Create a nomination approach and tools. It is highly recommended that an online, internet-based tool (such as Potential Point, see Appendix) be used for any company over 50 employees as offline approaches can be very difficult to manage and measure effectively. When building the nomination approach make sure to include the following critical success factors:

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<sup>1</sup> Witness: The employee who sees (witnesses) another employee living the brand and nominates them in the recognition program.

<sup>2</sup> Steward: The employee who does a behavior or experience that demonstrates a Brand Lens concept. (The person that is nominated by the Witness.)

<sup>3</sup> KPI (Key Performance Indicator): An impact area that your company is already measuring or would like to start measuring that will be indicative of success.



- Determine a points-based approach to reward those who are catching others and those being caught in the act of bringing the brand to life. Points should be allocated when a nomination is approved as valid.
- Ensure a fair approval process. It is recommended that approvals for nomination be sent to the Steward's manager.
- Ensure that the Witness receives recognition for seeing the brand in action. In fact, you should recognize the Witness even more than the Steward. It is critical to the success of this type of program to provide an incentive to the Witness.
- Develop certificates or other offline tools that can be displayed by employees to show their participation in the program.
- Communicate and educate people on the **Five Ingredients for a Great Nomination**.

### **Five Ingredients for a Great Nomination!**

1. Provide a **good, but brief** description of what happened.
2. Include **clear evidence** in the form of a **specific behavior** performed by an employee or delivered to another employee or customer.
3. **Make it memorable**. Title it like a newspaper headline.
4. Provide a clear link to **at least one Brand Lens concept**.
5. Connect it to a **Key Performance Indicator**.

### **How to develop program communications that create awareness and stimulate participation**

Engaging and direct program communications are a must to ensure employees understand the program and see why it is so important to commit to participation. Three categories of communications should be considered:

1. **Pre-launch communications:** These communications typically take place about 1 to 3 weeks prior to launching a program. The most important points to make in this communication include a clear description of the brand strategy, the program itself, and the *how* and *why* regarding participation. The best forms of communication for pre-launch are:
  - Company presentations
  - Emails and memos
  - Letter sent to employee's home
2. **Launch communications:** Additional communications a few days prior to launching the program. The purpose of launch communications is to reinforce the brand strategy and to explain how the everyday employee lives the brand. In addition, this communication should explain the program in great detail so that employees know how to participate. Launch communications should build excitement and curiosity about the program. The best way to deliver these communications is to have a full staff meeting (or series of meetings) to show people the program and remind them of the brand strategy.



3. **Ongoing communications:** Employees want to know how the program is going on a regular basis. Providing recurring updates on the following success criteria will help employees see the results of their collective efforts:
  - Overall department and company-wide participation.
  - Measures showing which Brand Lens concepts are being noticed the most.
  - Company results with respect to the Key Performance Indicators. Employees want to understand how success is measured in the company. Sharing data about how nominations hit on each KPI will help employees be more engaged. They will see a strong connection between what they are doing and how it affects the company's performance.

### **How to set up a recognition committee to oversee the program, ensuring ongoing success**

While it is every employee's responsibility to participate in a strategy alignment and recognition program, there still needs to be a governing body. Establishing a committee or team to oversee the program will ensure effective implementation of your company's recognition approach.

The first step in designing your company's recognition program should be choosing the members of your Recognition Team. The Recognition Team will help define, coordinate, and manage the recognition program moving forward, ensuring that it is effectively customized and championed at your company.

The members of the Recognition Team should be well-respected employees, with willingness to support and champion recognition in the workplace. It is recommend that you limit your team to a manageable size of 6 to 10 employees total for a small company or 6 to 10 employees per department for a large company. Each member should plan to submit at least two nominations in the first few weeks of the program. Periodic meetings should be scheduled every few months after implementation to assess the program and make mid-course corrections if necessary. Additional process guidelines for choosing your team are below.

1. Review your department or company roster.
2. Choose 6 to 10 employees for the Recognition Team using the following guidelines:
  - Look for natural "recognizers" who are passionate about the company's success; those who tend to give positive (or constructive) feedback to others in an effort to improve the company as a whole.
  - Focus on diverse people from a variety of backgrounds, geographies, interests, and career levels.
  - Carefully consider including a naysayer. A devil's advocate can prove helpful, but too much negativity can hinder the group's overall progress.
3. Among the team members, choose the following roles:
  - **Program Manager:** Responsible for scheduling meetings, communicating to the team, and compiling data (users, emails, department names, etc.).
  - **Program Promoter:** Responsible for championing the program through signage, internal communications, etc. This person (or perhaps multiple people) will help keep the program alive.
  - **Program Champion:** Responsible for overseeing the quality of nominations and being the decisive voice regarding any program rules or guidelines that need to be put into practice.



## Rules and Guidelines

Every program must have rules that are not to be broken and guidelines that should promote standards to live by.

### A few rules to consider

1. No deal-making: Participants cannot make prearranged deals to nominate each other.
2. Entire nomination form must be completed for approvals to take place.
3. Employees cannot nominate themselves.

### A few guidelines to consider

1. Employee can only be approved one time for each on-brand experience delivered.
2. Participants can only be nominated one time per month for the same evidence (behavior or experience delivered).
3. All “reward” certificates must be proactively displayed in office.

## How to budget for success

Many companies do not have a separate budget set aside for employee recognition. Or, if they do, they typically are not funding a recognition program focused on brand strategy implementation and therefore don't have the ability to tie results to overall company performance. A new approach to budgeting is often required when building your employee recognition program.

For more information about effective ways to budget for your strategy alignment and employee recognition program see pages 201 through 205 in the *Achieve Brand Integrity* book.

Before actual dollar amounts are allocated, company leaders should respond to the following two questions. Doing so will help facilitate the discussion about how to best allocate dollars.

1. What percentage of the total employee cost should be set aside to proactively recognize employees for doing the company strategy, leading to company success?
  - Employees are a significant investment. In some companies, payroll costs are the primary investment. So, if your company is going to spend \$50,000 to employ a person (assuming costs for taxes and benefits are factored in), doesn't it make sense to allocate 1 to 2 percent to educate them on your brand strategy and positively recognize them when they are doing good work that leads to profitable results?
2. What dollar amount per employee seems reasonable to invest in recognizing and reinforcing the right behaviors and results? Using the example of a \$50,000 employee, an investment of between \$500 and \$1,000 per employee would be allocated. This investment should be considered at the time of hiring.

Think about how meaningful your program will be when your company is investing between \$500 and \$1,000 per employee to teach them the brand strategy and recognize them when they deliver upon it. Some of your star performers will earn thousands of dollars a year. Average and below average employees will earn much less. If this size of an investment makes company leaders nervous, consider the alternative: a considerably less engaged workforce. Less engaged employees lead to:

- More turnover. In some cases, much more turnover.
- Less employee understanding of how and why they are tasked with certain activities/behaviors at work. This lowers overall performance, leading to lower productivity and less profit.
- Lower employee satisfaction, which leads to lower productivity and less profit.

Employees want to see companies making an investment in them, especially when they are doing the brand strategy and driving key results for the program.



## Components of a good nomination form

A good nomination form should include the following 6 components:

1. **Name:** The Witness's name and the name of the employee being nominated (Steward).
2. **Date:** The date the evidence was captured. Evidence includes any behaviors or experiences that were delivered by the employee being nominated.
3. **Brand Lens concept:** A place to check-off or write-in the Brand Lens concept(s) that were most notable. (Suggestion: include a brief description of each concept on the form so that employees are learning your strategy each time they complete a nomination.)
4. **Description of the evidence:** A brief, yet very specific, description of the evidence captured. Should include any specific behaviors, resulting experiences, and benefits to the company or its customers.
5. **Name for the evidence:** A short "headline" of 2 to 3 words that captures the essence of the nomination.
6. **Key Performance Indicator:** A place to check-off one of the Key Performance Indicators that felt the most impact from the employee delivering upon the brand. It is often best to create a scale from N/A to Low, Medium, and High and then allow the Witness to circle the appropriate impact level.

## How to choose rewards that are most meaningful and will have the greatest impact for your company

While both cash and non-cash rewards have a place in the employee compensation mix, it's important to stress that cash can be an ineffective motivator. In most cases, it simply will not energize people to reach beyond their basic job requirements to achieve good results. Trophy-value rewards fill the need that cash cannot buy — the symbol of achievement and success, social acceptance at work, approval for a job well done, and increased self-esteem from recognition throughout the company.

When choosing the types of rewards that are most meaningful for employees in your company carefully consider selection and fair price. Employees want choices and they want to pay market prices. They typically don't want the company to choose a few products deemed desirable for all people. Providing gift cards to places such as Amazon.com or other online retailers or providing catalog sales enables the widest selection. Remember, earning points for merchandise leads to consumable, trophy-value that lasts longer than cash incentives.

## How to measure results and prove the ongoing value resulting from the program

Your company's recognition program should pay for itself 10 times over at a minimum. Your recognition committee/team should be responsible for and passionate about uncovering the return on investment to prove success over time. Doing so will enable leaders to comfortably and confidently increase the overall investment per employee.

### Key measures to be considered

1. Employee engagement
  - Employee participation data including how many times employees catch others and how many times they are caught delivering upon the brand strategy.
2. Brand Lens results





- A good nomination form will include a section for sharing results of achieving the desired brand image. It is important to monitor the total number of nominations for each Brand Lens concept as well as the percentage of times each concept is noted.
3. Key Performance Indicators
- In order to ensure employees are mentally connecting with company results by seeing the relevance to their day-to-day job, it is important to report back on how the program is driving each KPI. Employees should know how efforts are driving sales, productivity, and morale throughout the work culture and building loyalty with employees and customers.

Note: The measures above are important for helping leaders understand optimal campaigns<sup>4</sup> to run to influence and shape employee behaviors while increasing engagement regarding individual and company success.

## How to train your managers to effectively approve nominations

It is essential that managers see the opportunity approving nominations provides. When managers see the program as a tool to help them lead powerfully, they will give the recognition program the time and attention needed to ensure the most powerful return on your company's recognition investment.

### Topics to cover in training managers

1. **Why the company is focused on recognition:** Managers should hear from the CEO and/or Program Champion on the importance of recognizing employees. As a leader, you should touch on the soft rewards of such a program, but be sure to allocate time to review the effect that simple and specific feedback can have on business results. Results such as:
  - Less turnover. (A U.S. Department of Labor statistic states that the number-one reason people leave their jobs is a lack of appreciation for a job well done.<sup>5</sup> An effective recognition program must have appreciation of employees living the company's strategy at its core.
  - Increased employee understanding of how and why they are tasked with certain activities/behaviors at work. This increases overall performance, leading to higher productivity and more profit.
  - Increased employee satisfaction, which leads to higher productivity and more profit.
2. **Benefits of recognition to them as company leaders:** Managers can't be everywhere at once, and they probably have limited time to coach employees on specific behaviors they would like to see happen. A recognition program will:
  - Allow managers to get feedback on what their employees are doing well and capture that success so that it can be repeated by others throughout the company.
  - Help track the Brand Lens concepts and KPIs that are being focused on as well as highlight areas of less focus, which will assist in the diagnosis of potential gaps in performance before they have a negative impact on bottom-line results.
  - Create learning opportunities for all employees involved. A manager, when reviewing specific nominations, can highlight and show appreciation for what was done well and provide feedback and coaching on what a Brand Lens concept or KPI means and the impact it has on the company. Can you think of a more powerful conversation a manager can have with an employee?

<sup>4</sup> Campaign: A promotion to encourage employees to do and find others doing certain types of behaviors. Campaigns can be run for any behavior-driven result you want to see more of.

<sup>5</sup> Tom Rath and Donald O. Clifton, *How Full Is Your Bucket: Positive Strategies for Work and Life* (New York: Gallup Press, 2004).



3. **The nomination and approval process:** Review the logistics of a nomination submission and how to give feedback to the Witness on what has been submitted. Managers should feel empowered and encouraged to return nominations that do not meet the Five Ingredients for a Great Nomination, otherwise the process can begin to lose power quickly and the company could lose some of the potential return on investment. Remember the Five Ingredients for a Great Nomination are:

### **Five Ingredients for a Great Nomination!**

1. Provide a **good, but brief** description of what happened.
2. Include **clear evidence** in the form of a **specific behavior** performed by an employee or delivered to another employee or customer.
3. **Make it memorable.** Title it like a newspaper headline.
4. Provide a clear link to **at least one Brand Lens concept**.
5. Connect it to a **Key Performance Indicator**.

### **How to run campaigns and celebrate successes**

A campaign is an organized, short-run program where additional recognition and reward is provided. Campaigns are great to run when you want to see more of a specific type of behavior or Key Performance Indicator. During a campaign, employees can earn a greater reward for witnessing the behavior/Key Performance Indicators that the campaign is centered on.

**Tax disclaimer:** Company leadership should consult with tax advisors to determine optimal ways to handle taxes associated with incentive compensation.



# Guide: Recognition Program

## Part 3: The Potential Point Program

Potential Point is an online strategy alignment and employee recognition program. The Potential Point program automates the processes and procedures outlined in this guide. While you can do the steps outlined in this guide on paper, it becomes inefficient to do this if you have more than 50 employees. The Potential Point program allows you to scale efficiently as well as provides the program leadership, templates, and knowledge to ensure success.

### Product Offering

The patent-pending Potential Point program is comprised of a Web application and related client services. It facilitates the recognition, rewarding, and appreciation of employees for executing behaviors that are aligned with a brand strategy. Employees are empowered to recognize each other for doing the brand strategy. Recognition takes the form of appreciation and “points” that employees earn and accumulate. These points can then be redeemed for products or other items of value as determined by you and your company leaders. Through this process, the program captures critical data that provides management the ability to measure and monitor employee behaviors and also quantifies the results of management initiatives and investments towards achieving company objectives.

### Contact Information

To learn more about the Potential Point program or to schedule a demonstration, please visit [www.potentialpoint.com](http://www.potentialpoint.com) or call Doug Bennett at 585.469.9898