



Aligning Employee Recognition with Enterprise Strategy

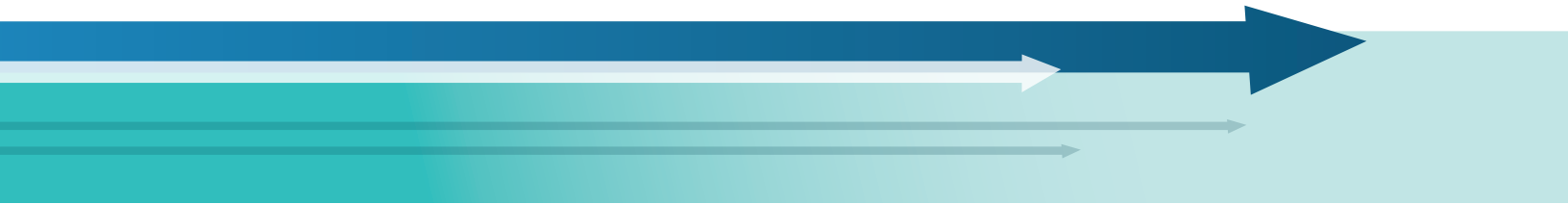
Engage2Excel recently sat down with the company's **Vice President of Solutions, Emily Gatton**. We talked about how to align performance-driven employee recognition programs with enterprise business strategy and why this is critically important. Highlights from the interview appear below.

Q. *Why is it so important to align recognition with business strategy?*

A. Recognition and strategy go hand in hand; you can't have one without the other. The very purpose of employee recognition is to consistently communicate, support and reinforce enterprise goals and objectives. Recognition is a tool that can be used to promote behaviors that dictate success. Fully integrated recognition and strategy initiatives provide employees with a unified purpose, encouraging them to work together to achieve common goals. Designing programs that reward employees for successfully addressing the challenges deemed top priorities by senior management puts HR ahead of the curve in garnering executive support.

Q. *How does an organization get started on building an effective recognition program?*

A. First, clearly define the business strategy. Then pick three or four initiatives that can be influenced by people within the workforce who possess what it takes to move the needle on those priorities. Remembering that one-size-fits-all recognition programs don't work, determine the best way to motivate behavioral change among these target employees to achieve desired outcomes. Clearly communicate the objectives of the recognition program, and don't forget to select measurable goals so that you can document change and ROI. It's also important to offer all key stakeholders an opportunity to participate in recognition program development and implementation. This helps generate buzz and establish a shared sense of ownership for the new initiative.



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Q. Can you share some examples of successful deployments of Engage2Excel performance recognition programs?

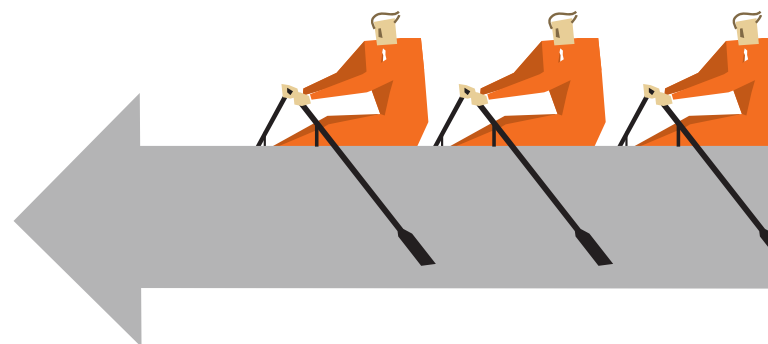
A. We recently designed a strategic recognition program for a company facing FDA sanctions related to major product quality defects that threatened to derail their business. We sensed an urgent need to encourage employees to speak up about quality issues they were witnessing firsthand in specific departments. The new high-priority program rewarded those who raised their hands to reveal quality weaknesses across the organization. Teams were formed to determine root causes and solve problems; those who participated and achieved metric targets were rewarded for their efforts. Quality improved significantly, and the FDA sanctions were lifted.

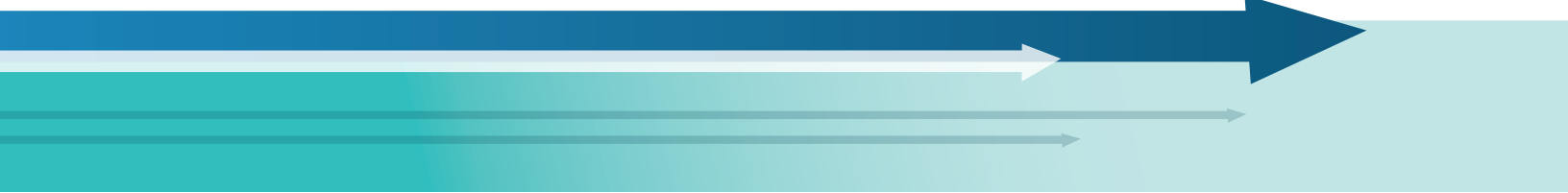
We also helped a healthcare company design and implement an employee referral program to address high turnover in hard-to-fill positions that were depleting a significant amount of the organization's talent acquisition resources. First we identified the job roles and departments that would benefit most from employee referrals and deliver the greatest return on investment. Then we spearheaded a communications campaign encouraging employees to participate and explaining the reward structure.

Those who referred a candidate not only received a reward on day one of the new hire's employment but also again after 30 days, six months and one year. So the program not only promoted referrals, it incentivized employees to help with onboarding their recruits and reinforcing company loyalty, thereby improving retention. Employee referrals surged from 6 to 20 percent during the first year of the program.

Q. What are some of the consequences of not coupling recognition and strategy?

A. Several years ago, when organizations began introducing performance-based recognition programs, the focus was on "above and beyond" behavior. But what does that mean? How does "above and beyond" relate to business impact? This soft approach often left employees feeling confused about expectations. It can also lead to inconsistencies in how employees are recognized





and rewarded across the organization. On the other hand, when recognition is directly linked to enterprise strategy, the organization can clearly define desired behaviors, measure and reward those that positively impact the bottom line, and maximize return on investment. Measurable, strategy-aligned recognition programs offer HR practitioners an excellent opportunity to demonstrate and document business impact.

Q. *Should recognition programs be customized for different parts of the organization?*

A. Well, as I mentioned earlier, recognition programs should be aligned with enterprise-level business strategy, supporting a consistent, unified approach to achieving common goals. That said, different motivations and behaviors may impact performance in areas like customer service, sales and engineering, for instance. So while an overarching mission hopefully propels innovation across the organization, interpretation of how to execute on corporate strategy and optimize engagement within the context of a particular job role or department may differ from one business unit to the next. This may highlight a need for tailored recognition programs.

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Every day, we are inundated with an endless flow of information at our fingertips. Employee recognition programs that are aligned with enterprise strategy can focus engagement, helping employees better understand where the organization is headed, how they fit into the big picture, and the power they have to make a meaningful difference. People often make decisions based on emotions. When we are recognized for achieving goals and see the positive impact of our efforts, we're inclined to want to do more. It's human nature.