



## *The Fundamentals of Employee Recognition – It Comes Down to Balance and Believability*

Dr. Bob Nelson has been a powerful proponent of employee recognition for decades. His best-selling book 1001 Ways to Reward Employees has now been punched up to 1501 Ways and I'm sure there are more to follow. Check out his newest video on the fundamentals of recognition; I think you'll like what he has to say - [http://www.recognitionpro.com/recognition\\_pro/blog/asap3-video](http://www.recognitionpro.com/recognition_pro/blog/asap3-video) .

Surprisingly, even with experts like Dr. Bob, with years of experience starting with his work under Dr. Ken Blanchard (The One Minute Manager), implementing effective recognition programs continues to baffle corporate executives. Perhaps I can help.

Notice that the title of Dr. Bob's book uses the word "Rewards", not "Awards". What's the difference, you ask? Perhaps an understanding of that difference will shine a light on why effective recognition continues to be such an elusive goal.

To understand the difference between Awards and Rewards, you need to understand a little bit of **Brain Biology**. Anyone who has read *Men are From Mars, Women are From Venus* will see where I'm going here. The right side of the brain processes things emotionally. It's where Love, Joy, Fulfillment, Creativity, and perceptions of Personal Value reside. When you emotionally engage an employee, your words (or better stated, the employee's perception of your words) will be processed by the **Right Brain**. If done in an honest, genuine and trusting way, the message is, "... *they love me and care about me ... I'm a valuable part of the team ... this organization appreciates me as a human being.*"

The **Left Brain** is where logic and calculation live. Anything that is monetary, statistical, competitive or in any way based on logic, not emotion, will be processed by the left side of the brain. This is not a choice, it's involuntary, so you have to realize that the automatic decision by the brain to function from the left or right is based on the PERCEPTION of the message, not necessarily by the INTENT of the messenger.

Case in point – A symbolic memento, such as a certificate, plaque, engraved pen, clock or crystal piece has the perception of a trophy (we call it trophy-value) and if appreciated by the recipient, will have long term, reoccurring value. When presented by a trusted leader or manager for a reason that makes sense and in a way that is emotionally meaningful to the employee, this **Award** will impact the Right Brain and will be seen as a message of true appreciation and thanks.

*Making sure they know you care as much as you really do.*

However, if you take the exact same value in dollars and present it to the employee in cash or as a gift card, it becomes a compensation event and will be automatically processed by the logical **Left Brain**. Math will instantly be done, fairness will be calculated and in milliseconds your recipient will decide if the process is seen as an award or as an attempt to manipulate their behavior and “buy them off”. Same amount of money, same manager, same reason for the presentation – VERY different outcome, and VERY different long term value from the investment.

Let's use this scenario to define Awards versus Rewards –

An **Award** is presented as a means of thanking someone at a specific milestone in time. It could be for working for the company for 5, 10 or 15 years, for being seen as deserving of praise for positive attitude with the President's Award, or for exhibiting the work ethic and values that makes them a subjective choice for Employee of the Month. A properly presented award is based on exhibiting certain values, attitudes, spirit, teamwork or other emotionally-based actions that an employee chooses to share, because they want to be helpful and part of a winning team in the workplace. Awards can be totally objective, like a Length of Service Award based on time worked with the company, or can have some subjectivity, such as the President's Award where the boss picks a winner(s) based on his team's perception of an attitude and work ethic that is exemplary. Awards honor points in time and are based on emotionally charged values. They have nothing to do with specific, logical measurements of behavior.

**Rewards** are all about measurement and performance against a predefined matrix of behavior. Meeting a sales goal, achieving perfect attendance, reducing the number of lost time accidents, or any measurable behavior that can be tracked, can be rewarded. Performance Management programs use **Incentive Rewards** to promote behaviors that either reduce costs or increase revenues. The value of the reward, when done properly, will be a reasonable percentage of the savings or profit that behavior generated. It makes sense and drives the desire to repeat that behavior, because it is logical, fair and allows the employee to share in company growth.

Not all behaviors are as easy to measure. Reduction in OSHA recordables, for instance, is very easy to measure, compare with past results. You can easily discern value, so setting up a Safety program is straightforward and you can easily prove ROI. Measuring service and human interaction, while considered a rewardable behavior, may be a bit trickier, so rewards could be a Team Reward for everyone in the store when they achieve above a certain Mystery Shopper rating, or for an entire wing of a hospital when they hit a certain HCAHPS or Patient Satisfaction score. This spreads the rewards and engages more employees in the results.

Make sense so far? Well, here's the murky problem; **Awards** and **Rewards**, while very different, are often confused for each other. While I don't know every one of the 1501

Ways in Dr. Bob's book, I'm confident that some would be considered rewards and some might be better defined as awards.

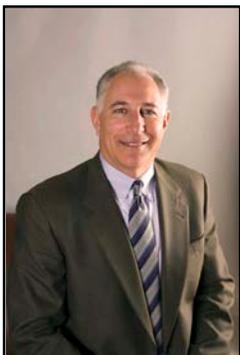
Bottom line is this –

- **Awards** impact the Right Brain and lead the recipient to feel Loved, Valued, Appreciated and Emotionally Engaged in their workplace.
- **Rewards** impact the Left Brain and are seen as payment for completion of a predefined, measurable behavior. Rewards make employees feel, Respected, Involved, Important and Fulfilled.

The secret to all of this is actually pretty simple. It comes down to three things:

1. Use them in the right order. Award first to impact the Right Brain and emotionally engage your people.
2. Reward second, because people who are emotional engaged and trust your motives will see the ability to share in the profits or savings they generate through measurable incentives as the opportunity to share in the growth of the company. Unengaged, untrusting employees will see the very same incentives a manipulation to entice them to improve behaviors so YOU win, more than they do. Same dollars, very different results.
3. **Make it Real!** Managers have to be training to understand both the How and the Why of recognition, so they come across as believable, genuine, enthusiastic and consistent. It all boils down to one simple question ... do your employees believe you or not? Trained managers will be more believable, so they become open to a comprehensive approach that helps them award, reward and share in the benefits.

To learn more about Awards, Rewards and the best ways to use them to optimize our investments in your people visit <http://www.SchaeferRecognitionGroup.com> or email me personally at [john@SchaeferRecognitionGroup.com](mailto:john@SchaeferRecognitionGroup.com).



John Schaefer is a Consultant with more than 20 years of experience helping companies realize and react to what he calls the *Employer/Employee Disconnect*. "Your people have the capacity and desire to become far more involved and productive than they are today. The resources required are freely available, if you simply choose to use them," says Schaefer. "The key is to get your managers and supervisors to embrace this challenge by seeing what's financially in it for them." John is the author of the book *Get More Productivity for Less Money ... Your Employees will Love You for It!* as well as *The Vocational Shrink The Game* and Manager Training Program *"Why Should Supervisors Care?"* which gets to the bottom of what they're *really* thinking, "what's in it for me?"  
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