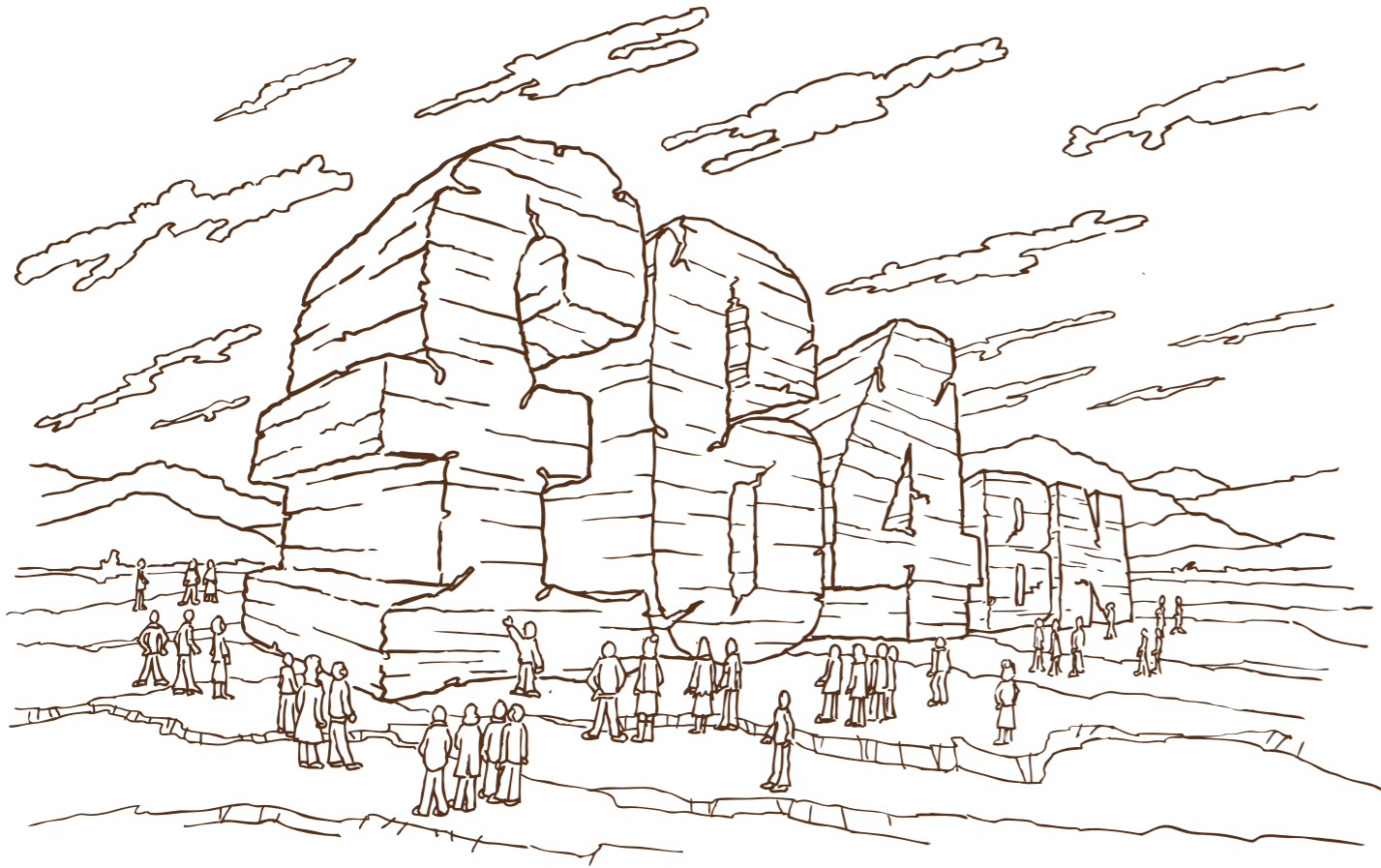


**Ding dong
the stick is
dead (and
as for the
carrot...)**





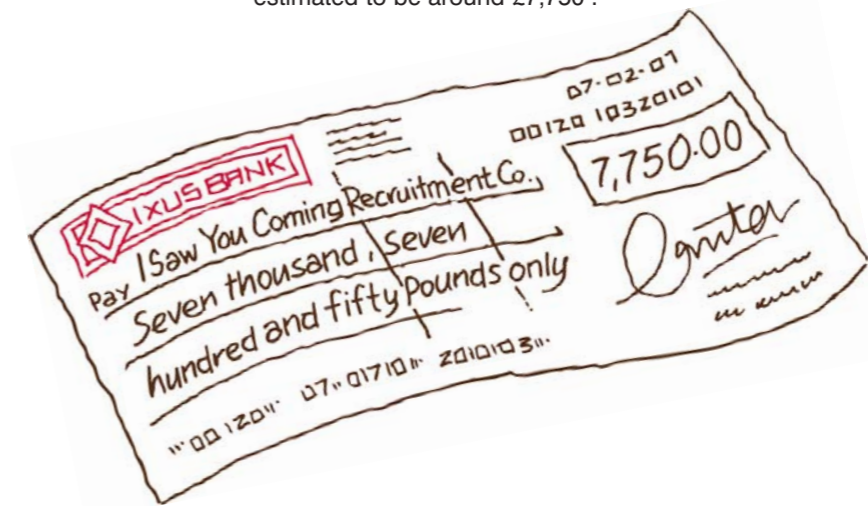
The cost of disengagement to the UK economy is estimated to be between £59 and £64bn per year¹. A whopping cost none of us can afford.

Right now the need to keep your people engaged, motivated and productive has never been greater. There is a direct and proven link between engaged employees and increased turnover and profitability. It's called the Service Profit Chain².

So engaging your employees really matters; and recognising and rewarding your people is one of the best ways to do this.



Employee recognition and reward (R&R) is a really important part of any internal marketing strategy. Great R&R is about much more than simply making people feel good. Done right, it's an effective engagement and retention tool. You don't need to be an astrophysicist to know that keeping hold of your best staff is no-brainer: As well as making sure the brightest stars in your market stay at your place, there's a bottom line impact to losing staff too. The average cost for filling a vacancy is estimated to be around £7,750³.



That alone should make you want to put R&R at the top of your internal communications 'to do' list.

¹ Gallup 2008

² The Service Profit Chain, James L. Heskett & AI

³ Adecco Paycheck Survey 2008

Well thought out R&R has a powerful ripple effect through a company, creating a culture of recognition. A place where people enjoy their time because they know the contributions they make are noticed.

Done right it can create a place bursting full of people who feel:



Brilliant internal communicators create cultures full of brand evangelists. People who are 'living the brand'.

Recognition and Reward – much more than the annual bonus

So what really motivates in the workplace? Is it “do this, get that” or something deeper?



Pioneering US business theorist Dan Pink argues that the ever-popular carrot-and-stick method generally works for simple tasks, but when it gets more complicated and “requires some conceptual, creative thinking, those kinds of motivators don’t work.”⁴

Woodreed has long believed that R&R should be democratic, open to all and anchored to the brand. Furthermore, experience has taught us that recognition itself can often be the reward.

Pink goes further, arguing that monetary incentives stop being motivating when used repetitively; larger amounts become expected and the model stops making economic sense.

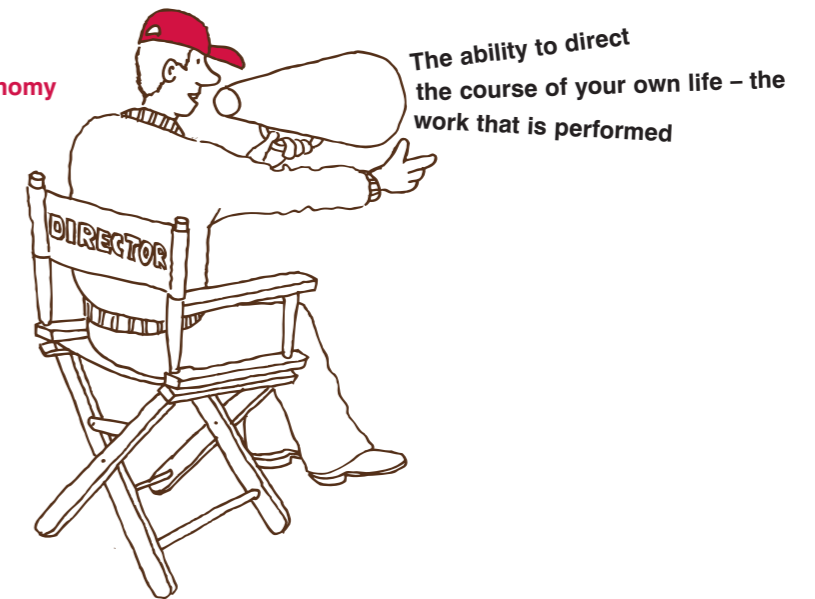
⁴ Dan Pink: The surprising truth about what motivates us

He says that for tasks involving purely mechanical skills, monetary motivators work well, but when greater skill is needed, larger rewards can actually lead to poorer performance. The experiment has been replicated in hundreds of settings with consistent results – “higher incentives led to worse performance.”

Instead, Pink argues, autonomy, mastery and purpose are more motivating drivers of performance at work (as long as you are paying people enough in the first place).

These are best described as follows:

1. Autonomy

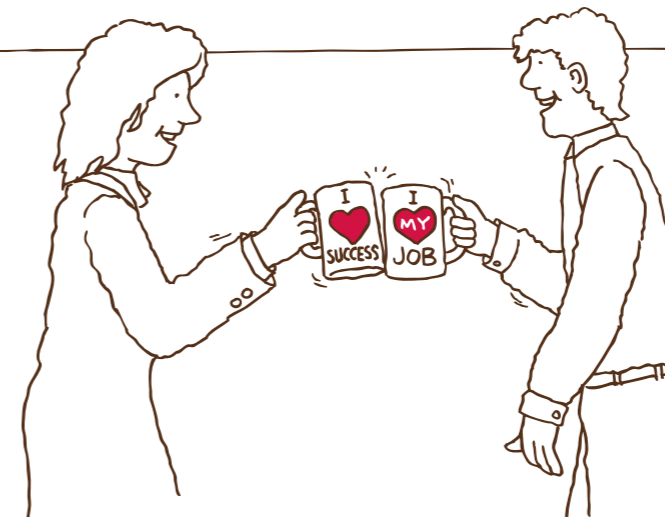


2. Mastery The overarching desire for people to improve themselves, gain experience and get better at stuff they enjoy



3. Purpose

The reasons you do what you do. Doing tasks to make someone’s life better, to make the world better, to have a well defined purpose to your work and to make money.



This has real implications for the traditional R&R scheme

R&R is a key part of an employee engagement strategy. A continuous programme, not piecemeal, ad hoc activities and certainly not reliant on the annual sales awards to do the trick.

How about rewarding people with autonomy, giving them time away from their usual roles simply to think?

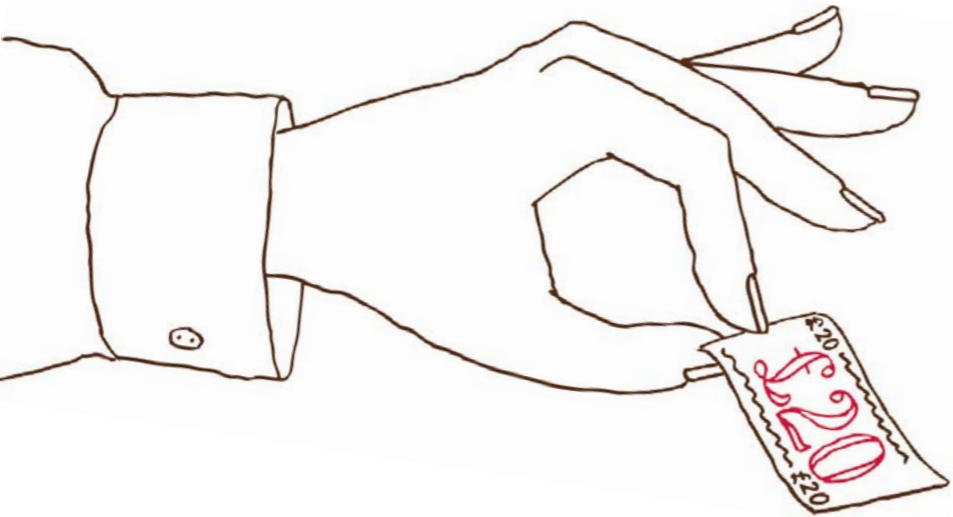
For example:

Staff at Australian software company Atlassian can work on anything they want for 24 hours every quarter, as long as they share it with the company. This diluted autonomy happens in a fun, informal way and has led the company to new solutions and ideas.

Or reward staff with ways to help them get better at stuff. Language lessons during the workday, street dance classes after hours? Improve on or learn a musical instrument or get better at squash perhaps?

Anchoring R&R to the brand

"I understand that the company wants to show they appreciate us, but a £20 voucher for some rubbish chain store isn't going to get those results"⁵



Gimmicky reward schemes unconnected to your brand can do more harm than good.

Start by thinking about what sort of behaviour you want to reward based on the kind of culture you want to create. Clever internal communicators think about their employees like customers, defining cultures and behaviour based on the brand values. They then reward these behaviours.

Understand the role the line manager has to play

Employees don't quit their companies they quit their bosses.

One of the strongest ways to create an engaged employee is through a positive relationship with their line manager.

Recognising employees is one of the most important ways line managers can do this.

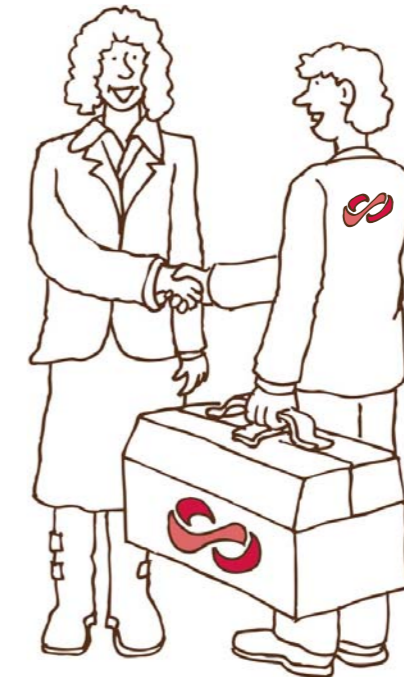
Provide line managers with the right tools and give them the autonomy to recognise and reward their team. Woodreed has a virtual tool box crammed full of case studies, ideas and initiatives to do this.

Have a defined purpose

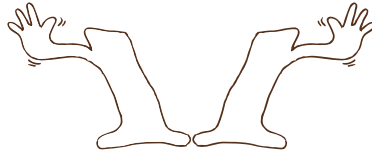
Companies should define their purpose. Yes of course making money is important. Vital. But a business needs other reasons for doing what it does so its people can share the passion.

Woodreed's mission is to make places better places to work by joining up the brand experience inside and out. Of course we expect to see a return on our investment as the companies we work for do on their's. After all happy employees mean happy, loyal customers who help increase the bottom line, but our mission extends beyond the simply commercial.

Smart companies are rethinking recognition and reward and using the power of their brand to engage employees and drive business growth.



⁵ www.officebitching.com



So it's "goodnight" from me,
and it's "goodnight" from him

If you would like help with recognition and reward or any other aspect of joining up your brand experience inside and out, please do get in touch.

We'd be really flattered if you want to use any of the material in this thought piece. The only thing we ask is that you credit us. If you decide you want to use it externally, then we'd be grateful if you could have a little chat about it with us first.



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