Managing With Carrots:

Using recognition to attract and retain the best people

Based on the book by Adrian Gostick and Chester Elton, Gibbs Smith Publisher, Copyright @ 2001 by O.C. Tanner Company
Human Resources

- The most important asset
- In the competitive marketplace having the right talent is the key to success
Workplace Satisfaction

• The top items that make up the most satisfied and productive work environment

✓ Knowing what is expected of them
✓ Having the tools to do a good job
✓ Having the opportunity to do what they do best
✓ Receiving recognition or praise for good work
Recognition and Rewards

- Important corporate carrots
- An effective retention tool
- Enhances communication and trust
- Improves employees’ productivity
- Creates a culture of recognition
Carrot Seeds
Why recognition?

The most important strategy your organization can use to achieve better results and retain the best people.
Carrots used to

- Reach organizational goals or objectives
- Recognize outstanding achievements
- Boost morale
- Increase productivity
- Keep good employees
Carrot Planting, Carrot Cultivation
What are the key elements of successful recognition?

- Create experiences that bond employees to an organization
- Align employees with organization objectives
- Explain organization symbolism
forms of praise and recognition

- Informal
- Formal
1. Informal praise and recognition

- Immediate, typically inexpensive
- A huge potential to positively impact your organization
- Thank you card, E-mail or public announcement
2. Formal praise and recognition

- Absolutely critical for building a culture of recognition in an organization
- Includes performance-based rewards; service, safety awards; new employee recognition
- Often poorly thought out and becomes entitlements
When to offer carrots

- New-employee orientation
- Service awards or career achievement awards
- Retirement recognition
- Performance-recognition programme
Presenting Carrots

- Presentation is everything
- 97% of employees felt that their “contribution was acknowledged” after an “excellent” awards presentation
- 39% of employees felt their “contribution was acknowledged after a “poor” award presentation or no presentation
- 93% of employees felt an “excellent” award presentation “built commitment”
- 41% of employees felt stronger commitment to their organization after a “poor” award presentation
Presentation tips

- Choose the right person to make the presentation, not necessarily the highest officer in the organization
- Ensure your managers are trained in making great presentations
- Ensure that your managers understand and can explain the symbolism on the award and tie into goals and values of the company
- Invite colleagues and ask two or three coworkers to say something about the recipient
- Allow the recipient to make a few comments
- Close by offering a sincere thank you
Symbolic Carrots

- Symbols have indelible power
- Organizational logos and symbols have immense meaning
- When carefully crafted and skillfully communicated help capture the hearts and minds of employees and dedicate them to the organization mission and vision
Communicating About Carrots

• Carrots improve eyesight – have power to focus employee vision on organizational goals and strategies
• Recognition programmes must be communicated effectively
The Productivity Formula

- Ability + Training + Motivation = Productivity
- Motivation: Build a recognition strategy and communicate effectively
- Ability + Training + Motivation + Communication = Sustained Productivity

\[ a^2 + b^2 = c^2 \]
The best recognition communication

- Explain the purpose of the programme
- Clearly explains what actions are recognized
- Ties individual accomplishments to organization’s vision and goals
- Details what awards are available
- Explains how to nominate a coworker or subordinate
- Fits the organizational culture
- Focuses commitment
- The best organizations communicate effectively and realizes that communication is a vital tool to align people with strategies
Creating A Carrot Culture
Messy
Prevailing culture firmly entrenched
Middle and lower-level managers threatened by change; thrived under the “old way” of doing things
To a culture of corporate recognition must be different – strategic in nature, involving employees and must be powerful and permanent
8 Steps to Achieving Organizational Transformation

- **Start at the top:** Change efforts must be supported by commitment from the top; lip service by top management is a kiss of death for any change initiative.
- **Choose the right team:** A small strategic-change team must lead the process.
- **Have a vision:** A ‘guiding vision’ that lead the change effort must be developed.
- **Get the word out:** Effective communication occurs when all managers and supervisors feel involved in the change effort; employees must know “what's in it for me?”
• **Empower the People**: Change don’t happen by proclamation or forced compliance; people must make the vision their own

• **Create victories during the way**: Change tedious and challenging process; frustrations must be overcome with victories at every milestone

• **Never stop changing**: Continually challenge assumptions

• **Keep proving your case**: Managers continue to champion the culture and the vision
Carrot Harvest

“You can’t always get what you want … But if you try, you must just find, you get what you need.”
What will offering the right carrots do for your organization?

With the right recognition, your organization will attract and develop more talent and create greater value.
In today’s highly dynamic, complex and competitive environment

- You must change the way you manage and reward people
- You must give employee the essence of what they need
Maslow’s Pyramid

- Self-Actualization
- Ego Needs
- Social Needs
- Security Needs
- Physiological Needs
Maslow Need-Hierarchy

- People do not act by mechanical or unconscious instinctual impulses
- People seek the frontiers of creativity and attempt to reach the highest levels of consciousness and wisdom
- Basic human needs arranged in hierarchical order
- To move up a level needs at the previous level must be satisfied
Trust

- The most significant predictor of individual satisfaction with their organization
- Lack of trust hurts organizations
- The key to relationships
- The key to credibility
- Based on sincere consistent employee recognition
What Motivates Top Employees

- Expectation of financial reward: 15
- Appreciation: 66
- Importance of work: 76
- Desire to maintain a good work reputation: 81
Cash versus Carrots
Effective Reward Systems

- Awards recognize only **results** that are important to the organization - *bad example: an organization claims to value teamwork but rewards individual performance*
- Awards fair – in relation to awards received by equally producing coworkers
- Awards be of value to employees - satisfies their needs
Reward Systems

- **Influence** two types of employee behaviour
- **Membership** – joining and remaining with the organization; coming to work regularly and punctually
- **Performance** – entire range of behaviours required in the performance of a job
Cash

- Unemotional
- Little power to motivate
- Important but not the best recognition award, without symbolic value
The best carrot

Is a Karat
Starting Your Own

Carrot Crop
Where to begin?

- Determine your basic human needs,
- Set strategic goals,
- Choose the right awards,
- Build excitement …
- But keep it simple
First Things First

- Plant your carrot seeds early: the employee’s first day at work
- Keep the carrots coming: give people recognition on a regular basis
- Improve the work lives of the employees by small but symbolic gestures of appreciation
1, 2, 3 ..... 

- **Dig up Critical Data**: Study the organization, identify corporate culture, workforce and the most pressing human needs
- **Plot Out Programme**: Focus formal recognition on significant achievements and milestones
- **Pick Your Carrots Wisely**: Select recognition awards appropriate for your employees; awards that provide personal lasting value

4. **Create a Craving**: Get full benefit from each award presented
5. **Keep Carrots Within Reach**: Develop a programme with simple administration and reward fulfillment
Common Errors

- Complexity
- Lack of timeliness
- Lack of buy-in
- Lack of integration
- Lack of preparation
Never Underestimate a Carrot

- Carrots bring out the best in employees
- Personal dignified recognition begins the moment employees enter your organization
- Make them feel valuable and they will prove valuable
- Continue showing respect, acknowledgement and recognition through consistent, fair and motivating presentations
Strategic Recognition

• Promotes better employee/employer relations
• Increases a person’s affiliation with an organization
• Generate pride
• Elevate work satisfaction
• Establish trust
• Timeliness
The Power of a Carrot

- Simply no substitute
- Nothing holds and fulfills employees like recognition
- Managing by carrots is effective and inspired
- Managing with carrots is *divine*