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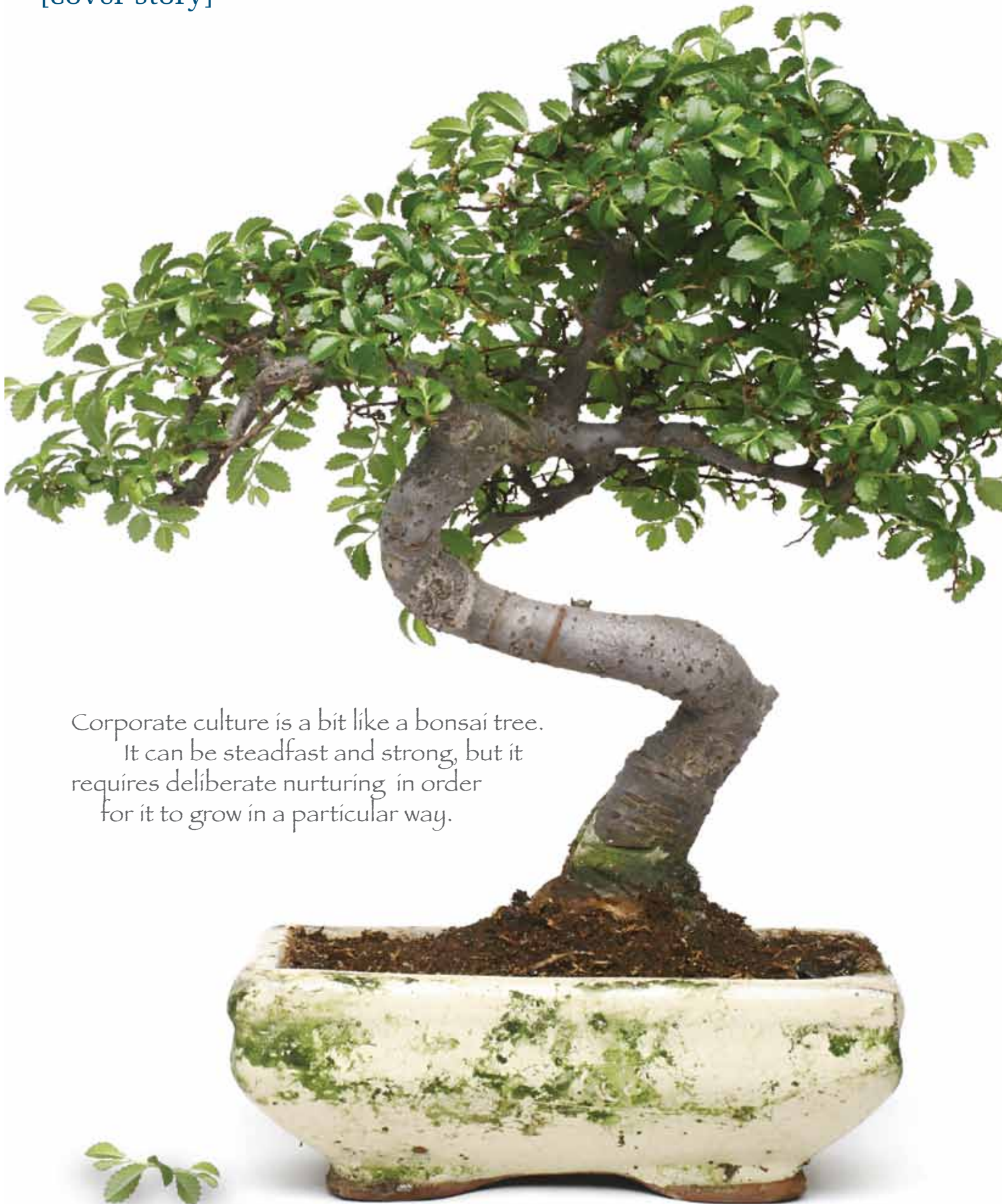
**DEREK IRVINE  
EXPLORES THE  
CRITICAL LINK  
BETWEEN...**

**RECOGNITION  
AND ENGAGEMENT**

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**PREVIEW OF THE 2011 EEA CONFERENCE & EXPO  
GIFT CARDS: SURVEYING A CHANGING LANDSCAPE**



Corporate culture is a bit like a bonsai tree.  
It can be steadfast and strong, but it  
requires deliberate nurturing in order  
for it to grow in a particular way.



# Authenticity, Tree-Pruning and the ‘Wisdom of Crowds’

Author and motivation guru Derek Irvine believes that building a culture of recognition offers the most direct path to engagement

By William Keenan

Among the things that contribute to an engaged workforce are making employees feel appreciated and recognizing them for their contributions. There are other factors, of course, but Derek Irvine, co-author (with Eric Mosley) of *Winning With a Culture of Recognition* and VP of Client Strategy and Consulting for Globoforce Ltd., believes that recognition might just be the most important tool available for companies that want to create a more engaged and productive workforce.

In his book, he argues that organizational culture is the most powerful force in business, and that “culture management through recognition is one of the most powerful, effective, and positive ways to drive the success of your organization as measured by improvements in operating margins, income, and customer satisfaction.”

The problem, Irvine says, is that an organization’s culture is also often one of its most neglected and misunderstood attributes. And much needs to be done to prompt companies to think more strategically about their cultures. To stimulate that thinking, *Engagement Strategies Magazine* recently sat down with Irvine to discuss why organizational culture is important, and what companies can do to manage their own culture to create a more engaged workforce.

*ESM: What do you see as the link between recognition and engagement? Is a “culture of recognition” really necessary to create an engaging work environment?*

**Irvine:** The link, as I see it, is that recognition is the fastest way to employee engagement. There are many different contributory

factors, but I would contend that recognition is one of the fastest and most efficient in the overall armory of tools that people have available to boost employee engagement.

Symantec, which makes the Norton anti-virus software, has grown very rapidly over the years by acquiring companies. As a consequence, however, they found themselves in a situation where there were many different cultures in the company, and employee engagement wasn’t what they wanted it to be. They had different levels of engagement, varying greatly, according to which acquired company you happened to come from. So they said, “Look, we want to have a consistent level of engagement, and we want to have a single culture at Symantec where we can be united and pointing in the same direction.”

One of the key initiatives that we helped them put in place was a strategic recognition program whose core goal was creating this new, unifying Symantec culture. So we created a recognition program that had, as its singular focus, this idea of recognizing behaviors and activities that demonstrate employees living one Symantec culture. It was very focused on that strategic goal. And with that in place, in just over six months we were able to move the company’s employee engagement survey score upward by 14%. That’s why I say recognition really is the fastest route to boosting employee engagement.

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*ESM: One of the points that you make in your book is that a lot of companies don't have a very firm grip on what the culture in their organization is – they aren't paying attention to it.*

**Irvine:** That's right. Companies have to ask themselves: "Are we managing our culture, or is our culture managing us?" There's a lot of debate out there as to whether culture is manageable or not. But I would say culture is a bit like a bonsai tree. It can be steadfast and strong, but it requires deliberate nurturing in order for it to grow in a particular way. If you aren't careful about your tree, if you cut it the wrong way or neglect it, you can create a rather ugly looking tree – or culture.

*ESM: So whether your ultimate goal is to create an engaged workforce or you're thinking strictly in terms of increasing productivity, the use of recognition – creating a culture of recognition – will help to support those corporate goals?*

**Irvine:** That's right. Far too many companies invest enormous amounts of time into deciding: "What is our strategy? What are our values – the values that unite us as a company?" And then they just publish those things. They have this kind of "push" approach where they just put up posters in reception areas or distribute pamphlets and leaflets. But if you put in place a recognition program where you say, "We're going to empower each and every employee that when they see that strategy being lived, when they see those values being lived, they can recognize their colleagues and their peers for helping make those things happen." Then you create something similar to the dynamic that we see on in social networks, where you can post reviews, befriend people, offer "likes" and "thumbs up" and all of these other things. By allowing employees to recognize others when they're behaving the correct way for the strategy or the correct way for the values, and recording that recognition in a recognition program, that creates a dynamic that we call "the wisdom of crowds." That's where the wisdom of your employees as a group is reinforcing behavior and strategic goals continuously, and it becomes a self-driving engine.

*ESM: So it's important to empower employees and to establish your recognition program at the peer-to-peer level as much as possible?*

**Irvine:** That's right. It has to become part of everyone's behavior. And the structure of the program is critical. You can't structure your program so that you're only going to be recognizing five or ten percent of the people, which is the way that our industry has traditionally been structuring these programs. In our experience, that won't work. In order to have that wisdom of crowds – to have that self-fulfilling energy where you're building the bonsai culture tree – you need lots of people involved. And they need to feel empowered so that they can recognize somebody quickly and easily.

We encourage clients to think about an 80% participation level – in other words, 80% of employees can expect to receive an award at some point in the year. For some, it might be a very modest reward, some sort of simple thank-you, all the way up to other people who might expect to receive rewards every second week for something that they might be doing. That 80% level of participation with peer-to-peer recognition, in addition to manager-to-peer recognition, is what creates those pulses of

goodwill and gratitude that just fly across the organization at an accelerating speed, encouraging more and more people to participate. Sometimes people say, "Oh, that's going to be so wide open for abuse." But these things aren't open for abuse because there are control mechanisms, there are approval loops. If we trust these employees with managing critical projects for the company, surely we can trust them to have a sense of what is appropriate to recognize.

*ESM: What are some of the things that get in the way of creating a culture of recognition? What about the cost of recognizing 80% of employees – isn't that expensive?*

**Irvine:** Well, that's certainly an objection that you sometimes hear. But the fact is it's not a lot of money at all. To go back to the Symantec example: that involved a 14% improvement in employee engagement. And in a corporation the size of Symantec, when you look at the other initiatives they had in place – training, coaching, various development projects, talent management systems – and you think about the millions of dollars they have invested in those systems, they were unable to say, hand-on-heart, that they had ever seen such fast double-digit improvements from any those investments. Then you look at the relatively modest 1%-3% of payroll that we suggested be set aside for this type of recognition – it's a very modest investment in comparison to those other big investments. It's also a modest investment in comparison to a bonus pool or a merit increase. When I'm speaking to VPs of HR

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and say, “What return on investment do you expect to get from your 2.5% merit increase?” most people say “None – but if I don’t do it, then goodness knows what might happen.” It’s become an entitlement.

Another objection that often arises over the goal of involving 80% of employees in recognition is: “Doesn’t that mean that the recognition is no longer special?” This is an easy one to debunk. If you poll your employees, no one will ever say they think they’ve received too much recognition during their career. And remember that some in that 80% will be receiving one or two recognition moments in a year, while others might receive four to six and still others receive a dozen to fifteen such moments. And those moments will vary in size and cost, from a simple thank-you to much more of a team call-out or more substantial awards.

*ESM: Your book also says that “authenticity is golden” in terms of recognition, whatever your corporate goals. What do you mean by that?*

**Irvine:** It means that, at the end of the day, what we’re aiming to spark here is a completely personal, authentic, natural moment between a manager and his or her staff or between two peers. At the core of all of this there should be a completely personal feedback moment where somebody reaches out and explains what an incredible job you did, or you just lived out the values and I want to congratulate you. You cannot systemize that. What we’re doing is building the culture, building the infrastructure, that allows those personal moments to happen. That’s why we say that authenticity is golden.

There’s an education process at work as well. If you’re building an infrastructure where you’re encouraging this to happen, then people have to take it upon themselves to understand what those values are that you’re promoting. And what better way to understand and learn them than actually live them by recognizing folks who are around you in your group and your department, or them recognizing you, and a manager who’s approving this. The process itself of living these values becomes the education about them, which in our experience is infinitely better than when companies decide to simply put these things up on posters or hand them out as leaflets. In a strategically deployed recognition program you live it, and therefore you learn it and it becomes deeply ingrained in your psyche of how to behave in this company.

*ESM: Where should a company start in terms of putting together a culture of recognition? What are some of the steps that you need to take?*

**Irvine:** To make it really matter strategically – and matter for the culture of the company – you have to have a conversation at the senior level. In our experience, these types of programs do require the effort to start at the top, so it can be a bit of a challenge. But that “executive sponsor” may be found in some surprising places. It’s often the folks in the organization who are responsible for engagement as a topic. Or there are internal communications folks who are responsible for thinking about what the culture of the company is and how to promote those values.

But it’s probably best to start at the CEO’s office, because the CEO is the person that most feels that topic. Again, in our



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experience CEOs often find that having a set of values to talk around, a set of values that they can encourage employees to live by, is one of the best messages a CEO can bring into an organization. So quite often we find they’re the best executive sponsor you could possibly get. Once you’ve found an ear that’s sympathetic to what can be achieved, all of the other elements tend to come together quite readily.

*ESM: Thanks for talking with us today.*

**Irvine:** My pleasure.

For more information about Globoforce or the book, “Winning With a Culture of Recognition,” go to [www.globoforce.com](http://www.globoforce.com) **ESM**

