

# THE FORT HOOD CUSTOMER SERVICE NEWSLETTER

June 15, 2011

## “THE GREAT PLACE” “THE FUTURE OF THE ARMY BEGINS AT FORT HOOD” JUNE 2011

### **Incentivizing Your Customer Service Program.**

What motivates an employee to perform at a peak level? This is a question that organizations must take the time to answer. If an organization is to be effective in the customer service business, they must be effective in incentivizing their employees to provide the best customer service possible, at a level the customer can understand and appreciate.

The Changing Landscape of Employee Recognition. Over the last century, employee needs have undergone some significant changes. We now live in a knowledge-based economy where innovation and information give organizations a competitive edge. As a result, most organizations are focusing on retaining top performers and motivating them to produce value for the business, with innovative ideas, knowledge and information. Although this is not always the case on Fort Hood, the concept still applies.

Today's knowledge based workforce is characterized as diverse, creative and performance driven. Today's employees want more than just a competitive salary and generous healthcare benefits. They are looking for work-life benefits and workplace perks such as flexible hours, career development and bonus programs.

More than anything, today's employees want to see the difference they make in their organization and be recognized for it. A recent study conducted by the Gallup Organization of more than 80,000 employees found that 82% of employees

surveyed agree that recognition motivates them to improve their job performance.

Another telling characteristic of the knowledge-based worker is they no longer stay at one company their entire career. In 2008, the average employee tenure was 4.1 years. Statistics show that the typical member of Generation Y (born between 1978 and 2000) will have ten jobs by the age of 38, and stay an average of 1.5 years with their employer.

Years of Service awards served the business needs for the mass-producing, industrialized era, not the globalized, information-based 21<sup>st</sup> century. To get the best out of today's workforce, years of service awards must speak to today's workplace.

### **Employees wait too long to be recognized**

The truth is traditional programs actively disengage employees. Research shows that human behavior is driven by consequences, and in order to increase employee engagement and drive repeat behavior, employers must provide positive consequences for positive behavior in a timely manner.

Traditional years of service programs do not offer timely recognition, given that the standard time intervals are 5, 10, 15, 20 and 25 years. Waiting five years to recognize and reward employees does not motivate repeat positive behavior, nor does it not make employees feel that their day-to-day actions and achievements contribute to the success of the organization.

Companies who wait to reward and recognize at these standard intervals



risk losing their top talent and completely miss the opportunity to engage their Generation Y employees, who as studies show, average 1.5 years with an employer.

### **Traditional service awards focus on the reward, not the recognition**

It's not the reward, but the recognition that makes an impact. Studies show that recognition in the workplace makes employees feel valued by their employer, and significantly boosts employee engagement. According to the Gallup Q12 survey – an industry leading survey that measures employee engagement, one of the top 12 key factors to securing employee engagement is regular praise and recognition from managers.

Traditional service awards like gold watches and tie-tacs don't motivate or engage employees because there is no meaningful recognition behind the reward. Rewards don't build loyalty or engagement – recognition does. (cont on next page)

### **DID YOU KNOW?**

According to the U.S. Bureau of Labor Statistics, a full 40% of employees quit their jobs not because of salary or workload, but because they don't feel recognized by their manager.

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**Recognition Milestones** – Today's version of years of service awards that delivers meaningful recognition rather than outdated rewards. The Recognition Milestones program helps organizations celebrate the contributions of employees while aligning them to corporate goals and culture.

## RECOGNITION MILESTONES – THE FUTURE OF SERVICE AWARDS.

Traditional years of service programs are yesterday. Welcome to today's years of service program.

Recognition Milestones. Recognition Milestones is the evolution of traditional years of service programs. This program helps organizations build a culture of recognition, not a culture of entitlement in their organization.

### Traditional Years of Service vs Recognition Milestones

Traditional service awards focus on the reward; employees have to wait too long to be recognized; and high administration and a long, drawn-out process makes service awards a hassle for the employee, their manager and HR.

Recognition Milestones are about the recognition; employees are recognized and rewarded at shorter time intervals to ensure employees feel valued by their employer; is an automated solution that reduces the time, effort and administration involved in managing the process; and is a cost-effective solution that empowers the employee to choose their reward and the way they want to be recognized.

## Recognition Milestone Best Practices.

The following four best practices show how to evolve a traditional service awards program into a Recognition Milestones program that fits your organization's culture and aligns to your corporate goals.

### Offer Personalized Recognition

To make the most of workplace recognition, the organization needs to train managers on how to provide it because managers know their employees best and can therefore provide meaningful, personalized recognition. For example, a manager knows who on their team appreciates being recognized publicly and who prefers a one-on-one celebratory lunch with their manager. Managers should have the autonomy to decide how to recognize their employees for achieving milestones.

### Automate the system

Look for opportunities to automate the process so you can manage instead of administer the program. Remember, the future of years of service programs is all about making your program work for the needs of your workplace and workforce. One solution is integrating years of service awards with your current data systems such as a Human Resource Information System and build in the ability to:

- Send notifications of upcoming anniversaries to the HR department and managers.
- Create personalized letters of recognition for managers to give their employees.
- Allow employees to choose their own rewards from an online catalog. Recognition Milestones is about transforming traditional years of service programs into a rewarding

#### CUSTOMER:

**C**HEERFUL GREETING!  
**U**SE POSITIVE COMMUNICATION!  
**S**HOW A POSITIVE IMAGE AND ATTITUDE!  
**T**EAMWORK!  
**O**WN YOUR JOB!  
**M**AKE IT UP TO THE CUSTOMER!  
**E**XTRA MILE!  
**R**EMEMBER TO THANK EACH CUSTOMER!

experience rather than a nuisance for you, your employees and their managers.

### Reflect your corporate culture

Creating an association between the recognition received and the organization is an effective way to strengthen alignment and engage employees in your culture and their future with the company. A great example of this comes from a major North American brewery that gives its new employees a company beer stein – a coveted memento that acts as a symbol of the company's culture. The stein serves to recognize an employee's first year with the company, and is engraved with the employee's name and date to make it meaningful.

### Offer personalized rewards that make an impact

Just like recognition should be personal, so should the reward. There are many options available today that allow employees to choose their own rewards. One option is moving to a points-based currency where employees are awarded points and can redeem their points for items of their choice. Popular employee rewards include the latest and greatest in personal electronics such as iPods or iPhones, experiential rewards for adventure seekers and the ability to donate the monetary value of their reward to the charity of their choice. The benefit to providing choice is that employees feel their employer is empowering them to choose the reward that best fits their individual lifestyle and needs. When meaningful recognition is tied to meaningful rewards, everyone wins.

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## IN CONCLUSION

In today's knowledge-based economy, successful organizations are looking past traditional years of service programs and embracing the future – Recognition Milestones. Evolving your traditional years of service program will help your organization:

- Focus on meaningful recognition and rewards instead of solely on the reward.
- Minimize administration and cost, and maximize the impact of recognizing employees for their contributions and years of service
- Establish a culture of recognition in your workplace.
- Secure employee engagement and alignment by driving long-term positive employee behavior.

Source: Article, I Love Rewards, 2009, Long Live Recognition Milestones.

## The Need for Increased Employee Recognition Today

There has been overwhelming evidence in recent years that recognizing employees when they do good work is not just the right thing to do, but it also is the smart thing to do if you are interested in obtaining desired results in your organization. Seventy three percent of managers in a recent doctoral study reported that they received the results they expected when they used employee recognition to reinforce performance with their employees. Organizations that have a "culture of recognition" have employees who report they are five times more likely to feel valued, seven times more likely to stay with the company, six times more likely to invest in the company, and eleven times more likely to feel completely

committed in their jobs, which has been shown to account for 57 percent greater effort on the part of employees.

The financial benefits of recognizing employees are also clear. A recent study reported in Incentive showed a direct correlation between the perceived use of recognition in organizations and the profitability of those firms. The financial return of Fortune's Best Places to Work has been shown to be 233 percent higher over a six-year period as compared with overall market returns and companies with higher employee satisfaction scores—driven in large part by feeling valued for the work they do—have been shown to have a 700 percent higher shareholder return.

With the evolving shift in the employee base toward younger, more technical-savvy employees (some 58 percent of employees in today's organizations are from the two youngest generations in the workforce), the need to adapt recognition strategies to the changing expectations of today's employees is greater than ever before.

## Fundamental Principles of Effective Recognition

"You get what you reward" is perhaps the most proven principle of management theory that has ever been established. Hundreds, if not thousands, of studies have systematically demonstrated that "what gets recognized, gets repeated." Other known findings about recognition include:

The Best Recognition is Specific, Meaningful & Timely (SMT)  
Specific in that stating exactly why you are recognizing someone provides practical feedback we all need at work. Meaningful in that, if done well, recognition makes an



employee feel special for what he or she has achieved. Timely in that the sooner you recognize performance, the greater you reinforce that behavior and the more likely it will be repeated.

The Best Recognition is Contingent  
That is, it is based on performance that matters: to the organization, the manager and the employee. If you don't base recognition on performance, it tends to be either random (e.g., by lottery) or based primarily on presence (e.g., annual celebrations that involve everyone or years of service awards). Such approaches undermine the power of the principles and lead to employees having a sense of entitlement as to what is owed them that is independent of the quality of their work they are doing in their jobs on a daily basis.

The Best Recognition is FREE  
Not only is cash not the only employee motivator, but some of the most powerful forms of recognition (thanks/praise, support involvement, autonomy/authority, learning/development, etc.) have little or no cost at all! Especially if you establish a "rhythm" of recognition which is provided to employees as deserved on a daily, weekly and other periodic basis, the chances of developing a culture of recognition are greatly enhanced.

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## Benefits of Using an Online Rewards & Recognition Program

There are a significant number of benefits to using an online rewards and recognition program today:

**Consolidation of recognition programs, efforts, budgets and administration.** Most companies are striving to consolidate their recognition and reward programs across the organization (recognition done geographically, by department, ad hoc rewards, and all other incentives) into a single over-arching system. This allows for greater effectiveness, coordination, administration and tracking and leads to reduced redundancy, waste and administration costs to the organization.

**Flexibility in driving changing needs of the organization and program types.** In these dynamic times, it's important to have a recognition program that can adjust to the changing needs and priorities of the organization. Most recognition programs I've seen in companies tend to be "plopped" on the organization and operate independently of the needs and priorities of the organization, often spending excessive time, effort and financial resources on activities that have little if any impact on the success of the organization, e.g., recognition that focuses on years-of-service, birthdays or holiday parties. How much better would it be to have recognition that focuses on core company values, cost-saving ideas, hiring of talent and/or client referrals? Recognition on these types of performance are all possible with an effective online program and can all be run simultaneously, as well.

**Freedom of choice in accessing virtually unlimited reward options and activities.** Being online offers an expanded choice of rewards, not just "traditional" reward items such as plaques, logoed jewelry, pins or vases. Instead, recognition and reward items can be more impactful to your employees, something they will remember and speak highly of to others. Having an online, brand-name reward selection will allow for the latest products to be added easily as they are available as well as non-merchandise items such as gift cards, travel, experiences, charity or green options that can be easily integrated. Even virtual rewards that allow employees immediate access to a reward that can be instantly redeemed. An effective online rewards platform also allows employees to create a "wish list" of rewards they would like to receive so as to make the process even more meaningful for them.

**Ability to track usage and create on-demand reports to maximize leverage.** What gets measured, gets done, and an online recognition and rewards platform provides a better way to track and report on recognition, correlate the use of recognition with performance, and allow for better decisions and improvements to be made to the program along the way. Having your rewards and recognition program online can track every recognition, reward, inquiry, and transaction in the system to provide extensive data about the program. You can easily pull this information to see how the reward program is trending, identify top performers, and make correlations to your business objectives. Having all recognition tracked online can easily be accessed by managers so they have a way of systematically tracking their employees' successes, as well as by the employees themselves.

**Tapping into social media favored by an increasing percentage of employees.** Social recognition is made easier through the use of social networks that are especially important and used by the younger generations, currently representing 58 percent of today's workforce and growing every year. Properly utilized, these technology applications can successfully combine public recognition for positive performance (i.e., desired behaviors and results) with the latest social communication technologies that increasingly bind together a significant percentage of the employee population.

Source: I Love Rewards, Bob Nelson, Ph.D.

## Seven Keys to a Successful Online Recognition Program

The best online Reward and recognition programs have the following characteristics, each of which can be built into your program:

1. **Results Driven**—focused on the performance you most want to drive in your organization. All performance starts with clear goals and expectations, so you need to first give consideration to what performance and results you most want to achieve with your recognition and rewards program, so you can be sure that those objectives are specifically addressed in your program.
2. **Employee Engaged**—comprehensive in including all members of the organization. Recognition is not just a top-down, manager-driven activity, but should encompass all levels and locations of the organization, including peer-to-peer, employee to-manager, manager-to-manager, executive-to-employee—and even involving the organization's customers and vendors, where possible. Recognition must be available and accessible to EVERYONE in the organization as it provides an important form of feedback and helps

**"You never fail, until you stop trying."**

Author Unknown

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to build the culture of the organization, essentially one which has recognition “without borders.” Technology is the most viable way to achieve this objective and potential today’s organizations.

3. Custom Branded—customized online platform, branded to your organization. Whatever online solution you select needs to be customized to fit your organization seamlessly. Some organizations want to include select certain options, brands and specific ongoing information for their recognition websites and the flexibility to add or modify recognition tools that can be integrated within the program. It should also be possible to run simultaneous recognition programs with the online solution you select.

4. Relevant Communication—enhanced communication for launching (and sustaining) recognition use. Communication is an important aspect of any recognition program and not just in initially launching the program, but in systematically sustaining the initiative over time. Online recognition provides a more timely and less costly answer to communicating about the recognition program launch, but also as an ongoing hub for communication about the program, highlighting its successes and providing ongoing education and reminders that will help to sustain the program’s success.



5. Effectively Launched—making a positive transition with buy-in and excitement. Any recognition program needs a successful launch to be successful. This should include training for both the organization’s recognition program administrator as well as training for everyone that is expected to effectively use the program. In addition, it is important to provide training to managers as to the importance of recognition and how they can best integrate the behavior into their daily practices at work. This is essential in that my research indicates the main reason why managers don’t use recognition is that they are not sure how to do it well.

6. Meaningful Rewards—available reward options that best fit your employees’ preferences. One of the benefits of an online recognition and rewards program is the expansive potential of providing access to almost any type of reward imagined. Select those categories that most appeal to your employee population, which increasingly goes beyond merchandise to include activities, charitable giving, “green” options, and learning and development opportunities.

7. Periodic Assessment—for changing and building on the program’s success. To keep your recognition initiative fresh and vibrant, you need to constantly be improving upon it, adding new elements as needed and eliminating those elements that have run their course before they become stale. This will help make the program a dynamic long-term, strategic initiative as opposed to a “flavor of the month” that most employees are wary of.

Source: I Love Rewards, Bob Nelson, Ph.D.



“Customers don’t expect you to be perfect. They do expect you to fix things when they go wrong.”  
- Donald Porter V.P., British Airways



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