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5 Rules of Recognition

Rev up your recognition program with these keys and reap big rewards

By Lisa Bendall

Ken Chisholm was relatively new to his sales position at Great Western Containers Inc. when he received a boost that would have an impact on his career for years to come. Chisholm scored the company's annual award in recognition of his strong job performance – an honour he would go on to receive twice more. Without question the highlight of the win, says Chisholm, was the invitation he and his wife received to have dinner with the company president.

"You don't get that one-on-one time with the president very often," he notes. "It was a great evening, and a great sense of accomplishment. It certainly prepared me for more responsibility, because I had a higher sense of value of my own contributions to the company."

Today, Chisholm is the company's vicepresident of sales and marketing in Calgary. He gives a lot of the credit for his promotion to that recognition he received earlier in his sales career – and he continues to value it to this day.

When it comes to motivating sales reps to achieve peak performance, goals, contests and bonuses all have key parts to play. But what is just as important – and very often overlooked – is recognizing the reps who win those contests and surpass those goals. Recognition makes people feel appreciated and loyal, and increasingly, many businesses are discovering that investing in this type of incentive can reap big rewards.

Want to beef up your technique for recognizing your reps? Here are five golden rules to bear in mind.

1. Distinguish Between Recognition and Compensation

Go ahead – ask a sales manager how he or she recognizes top performers. If the response is, "The more they sell, the more they get paid," then this is one recognition program that's plainly in need of a tune-up. "Managers just seem to have it wrong. They believe that the quickest way to get a behaviour change is to throw money at it," says consultant Paul Kidston of Sales Training Experts in Halifax, Nova Scotia. The truth is, he says, sales reps usually rate recognition as a bigger motivator than cash. There's a lot of research to back him up, including an American study showing that a vast majority of sales managers got the results they wanted when they put non-monetary recognition into place with their teams.

2. Make it Meaningful

A pat on the back and an enthusiastic "Good job!" won't score any plausibility points. Be specific about the contribution the employee made or the goal that was accomplished. How did the employee make a difference? What has he or she brought to the business? Whether you're putting it in writing or mentioning it at a sales meeting, take the time to consider your words.

"If you're not specific, it feels like a throwaway," says Leslie Kennedy of loyaltyEdge, a business consulting firm in Oakville, Ontario. "It doesn't feel authentic or genuine."

3. Recognize Those Who Merit Acknowledgment

It's important to remember that your top performers aren't necessarily always the reps bringing in the highest revenue, so they can sometimes slip through the cracks. Perhaps you have employees who are bringing on scores of new customers, or delivering solid service. They may not be winning sales awards, but they still deserve kudos for their achievements. And what about colleagues who don't make the sale but do provide the support? "If they're absolutely linked, then I think the recognition piece should be shared among the team," says Kidston. "Otherwise, it creates unhealthy competition and it becomes very demotivating."

If you are measuring performance against sales targets, make sure those targets are set fairly. Compare the differences in territories or products – don't just zero in on final numbers. For example, if the competition is to be equitable, it may be necessary to assign a lower sales target to the rep with the more challenging territory. Otherwise your efforts at recognition will fall flat, says Kidston. "Those who won feel guilty, like they've robbed others of the recognition. And for the others that didn't win, it turns out to be a demotivator very quickly."

4. One Size Doesn't Fit All

Not every employee wants to be recognized in the same way. Rather than applying the same recognition program to every individual, be flexible and ready with options. Study your staff and what inspires them. "You have to know the personalities of your people very well to know what it is that makes them feel truly recognized," says Mark O'Brien in Toronto, regional sales director for Purolator Courier Ltd. For instance, some reps might respond best to praise in private. "There are individuals who don't like recognition in front of their peers," O'Brien notes. "Sometimes it can embarrass them."

When in doubt, don't be diffident about asking a rep what rocks his or her world, says loyaltyEdge's Kennedy. "People love to be asked, because it shows you're interested."

5. Keep the Momentum Going

Once you've remedied your recognition program, keep it fresh. "People get absolutely elated in the whole practice," says Kidston. "But then you have hangover: Now that we've done this, what's next? Make sure that the high you've created continues, but that it's not the same old, same old." Your reps may feel recognized now, but if you overdo ideas week after week these methods may no longer be motivating.

That doesn't mean you can't repeat yourself. But be sure to look ahead, planning an effective mix of recognition practices that will continue to be effective down the road. And if some forms of recognition are tied to specific events, make sure that you're supplementing that with ongoing appreciation.

A Winning Solution

What's something Mark O'Brien loves hearing from those new to the Purolator Courier sales team? "They tell us that we're streets ahead of other companies in recognition," says the regional sales director. His organization places great emphasis on recognizing top performers, and O'Brien is convinced it drives their success.

Reps in his division are recognized for goals like sales growth, stellar customer follow-up and contract renewals. While employees do receive merit-based salary increases, they also enjoy much non-monetary recognition at Purolator. The company offers a range of special awards, including a set that's presented at quarterly offsite sales meetings. Names of top performers are posted on the company Intranet for all to see.

Star sales reps may also receive letters from the upper echelon of the company. "You'd be shocked at how far that goes," says O'Brien, "being recognized in front of their peers, and getting validation from our executives." Of course, there's the big trip for the top sales scorers, but just as affirming is the announcement of their names at an annual gala.

Putting priority on recognition has its rewards, says O'Brien. "In the last three years, we have had less than two per cent voluntary turnover in our division. Given the war for talent out there and how much we invest in training, keeping performers around is in everybody's best interests."

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