

Recognition 3.0

The Future of Employee Engagement

“More companies are discovering that an über-connected workplace is not just about implementing a new set of tools - it is also about embracing a cultural shift to create an open environment where employees are encouraged to share, innovate and collaborate virtually.”¹

It should be no surprise that employees are the key to any successful enterprise organization in 2011.

What may be a surprise is that one of the key drivers of employee engagement, satisfaction and loyalty is still stuck in an industrial age mind-set.

Few companies have elevated their employee rewards and recognition programs to a level that is in sync with their company's, or their own employees' level of sophistication. Read on to find out how you can “level up” your recognition strategy along with your business strategy.

Recognition 3.0

Recognition is one of the most talked about, written about and studied areas of employee engagement. In just the last few years, the amount of information on how to better align employee activities with corporate goals and objectives through recognition has exploded. Books such as Daniel Pink's, “Drive,” and websites such as the “Employee Engagement Network” (a “ning” network, which now boasts over 3,000 members) extol the virtues of recognition as a spark for engagement and have fueled an increased interest in how corporations “do recognition right”.

At its core, we believe recognition is personal and social. Each person experiences recognition differently. We also believe, without a social component, recognition falls flat. This “social” requirement means in order to truly leverage recognition as an engagement tool corporations need to look at the explosive growth in social technologies as a bellwether for how recognition is changing and what it will become.

“Social” in today's world is not just real life, face to face. It also encompasses the connections we have through electronic means. And those connections rely on the internet. Just as the internet impacted our business practices – it is transforming how we think, connect and compete. That transformation is affecting the way we recognize as well.

Following The Business Evolution

The way in which business is conducted and organizations are designed has changed over time. So too must the way in which we connect with employees. The business environment has moved from single family proprietorships to multinational corporations. We've seen companies that used to be competitors collaborating on new products and services. Who would have thought that a company could grow to \$1 billion in 10 years selling shoes via the internet.

As business practices evolved and took advantage of the technologies available, so will our recognition efforts. The same pressures and opportunities that now allow companies to connect virtually in business webs are impacting how we should recognize and reward employees. The same value businesses found working with an expanded web of suppliers and partners is now showing up in how we recognize employees.

Recognition 3.0 is about expanding recognition from a vertical application within the company to an enabling application that allows employees to connect recognition to their entire social web, even if it is outside company walls.

To see how we believe recognition is evolving to create Recognition 3.0, let's follow the way business has evolved and draw some parallels.

“Hardly a competent workman can be found who does not devote a considerable amount of time to studying just how slowly he can work and still convince his employer that he is going at a good pace.”²

Business 1.0

Before the industrial revolution most, if not all business was local. The corner store. The family farm. Then the industrial revolution changed what we did, where we lived and what businesses focused on.

And it ushered in the age of efficiency and scientific management.

Economies of scale was the new goal. More, better, faster, cheaper. Studies were even conducted to see if companies could apply the same thinking to human behavior as they did to the machines in the factories. Breaking down the work into smaller and smaller pieces.

The University of Massachusetts Dartmouth released a study that highlighted the fact that the nation's fastest-growing private companies are increasingly using social media, especially Facebook and Twitter, according to a study released this week by the. Seven out of 10 such companies - those on the 2010 Inc. 500 list - said they have Facebook pages, and half said they use blogs to communicate with customers.³

Increasing production, decreasing error, driving margin.

Even the advent of the computer in the early 70's and into the 80's didn't change that mindset. Most computers were initially used to speed up process and reduce costs.

That was Business 1.0 – create economies of scale and sell for the lowest price and the highest margin.

Business 2.0

The Business 1.0 mind-set was in vogue from about 1900 until about 1990. What changed?

A shift from reliance on cost to a reliance on speed of innovation.

Everyone was getting efficient. Economies of scale were topping out – hitting a ceiling where further reductions in cost due to mechanization were not possible. Additionally, the “best practices” many companies were using were proliferating. Everyone was using similar technology and processes creating parity in the market place.

Companies had to find a new way to drive performance.

And they found it in innovation.

Newer products, newer ideas, newer services. At first it was simply finding new ways to use the same machines differently. Unfortunately, they were still focusing on the efficiency side of the equation. Soon that wasn't good enough.

Now companies had to find value in something different.

That “something different” was their people.

Business 2.0 is about sharing – sharing information between sales and marketing, within the company. Sharing information between production and design. Sharing, sharing, sharing.

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<http://www.heraldnews.com/news/x1791707875/UMass-Dartmouth-study-says-companies-are-increasingly-turning-to-social-media>

Business 3.0

Business 3.0 – or more accurately – business webs - is the next logical step in the evolution of the business. It is no longer good enough to share within your own company – behind the firewall so to speak.

New social sharing technologies are expanding the universe of possible connections the company can have. Concepts such as consumer-aided design, co-creation and “prosumer” are littered across the blogs and the business magazines. Business 3.0 is all about breaking down barriers to conversations outside the company.

Who knew 40 years ago that the same machines that sped up accounting processes would now be use to connect people on opposite sides of the world and allow them to collaborate on new products?

The business world is changing. Connecting people is now the competitive advantage in the market. How you engage those people is critical to an organizations ability to be innovative and successful.

Recognition Follows the Same Trajectory

When businesses relied on machines and efficiency, most of the available capital went to keeping the factory running. Now that innovation and employee engagement are the means of production, the way in which we influence employee behavior has followed a similar trajectory.

Recognition 1.0

When the factory and the headquarters was the only place employees worked then an “Employee of the month” notice posted on the bulletin board in the break room was as technologically advanced as recognition needed to be. As businesses started to feel the impact of the costs associated with employee retention and satisfaction, businesses stepped up their recognition efforts to include plaques, pins, and trophies.

Solicit and recognize fresh insights and new thinking from internal and external sources. As the external environment becomes more complex, organizations need to make sure they incorporate all parts of their business network into the innovation process.⁴

Award choices were based on whether the award could be displayed in the offices and on the “uniforms” of the workers. Recognition was for the “company” and seen only by those that belonged to the company. Very little recognition went outside the walls of the organization. It was a rare event when a company would publicly recognize an employee. In many large organizations, recognition barely made it out of the department or division. Progressive companies might place a page on their website for the top recognition levels, or include a few pages of names listed alphabetically in the company newsletter.

Recognition 2.0

As technology evolved, and businesses realized that employees were the real value of the organization, more effort was placed on recognition. Smart companies expanded the scope of the recognition event and the value of the awards. Email now provided a wider net for communicating who earned an award. There was no marginal cost for sending an email, so why not?

As intranets and knowledge management tools began taking hold in larger organizations HR departments created pages on the company sites to recognize award earners. Now the entire organization was involved. Any employee could see who was being recognized in any department.

A huge advance in recognition.

Now recognition technology allows recognition to flow up the organization. No longer is recognition under the sole authority of “management.” Recognition now comes from co-workers. Peer-to-Peer recognition is now a standard application for most recognition applications.

With the increased adoption of telecommuting, recognition could now come from across an ocean, across a country and from someone in their pajamas.

Recognition became social.

Newer recognition applications include some of the same capabilities of innovative consumer social networks such as Facebook and LinkedIn — allowing employees to comment on, and congratulate the recipient.

While employee recognition is shared openly and widely within the company – it stops at the firewall.

Unfortunately, your employees' social network doesn't.

We believe recognition needs to move past the firewall and be integrated into the employee's full social network – not just the "work social network."

Welcome Recognition 3.0 – The Recognition Web

Much has been written on Millennials and their ever expanding social network powered by Facebook, Twitter and in the "old days" MySpace. But adoption of, and in some cases reliance on, the social web it is not limited to Millennials. The fastest growing segment in Facebook is the 50+ age group. Social networks are ubiquitous.

Social Networks are becoming the standard for communication.

We are increasingly spread out geographically as education and employment take us to new and different locations. Because the internet knows no country borders, we are connected to people in countries and locations we used to only see on National Geographic Specials. Statistics show that the traditional two-parent family is a minority today meaning most of us no longer fit the old "Ozzie and Harriet" mold and our family networks are much larger.⁶ We easily connect to long-lost cousins and family friends.

⁶ August 2007 U.S. Census Bureau -Of America's 111 million households, 55.8 million—50.2 percent—are marriageless: headed by single moms, single dads, or couples living out of wedlock, including homosexuals. The figures do not include the 30 million single American men and women who live alone.

The social friction that used to exist and prevent us from reaching out and connecting is gone. We can connect effortlessly with hundreds, and in some cases, thousands of “friends” on Facebook and Twitter.

Our definition of a friend has changed.

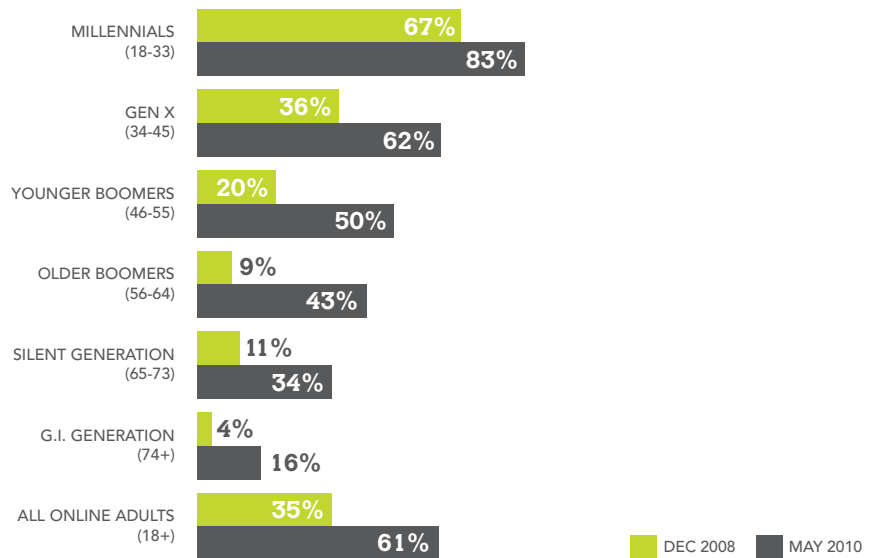
We share more personal information with more people. We are MORE social than ever before. And how we engage our employees needs to leverage these changes.

Recognition is a social event. Without someone to share recognition with, it simply doesn't exist. The next level of recognition needs to take advantage of these changes and adapt to the way in which our employees are connecting.

Recognition needs to move outside the firewall and be embedded in the actual social network of the employee.

Changes in Social Network Site Use, 2008-2010, by generation

Percentage of internet users who use social network sites over time.



SOURCE: PEW RESEARCH CENTER'S INTERNET & AMERICAN LIFE PROJECT, APRIL 29-MAY 30 2010 TRACKING SURVEY, N=2, 252 ADULTS, 18 AND OLDER.

How you Design for Recognition 3.0

It's About Them

First and foremost you need to change your perception of recognition from something you do – to something they receive. Focusing on their needs and how they experience recognition opens your mind to different possibilities. When you realize that recognition is social and that an employee's social sphere encompasses much more than the organization, you begin to see recognition for what it is... something the employee wants to share with others.

Sharing recognition is what gives it such power. When recognition stays within the organizational walls you are limiting its real power.

Allow Sharing

Recognition 3.0 takes into account the various technologies that your employees are using to share their day-to-day life. Whether that be sharing that they had a breakfast burrito on Twitter or logging into Foursquare to earn a new Mayor's Badge at the local pub. Allowing your employees to share their successes on their preferred social network multiplies the impact of the recognition.

Make it Their Choice

Don't force the recognition out to their various networks. Recognition, while social, is also personal.

Allow your employees the ability to choose what and with whom they share. Many people use Facebook differently than they do Twitter. Your recognition program should give them the choice of networks.

“Ask yourself this question **constantly**: where can I add the most value to what matters most to me and the people who care about me?”⁴

Manage Content but Don't Dictate

How much is shared could be a concern. In some instances, you may not want your employees sharing information about a super-secret project or a new product development. Make sure your system only allows for sharing of the event – not all the specifics of it.

Educate your employees on about how to share effectively without compromising the organization. The key here is to allow for sharing the fact they were recognized – not the intimate details of the activity.

Expand Your Recognition Web

Recognition 3.0 is all about sharing and multiplying the effect of recognition. Don't think small. Think in terms of the entire web of interactions your employees have. They talk with vendors. They talk with clients. They talk with family and friends. Do those extended connections have the ability to recognize your employees?

True Recognition 3.0 is inclusive.

Recognition 3.0 assumes there are multiple ways your employees impact your brand and your business and allows those connections. Create ways for vendors and clients to recognize your employees.

Recognition 3.0 Benefits Everyone

The overall effect expanding the recognition event in a 3.0 way provides benefits other than just better recognition (which is a good enough reason in itself.)

- Showing you care and that your employees care enhances your employer branding opportunities – increasing the likelihood of finding more employees like the ones you have.
- Giving your employees additional ways to share their experiences inside the walls of your organization drives positive brand image. You can increase the positive sentiment associated with your brand and your services.

- Better vendor selection as other vendors see how you engage with your business partners.
- Potential clients are members of your employees' social web. Allow those clients to see how you manage your most important assets.

The Future

Where will Recognition 4.0 be? We don't know.

Yogi Berra was famous for saying... "It's tough to make predictions, especially about the future."

We believe that too.

While we can't predict exactly what the future holds for recognition – or business in general – we can say with some certainty -it will first be talked about, thought about and revealed on the social web your employees participate in each day.

Your job, and ours, is to be active in that web, recognize their contributions and listen for their suggestions, ideas and insights.

That is where the future is. The future lives in your employees and their networks.

Recognition 3.0 is your first step in creating your future – and your employees' future.