



# Dave Mitchell

## the Leadership Difference

### *Laugh and Learn!*

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## Are Employee Recognition Programs Effective?

As a former human resources executive, it may surprise you to learn my opinion of employee recognition programs. In this newsletter, I point out three reasons I think these staples of the HR world are a waste of time and money. Also, a link to my most popular blog post yet and a wine recommendation that resulted from another winery's referral. Happy 4th of July!

### Why I Hate Employee Recognition Programs

As a general rule, I don't enjoy making provocative statements. I am a Romantic (see The Power of Understanding People if you don't get the reference), and as such, I prefer consensus and harmony. It is not my nature to make a statement simply to stir up debate and risk experiencing antipathy. So it is with more than a little reticence that I make the statement that serves as the title for this article. But, it is true, I hate employee recognition programs! As a former human resources executive and a current organization development professional, this may sound like heresy. As a speaker and author on people issues, it certainly is a counter intuitive mindset at the least. Just give me a few minutes to outline my three arguments against these programs.

- **They don't work.** I think that is fairly compelling. In fairness, they may work a little, but I think they do far more harm than good. Assuming that the reason the organization has installed an employee recognition program is to inspire and motivate their employees to perform at a higher level, the strategy will fail. Employee motivation is complicated and a one size fits all program for rewarding high performers will miss the mark far more often than not. For every winner, you will create a greater number of people who are de-motivated by the program. For example, using the typical "Employee of the Month" program, you can expect the following reactions to develop among your employee base:
  - Romantics will eventually turn this program into a traveling trophy to make sure everyone takes their turn as the winner; this will inevitably undermine program credibility.
  - Warriors will scoff at a plaque, having preferred to be given a cash bonus instead.
  - Experts will impeach the qualifications of the winners by pointing out how they fail to meet all the standards defined in the program.
  - Masterminds will either not be aware the program exists or quickly lose interest in it when it becomes boring.

- **They are expensive.** When you decide to implement an employee recognition program, you must ensure that you are diligent in creating metrics that are consistent across all organizational departments. These metrics must be measurable and track directly to organizational goals and strategies. They must be applicable to the requirements of all job titles. They must be fair and consistently installed. This alone is pretty daunting. If you successfully identify these elements of the program, then you must assign someone the responsibility of tracking them accurately. To avoid employees receiving mixed messages about your corporate values, you must also balance the performance metrics with considerations related to attitude. After all, what kind of message are you sending if the most recognized employee based on your performance metrics is also the least cooperative, most selfish and difficult person to work with? The process of executing the infrastructure of the program will be time consuming and likely create a lot of additional labor expenses. Once you have managed to find the holy grail of characteristics that will comprise your employee poster child, you then can start spending budget monies on rewards, events, and administrative costs. Ultimately, you have spent a huge amount of resources on a program that will only irritate most of the employee base or be broadly ignored.
- They are a poor substitute for effective leadership. Fundamentally, the employee recognition programs I have been exposed to were a reactionary effort to cover up a far more disturbing issue: poor leadership. Creating a high performance culture requires that all employees feel inspired to work at their peak almost all the time. This requires leadership that utilizes a high level of appreciation, empowerment, nurturing direction and training, and invites ideas and innovation from all employees. If the corporate culture is built around praise, employee engagement, exceptional training and open, continuous feedback from all levels of the organization, there is no need to give someone a trophy and a parking space once a month.

If you ask me, when you assemble a small group of employees every month to recognize them for their performance, you are not saying something positive about your organization at large. The goal should be to create a company that thrives because of the entire employee base's commitment to organizational success. Instead of recognizing a few, recognize the many. Invest in leadership that effectively creates an environment where all employees feel recognized each day. Create an environment in which all people want to work every day because they are inspired by their leader, not a culture that tries to coax a few to perform well with the weak promise of a monthly trophy.

**For more information about learning, communication and leadership, check out Dave's new book *The Power of Understanding People*.**



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## From My Blog:

### How to Blow A Million Dollars in Less Than a Minute

The Customer Experience! It is a phrase I like to use to remind my clients what they are creating every day for the consumer. That was the theme of a recent company retreat that I facilitated in the beautiful Willamette Valley wine region in Oregon. It may rank as one of my all-time favorite events; combining a morning classroom session with an afternoon field trip to two sensational wineries. Did I mention that the attendees were all talented, enthusiastic professionals from the design world? And that they were all women? It was a fantastic day.

The irony of this perfect day of education occurred less than 24 hours before. My lovely bride and I rendezvoused in Portland and enjoyed a rare day off together by visiting several wineries. We have many favorites in the Willamette Valley and decided to return to one particular winery that we had visited many years prior when they were just opening. I won't share the name, for reasons that will soon be evident. I will say that the winery is stunning; sitting in the middle of rolling vineyards, impressively appointed with granite, marble and art work. When you walk in, the opulence is so prominent that you feel more elegant merely by being there. It is the kind of winery that influences your pinky finger to extend when you grasp your wine glass. Framed acclaim for their winemaking skills was featured on the wall. I imagined the amount of money that had been invested by the owner/winemaker to purchase this land, construct this building and design it so handsomely. I thought, "This would be a wonderful place to bring my group tomorrow to show off the customer experience."

That notion was quickly dashed when we met the tasting room employee. She could not have been less enthusiastic about our arrival if we had come in carrying a sickle and dressed like the grim reaper. [Read more here.](#)



## A Winemaker's Referral Uncovers an Obscure Gem

Lori and I love visiting the wineries in the Willamette Valley. The region is still rustic and rural with the wineries sprinkled about the country side on narrow, often unpaved country roads. We make it a point to ask one winery to recommend others to visit so we don't miss something special. On a recent trip to Oregon, that strategy paid off big time!

While at [The Four Graces Winery](#), a wonderful experience itself, we asked for the names of other great wineries. Without hesitation, the tasting room staff said, "[De Ponte Cellars.](#)" A few minutes later, we found ourselves immersed in exceptional hospitality, gorgeous wines and breathtakingly beautiful views. We enjoyed every single wine, but particularly savored their Old World style single vineyard Pinot Noirs and the rare bottling of Melon de Bourgogne.

The wine maker, Isabelle Dutartre studied her craft in France and it shows in the distinctively Burgundian style in the glass.

These wines are not widely distributed, so visit their website to learn more.