



CHAPTER 11

Recognize Contributions

ANITA LIM, MANAGER of HR and Operations at Wavefront, says that she's experienced firsthand the impact of a positive leader on her productivity and satisfaction. She has also experienced how exhausting and miserable an environment can be under the guidance of a person who is not supportive of those she is managing. This breadth of experiencing people so that everyone can get behind driving the organization to higher levels.

When she worked at an upscale fashion retailer, Anita told us, the store manager "ruled by instilling fear in her team members, threatening our jobs if we did not meet our quotas."

Her moods changed daily and were especially worse when we had suboptimal performance the day before. She expected us to come to her office every morning when we arrived and to stop by again before leaving so that she could track the hours we worked each day.

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We were expected to answer specific questions on the spot, such as "How many of x item had we sold in the last week?" without being given the opportunity to pull up reports. When business was tough, she made it very clear how disappointed she was in us, and that we needed to step it up. When we achieved results, however, we received nothing more than an insincere smile and were told to make sure we did the same the next day.

One month Anita achieved a double-digit sales increase in her department, a rare event for the store. "I received no public recognition for this achievement," she told us, "nor did my store manager ever congratulate me directly." Instead, the manager wrote a cursory thank-you letter and left it in Anita's mailbox. The next time Anita spoke to her, there was no mention of her accomplishment. "It was back to business as usual," Anita said. "It cast a shadow on my achievement, and I did not feel particularly motivated to exceed performance expectations a second time. This manager's approach discouraged the entire team and resulted in an extremely high turnover rate." In the end, Anita decided she could no longer take the manager's temperamental and distant behavior and left for another company.

Contrast this experience with Anita's next one working as the store manager for a national coffeehouse chain.

My district manager was a complete turnaround from my previous manager. She was warm, welcoming, and encouraging of all her team members. She believed that we all had the potential to do great things and so always expected the best of us. She made sure to make the time to sit with us and walk us through our business opportunities and weaknesses so that we could better tackle the problems at hand. She knew what it was like to be in our shoes and understood the challenges we faced on a daily basis.

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Rather than berate her team when they had below average results, the district manager would offer methods she had used in the past to help overcome obstacles. She visited the store managers regularly in their respective stores and would spend the entire day with them, working alongside store staff in areas that needed additional help, getting “personally involved.” When a store had a week with great results, she would show up to congratulate the team in person. If she could not make the trip, she would call to tell the team how proud she was.

“At our quarterly managers’ meeting,” Anita told us, “she would deliver awards to the store managers who had proven themselves to have gone above and beyond in their duties.”

She did not base these awards on sales quotas alone—rather, she found ways to reward people for stepping outside the box. For example, there were awards for most improved, most supportive, and even most courageous. When presenting these awards, she would accompany them with a personalized speech for the recipient and highlight all the achievements this individual had made in their time with the company. One time, her emotions got the best of her, and she became teary-eyed during the speech. Seeing this made me realize how much she cared about her team members. Rather than feel envy over my co-worker getting a reward when I did not, I instead felt joyful that I was a part of such a high caliber team.

Because the district manager created a spirit of community, Anita and her fellow store managers were highly motivated to do their best. As Anita summed up her experience: “Being under the leadership of an individual who found ways to connect personally with all her team

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members made me realize how much more you can accomplish as a team when you are surrounded by positivity and encouragement every step of the way.”

Like Anita's district manager, exemplary leaders know how important it is to connect with the people around them, not taking anyone for granted, and appreciating folks for both who they are and what they do. All exemplary leaders make the commitment to *Recognize Contributions*. They do it because people need encouragement to function at their best and continue to persist over time when the hours are long, the work is hard, and the task is daunting. Getting to the finish line of any demanding journey demands energy and commitment. People need emotional fuel to replenish their spirits.

To *Recognize Contributions*, you need to utilize these two essentials:

- ▶ *Expect the best*
- ▶ *Personalize recognition*

By putting these essentials into practice, you uplift people's spirits and arouse the internal drive to strive. You stimulate their efforts to reach for higher levels of performance and to aspire to be faithful to the visions and values of the organization. You help people find the courage to do things that they have never done before.

Expect the Best

Belief in people's abilities is essential to making extraordinary things happen. Exemplary leaders elicit high performance because they firmly believe in the abilities of their constituents to achieve even the most challenging goals. That's because positive expectations profoundly influence not only your constituents' aspirations but also, often unconsciously, how you behave toward them. You broadcast your beliefs about people in ways you may not even be aware of. You give off cues that say to people either "I know you can do it" or "There's no way you'll ever be able

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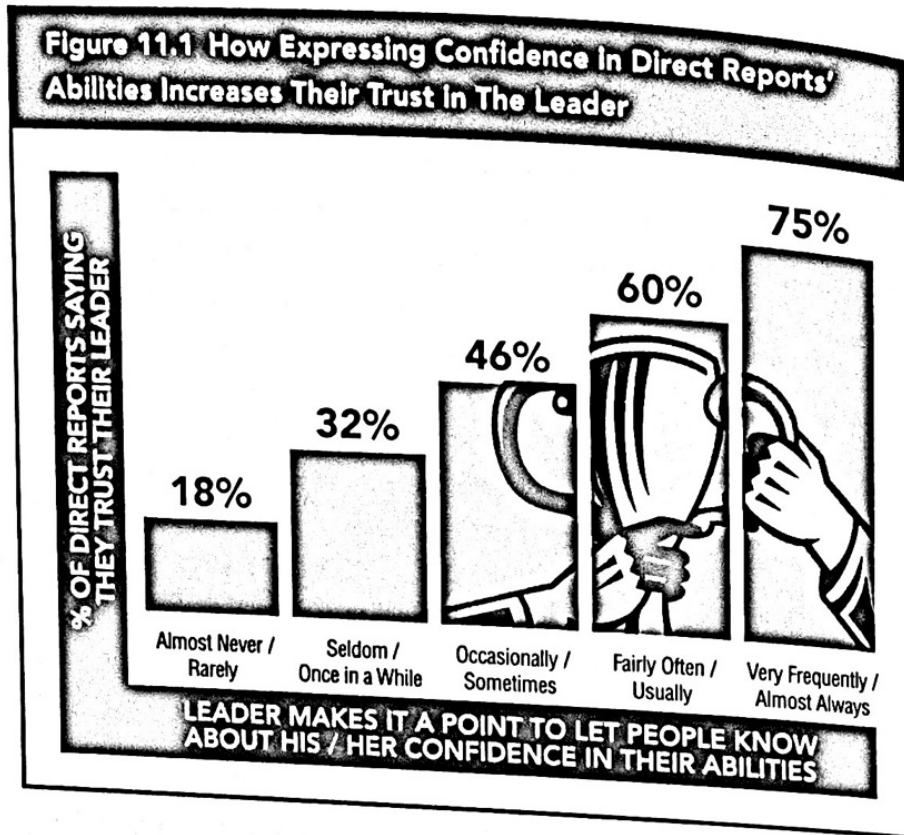
to do that." You can't realize the highest level of performance unless you let people know in word and deed that you are confident that they can attain it.

Social psychologists refer to this as the "Pygmalion Effect," from the Greek myth about Pygmalion, a sculptor who carved a statue of a beautiful woman, fell in love with it, and appealed to the goddess Aphrodite to bring it to life. Aphrodite granted his prayers. Leaders play Pygmalion-like roles in developing their constituents. Ask people to describe the best leaders they've ever had, and they consistently talk about individuals who brought out the best in them. Research on self-fulfilling prophecies provides ample evidence that people act in ways that are consistent with others' expectations.¹ When you expect people to fail, they probably will. If you expect them to succeed, they probably will. As Sumaya Shakir, IT strategy director at Amtrak, explained in her Personal-Best Leadership Experience: "I trusted in the team's abilities. I knew they were capable of delivering, and I made them aware of that high level of expectations. My belief in them ultimately turned into their belief in themselves of being able to achieve extraordinary things."

Exemplary leaders bring others to life, figuratively speaking. They bring out the best in their constituents, and if the potential exists within someone, they always find a way to release it. These leaders dramatically improve others' performance because they care deeply for them and have an abiding faith in their capacities. They nurture, support, and encourage people in whom they believe. In a series of studies, psychologists showed that by starting with the statement "I'm giving you these comments because I have very high expectations, and I know that you can reach them," the feedback they provided proved to be 40 percent more effective in subsequently changing targeted behaviors.²

The levels of motivation, commitment, team spirit, and productivity reported by direct reports correlate significantly with the extent to which their leaders make it a point to let people know about how confident they are in their abilities. What comes around goes around, as shown in Figure 11.1, because the degree to which direct reports trust their leader relates directly to how often they observe the individual sharing his or her confidence in people's abilities.

Figure 11.1 How Expressing Confidence In Direct Reports' Abilities Increases Their Trust In The Leader



Show Them You Believe Leaders' positive expectations aren't fluff.³ They're not just about keeping a positive outlook or getting others psyched up. The expectations you hold as a leader provide the framework into which people fit their realities. They shape the way you behave toward others and how they behave on the task. Maybe you can't turn a marble statue into a real person, but you can draw out the highest potential of your constituents.

When Barbara Wang joined one of the largest and fastest growing social sector organizations in China, the beliefs and actions of her leader helped her believe in herself. Within months of joining the firm, Barbara's manager assigned her the responsibility for the organization's business plan, and she told us: "This freaked me out because I was coming from an entirely different setting, having worked previously in IT as a programmer analyst." When she told her manager that this responsibility made her nervous, he said that he had been watching the way she worked

for the past few months and that if he had any doubts, he would not have assigned the project to her. "His belief in my skills and talent was what made me believe that I could handle the project on my own and made me psychologically stronger and motivated me to go ahead with a positive attitude. He brought out the best in me by expecting the best and showing me that belief. He believed that I was already a winner."

The manager acted toward Barbara as if she were a winner. For example, whenever she had any slight problems or doubts, her manager was supportive and reassuring, answering her questions and identifying methods for improvement. "This made me feel respected," she told us, and "encouraged me to do better rather than sulking about the fact that my work was not up to the standards he was expecting."

Believing in others is an extraordinarily powerful force in propelling greater performance. If you want your constituents to have a winning attitude, you need to do what Barbara's leader did: show that you believe your constituents are already winners. It's not that they will be winners someday; they are winners right now! When you believe that people are winners, you behave in ways that communicate to them that they are precisely that—not just in your words but also through tone of voice, posture, gestures, and facial expressions. No yelling, frowning, cajoling, making fun, or putting them down in front of others. Instead, it's about being friendly, positive, supportive, and encouraging. Offer positive reinforcement, share lots of information, listen deeply to their input, provide resources sufficient to do their jobs, give them increasingly challenging assignments, and lend your support and assistance.

"I use three pennies to help me practice encouragement," said Ravi Gandhi, chief financial officer, United Auto Credit Corporation.⁴ When he gets into work, he sets three pennies on the left side of his computer, and during the day, he says, "I look for opportunities to recognize, thank, and encourage good work that people are doing around me." After encouraging someone, he moves a penny from the left side of the computer to the right side. When not at his desk, he puts the pennies in his left pocket and moves them to the right pocket as he encourages people during the day. This small reminder, explains Ravi, "keeps me

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mindful of the fact that we live in an encouragement-starved world—I am just trying to do my small part to fix that—at least with my work team.” If Ravi gets to the end of the day with pennies in his left pocket, he calls his kids and friends on the way home and offers them some encouragement!

Put yourself in this situation: If you knew someone was coming around to check up on you, how would you behave? Conventional wisdom holds that as soon as they spot the boss coming, people put on their best behavior. Wrong. They may put on different behavior, but it's not typically their best. In fact, it can be their worst because they get nervous and tense. Also, when you know that people are coming around to look for problems, you're more likely to hide them than to reveal them. People who work for highly controlling managers are more likely to keep information to themselves, conceal the truth, and be dishonest about what is going on. Counterintuitively, as we pointed out in Chapter Eight, organizations where lots of mistakes are reported may simply be because people feel safe to share problems and obstacles and get the assistance needed to solve them, and continuously move forward.

It's a virtuous circle: you believe in your constituents' abilities; your favorable expectations cause you to be more positive in your actions; and those encouraging behaviors produce better results, reinforcing your belief that people can do it. Another virtuous circle begins as people see that they are capable of extraordinary performance, they develop that expectation of themselves.

Be Clear About the Goals and the Rules Positive expectations are necessary to generate high performance, but that level of performance isn't sustainable unless people are clear about the ground rules and expected outcomes.⁵ When you were a kid, you might have read Lewis Carroll's *Alice's Adventures in Wonderland*. Do you remember the croquet match? The flamingos were the mallets, the playing-card soldiers were the wickets, and the hedgehogs were the balls. Everyone kept moving, and the rules kept changing all the time. There was no way of knowing how to play the game or what it took to win. You don't have to fall down the rabbit hole to know how Alice felt.

Adam Harmon, M.D., is a cardiac surgeon who shows that he expects the best from people by being clear about aims and expectations.⁶ He takes the time to get to know his patients and their families personally, and he explains what they can expect in what is often a traumatic surgical experience. He does the same for his cardiac team. He expects the best out of them, and he demonstrates it by what one member described as “his habit of praising exceptional team members [that] creates an atmosphere where everyone improves their performance, seeking to be the next recipient of his gracious recognition.”

For any team members who do not perform to high standards, Adam clearly outlines what they need to do to improve. He takes this a step further, for example, by also saying to the team member he has just coached, “I know you can do it because you’ve done it before!” He reassures team members that they can do the job and connects their performance to the outcome for the patient, enabling team members to develop an emotional bond with their work. He consistently focuses attention on the major goal: “The better we do, the better the outcome for the patient,” he says to the team. “He shows us how to be the best we can be,” said one member, “and we love working under his leadership.”

Believing that people can succeed is only part of the equation. If you want people to give their all, to put their hearts and minds into their work, you must also make certain that people know what they are supposed to be doing. You need to clarify what the expected outcomes look like and make sure that there are some consistent norms governing how to the game is played and points are scored.

Goals and values provide people with a set of standards that concentrates their efforts. Goals are typically short-term, while values (or principles) are more enduring. Values and principles serve as the basis for goals. They’re your standards of excellence, your highest aspirations, and they define the arena in which you must set goals and metrics. Values mediate the path of action. Goals release the energy.

The ideal state—on the job, in sports, and in life generally—is often called “flow.” “Flow experiences,” as described in Chapter Ten, are those times when you feel pure enjoyment and effortlessness in what you do. To experience flow, you need to have clear goals. Goals help you concentrate

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and avoid distractions. Goals give your actions intention and meaning; they provide a purpose for doing what you do. Action without goals, at least in an organizational context, is just busywork. It's a waste of precious time and energy.

But what do goals have to do with recognition? What do they have to do with Encouraging the Heart? Goals give recognition context. They give people something to strive for, something important to attain—for example, coming in first, breaking a record, setting a new standard of excellence. Goals enhance the significance of recognition because the acknowledgment is for something a person accomplishes or exemplifies. While it's vital to affirm the worth of every one of your constituents, recognition is most meaningful when you reward appropriate behaviors and achievement of something everyone knows is highly desirable.

Goals focus people's attention on shared values and standards. They help people keep their eyes on the vision. They help keep people on track. Goals enable people to choose the kinds of actions they need to take, know when they are making progress, and see when they need to course correct. They help people put the phone in do-not-disturb mode, appropriately schedule their time, and focus their attention on what matters most.

Goal setting also affirms the person. Whether you realize it or not, goals contribute to what people think about themselves. As Claremont Graduate University professor Mihaly Csikszentmihalyi points out, "It is the goals that we pursue that will shape and determine the kind of self that we are to become. . . . Without a consistent set of goals, it is difficult to develop a coherent self."⁷

Provide and Seek Feedback People need to know if they're making progress toward the goal or simply marking time. Their motivation to perform a task increases only when they have a challenging goal *and* receive feedback on their progress.⁸ Goals without feedback, or feedback without goals, have little effect on people's motivation and willingness to put discretionary effort into the task. A global study of over 1,000 organizations in more than 150 countries found that more than one-third of all employees had to wait more than three months to get

feedback from their manager; nearly two-thirds wish they received more feedback from their colleagues.⁹

While a senior manager at W. L. Butler Construction, Eddie Tai was responsible for the recruiting, training, career development, promotion, and retention of project engineers and interns. Eddie points out that "giving regular feedback helps people self-correct and understand their respective role in the bigger picture. Setting goals without feedback on achievement and performance toward these goals is woefully incomplete." And what do his constituents say about this? One told us, "Receiving feedback is the most important thing in my growth because without knowing where I am, how can I plan where I need to go?" She went on to say, "I also enjoy getting feedback when I make a mistake because I take note and try to improve for the next time. Without making mistakes, it is hard to learn, and without a colleague who can point out your mistakes, they can sometimes be overlooked and not corrected."

Feedback is at the center of any learning process. For example, consider what happens to self-confidence without feedback. In one study, researchers told people that their efforts would be compared with how well hundreds of others had done on the same task. They subsequently received praise, criticism, or no feedback on their performance. Those who heard nothing about how well they did suffered as great a blow to their self-confidence as those criticized. Only those who received positive feedback improved their performance.¹⁰ Saying nothing about a person's performance doesn't help anyone—not the performer, not the leader, not the organization. People hunger for feedback. They prefer to know how they are doing, and no news has the same negative impact as bad news. In fact, people actually would prefer to hear bad news rather than no news at all. As one of Eddie Tai's constituents said, "It sharpens people's skills when they get feedback. I believe the more you know about your performance, and how you are doing, the better. It lets me know what I need to work on."

Learning doesn't happen without feedback—it's the only way for you to know whether you're getting close to your goal and whether you're executing properly. Feedback can be embarrassing, even painful. While most people realize intellectually that feedback is a necessary component

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of self-reflection and growth, they are often reluctant to make themselves open to it. They want to look good more than they want to get good! Researchers consistently point out that the development of expertise or mastery requires receiving constructive, even critical, feedback.¹¹

In this regard, Wharton Professor Adam Grant suggests “stop serving the feedback sandwich,” a traditional technique for giving feedback where you put a slice of praise on the top and bottom and stick the meat of any criticism in between. The data, he argues, shows that the “feedback sandwich doesn’t taste as good as it looks,” and he offers several suggestions for making feedback more constructive. First, explain why you are giving the feedback. People are more open to criticism when they believe it’s intended to help them and you show that you care personally. Second, because negative feedback can make people feel inferior, he recommends leveling the playing field by sharing how feedback has been helpful in your career. Third, ask if the person wants feedback because once they take ownership of this decision, they’re less defensive about whatever you have to offer.¹² Framing feedback in this manner goes a long way toward transforming feedback into guidance, which is what most people hunger for.¹³

Feedback and guidance are vital to every self-correcting system, and essential to the growth and development of leaders. However, we’ve found in our research that seeking feedback is not that easy for leaders to do. On the *Leadership Practices Inventory*—our 360-degree leadership assessment tool—the statement on which leaders consistently report engaging in least frequently is “asks for feedback on how my actions affect other people’s performance.” In other words, the behavior that leaders and their constituents consider being the most uncomfortable with is the behavior that most enables leaders to know how they’re doing! How can you learn very much if you’re unwilling to find out more about how your actions are affecting the behavior and performance of those around you? The short answer is “You can’t.” It’s your job as a leader to keep asking others, “How am I doing?” If you don’t ask, they’re not likely to tell you.

Openness to feedback, especially negative feedback, is characteristic of the best learners, and it’s something all leaders, especially aspiring

ones, need to cultivate. Remaining open to feedback, Hilary Hall, strategic marketing and technology director at Cargill, told us was the key lesson from her Personal-Best Leadership Experience. "It can be somewhat of a painful and embarrassing experience," she said, "to admit that there are parts of us that are unflattering, but it is a necessary component of self-reflection and growth." She appreciated how "becoming a great leader takes practice and the willingness to view oneself with a critical eye."

When leaders provide a clear sense of direction and feedback along the way, they encourage people to reach inside and do their best. Information about goals and progress toward those goals strongly influences people's abilities to learn and to achieve, and also applies to leaders themselves.¹⁴ Encouragement is more personal and positive than other forms of feedback, and it's more likely to accomplish something that other forms cannot: strengthening trust between leaders and their constituents. Encouragement, in this sense, is the highest form of feedback.

Personalize Recognition

One of the more common complaints about recognition is that it's far too often highly predictable, mundane, and impersonal. A one-size-fits-all approach to recognition feels insincere, forced, and thoughtless. Bureaucratic and routine recognition, along with most incentive systems, doesn't make anyone very excited. Over time, they can even increase cynicism and damage credibility. Moreover, generalized statements of encouragement fail to generate a significant effect because no one is very certain about either to whom the comments are directed or for what particular actions.

Nathalie McNeil, HR director in Australia for Novartis, contends that personalizing recognition is precisely what makes it genuine. That genuineness comes from actually knowing people on a personal level and sincerely caring about them. "If you can't recognize something specific," she says, "you're not paying attention. And good leaders pay attention. They know their people. When you truly know someone, not only do

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you recognize them for things they've done, but you also do it in a way that they personally value, because it's relevant to what they care about." At Yum! Brands, the world's largest restaurant company by units, they require that every recognition award has to be personal—it must carry a handwritten message.¹⁵

To be able to deliver the appropriate type of recognition, leaders need to learn about the motivations of each constituent. Luis Zavaleta, a corporate banker manager with Wells Fargo, recalls one manager he worked for who was simply not interested in getting to know the people on his team. As a result, Luis explained, that manager relied solely upon financial means for encouragement, which had the opposite effect from what he doubtlessly intended.

Most members of the team viewed the financial reward that we received from our manager with indifference. We would get anonymous bonuses attached to our paychecks without any warning or knowledge of where it came from, or what was the reason behind the reward. The lack of immediate acknowledgment for our work left people unhappy with management. The lack of feedback left most members unable to determine if they were doing a good job, which further decreased morale and productivity.

Because the manager was not interested in learning about the goals or needs of his constituents, Luis told us, "This lack of care led to a decrease in satisfaction and retention levels."

When people tell us about their "most meaningful recognition," they consistently report that it's *personal*. They say that it feels special. You get a lot more emotional bang for your buck when you make recognition and rewards personal. That's why it's so important for leaders to pay attention to the likes and dislikes of each individual. Alexey Astafev, deputy head of the International Cooperation Department at Russian Railways, observed, "To encourage people to do their best, you should be able to

recognize their achievements and make them feel trusted and valued. It has to be personal, precise, and visible. Even if it is a great reward, if you don't give it out right—or get it right—it will be forgotten soon without achieving the purpose of bringing out the best in people.” Doug Conant, while working to dramatically improve the performance of the Campbell Soup Company, spent up to an hour each day scanning his emails and the company intranet for news of employees who were “making a difference.” He estimates that he wrote at least ten notes each day, over 30,000 notes to employees at all levels, during his ten-year tenure as CEO. He says, “I made sure the notes went a step beyond gratuitous greetings and were focused on celebrating contributions from them.”¹⁶

Get to Know Constituents As one of the coaches for the girl's developmental team associated with Major League Soccer club San Jose Earthquakes, Stephanie Sorg recognized that many of her actions were “unintentionally bland and repetitive, and as a result, my players failed to feel appreciated or fully motivated.” She told us, “I needed to make it a priority to stoke the individual fires in each person in order to foster a healthy atmosphere that encouraged improvement.”

Stephanie started paying more attention to the needs of the players and less time on the game fundamentals, dedicating more time toward recognizing their efforts and meeting with each individual to express her satisfaction with their efforts. She had to get closer to the players so that she could comment on specific things they were doing, as well as genuinely express her commitment to and interest in them. For example, Stephanie made a special effort to pull aside one of the players after a drill and comment on her exemplary efforts.

I noted how it was obvious that she dedicated herself to fully embracing the practice drill and pointed out the tactical decisions she made that helped her succeed in completing the task to the best of her ability. In addition to meeting with this player, I would also make an effort to stop drills when the group made an excellent play and pointed out the

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specific teammates that made it successful. After a few practice sessions and games, I began to notice a difference in the way some of the players regarded and interacted with me. When I gave feedback, I saw the girls give their full attention to me and even provided visual feedback that they understood and appreciated the points I made.

As Stephanie's story illustrates, to make recognition personally meaningful, you first have to get to know your constituents. If you're going to personalize recognition and make it feel genuinely special, you'll have to look past the organizational diagrams and roles people play and see the person inside. You need to get to know who your constituents are, how they feel, and what they think. You need to repeatedly walk the halls and plant floors, regularly meet with small groups, and frequently hit the road for visits with associates, key suppliers, and customers. Paying attention, personalizing recognition, and creatively and actively appreciating others increases their trust in you. This kind of relationship is even more critical as workforces are becoming increasingly global and diverse. If others know that you genuinely care about them, they're more likely to care about you. Showing that you care is one important way you bridge cultural divides.

Because proximity is the single best predictor of whether two people will talk to one another, you have to get close to people if you're going to find out what motivates them, what they like and don't like, and what kinds of recognition they most appreciate. Yet, managerial myth says that leaders shouldn't get too close to their constituents, that they can't be friends with people at work.¹⁷ Let's set this myth aside.

Over a five-year period, researchers observed groups of friends and groups of acquaintances (people who knew each other only vaguely) performing motor-skill and decision-making tasks. The results were unequivocal. The groups composed of friends completed, on average, more than three times as many projects as the groups made up of acquaintances. Regarding decision-making assignments, groups of friends were 20 percent more effective than groups of acquaintances.¹⁸ There is an

important caveat, however. Friends have to be strongly committed to the group's goals. If not, then friends may not do better. This is precisely why we said earlier that it is necessary for leaders to be clear about standards and to create a condition of shared goals and values. When it comes to performance, commitment to standards and good relations between people go together. Furthermore, employees who report having a friendly relationship with their manager are two-and-a-half times more satisfied with their job.¹⁹ People are just more willing to follow someone that they feel knows who they are and what they need. Feeling a connection with others motivates people to work harder for the simple reason that people don't like to disappoint or let down individuals they consider friends. People also stick around longer at their companies when they feel they have friends at their workplace.

Be Creative About Incentives You can't be a broken record when it comes to recognizing and appreciating others, praising people the same way again and again. Making sure to acknowledge people creatively for their contributions is critical to both the effectiveness assessments of leaders and to how their people feel about the workplace. For example, less than 8 percent of direct reports strongly agree that their leaders are effective when they *almost never* make sure that people are creatively recognized. Contrast that percentage with over 82 percent who rate their leader as effective when they observe that individual engaging *almost always* in this leadership behavior. Levels of commitment and motivation are over two times higher between direct reports at the two ends of the continuum on this leadership behavior.

Donna Wilson showed creativity in her efforts to personalize recognition. As the VP and general manager of station KJRH, the NBC affiliate in Tulsa, Oklahoma, she figured that if she took \$300 of her own money and spent it on recognition efforts, it probably would not touch that many people. Instead, she split that money among fifteen people and asked *them* to spend it over the course of a month to encourage the hearts of others.²⁰

Donna believed this would be great fun—and it sure was. Some gave gas cards to photographers (to ease the burden of rising prices at the

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pump), or bought iTunes cards for IT folks (so that the song fit the person rather than being something generic), or took someone out to lunch. Some gave unusual mementos to people outside their department. One example was the "Big Fish" award—a giant plastic fish hung over the cubicle of the "star performer" in sales each month. It was creative, fun, and a way for recognition to go on and on long after the month had passed.

As Donna's experience underscores, leaders don't need to rely exclusively on the organization's formal reward system, which offers only a limited range of options. After all, promotions and raises are scarce resources. Don't make the mistake of assuming that individuals respond only to money. Although salary increases and bonuses are certainly valued, individual needs for appreciation and rewards extend beyond cash. Spontaneous, unexpected rewards are often more meaningful than predictable, formal ones.

Rewards are the most effective when they're highly specific and given soon after the appropriate behavior. One of the most significant consequences of being out and about as a leader is that you can personally observe people doing things right and then reward them either on the spot or at the next public gathering. "The form of recognition that has the most positive influence, and that should be used most often, is on-the-spot recognition," says Sonia Clark, chief human resource officer with Oportun. "When something really terrific happens, I comment on it right away and to anyone who might be close enough to hear."

Biswajit Sahoo, manager of analytics with Walmart Global eCommerce, admits that he was initially reserved about praising a team member, assuming it might make them complacent. He said that he often waited until the completion of a task before he provided any positive feedback. Having reflected on the impact of receiving positive encouragement himself, Biswajit now maintains that he passes along "feedback about a job well done instantly. I realize that even a small measure of positive appreciation given right away has much more meaning than giving that feedback at a later point of time. In the weekly status meetings within our team, I take the opportunity to recognize the good work done by any team member. This also encourages other team members to recognize each other's work openly." In many organizations, the time lag between

performance and recognition is typically too long to be meaningful. It's tough to remember much about what you did when the feedback follows many months later.

While it is true that money may get people to do a job, it doesn't get them to do particularly outstanding work.²¹ Your options are also quite limited if you rely exclusively on the organization's formal reward system. The truth is that people respond to all kinds of informal recognition and rewards, which is the beauty of being creative and personalizing them. We've seen people give out stuffed giraffes, rainbow-striped zebra posters, mugs with team photos, crystal apples, classic car rides, and hundreds of other imaginative expressions of appreciation. We've seen recognition done verbally and nonverbally, elaborately and modestly. There are no limits to kindness and consideration.²²

It's important to understand that genuine recognition does not have to include anything tangible. Exemplary leaders make extensive use of intrinsic rewards—rewards built into the work itself, including such factors as a sense of accomplishment, a chance to be creative, and the challenge of the work—all directly tied to an individual's effort. These rewards are far more important than salary and fringe benefits in improving job satisfaction, commitment, retention, and performance.²³

It's all about being considerate. The techniques that you use are less important than your genuine expression of caring. People appreciate knowing that you have their best interests at heart, and they are more caring about what they are doing as a result. When you genuinely care, even the smallest of gestures reap huge rewards.

Just Say "Thank You" Not enough people make sufficient use of the most powerful but inexpensive two-word reward: "thank you." That is, in fact, precisely what they found at Sullivan and Cromwell, one of the oldest and most respected law firms in the United States. For years, they noticed that they were routinely losing high-value first-year associates recruited from the top law schools, so they conducted a survey to find out why. What they found was a shock: it wasn't because of the money, the hours, or the work. It was because the young lawyers didn't feel appreciated by the partners. Consequently, the firm instituted a very

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simple policy: Every partner was required to say, "Please" and "Thank you" whenever he or she made a request. In one year, attrition was reversed, and Sullivan and Cromwell was voted the best law firm to work for by *American Lawyer* magazine.²⁴ Surveys reveal that the clear majority of people (81 percent) indicate that they'd be more willing to work harder if they had an appreciative manager, and 70 percent report they would feel better about themselves and their efforts if their manager thanked them more regularly.²⁵

At TFE Hotels, a leading accommodation provider across Australia, New Zealand, and Europe, CEO Rachel Argaman is quite adamant in saying that "people want to be part of an encouraging workplace, where what they do makes a difference and is recognized."²⁶ Leaders, she believes, must make sure that people see the difference they make, and one way, she says, is just to tell them: "Thanking people lets them know what leaders feel are the core triggers that drive performance." For example, Rachel writes a personal note on each person's annual bonus letter, a task that takes her over four full days. For each employee, she references a particular event, action, or behavior through which they made a difference, and then writes, "I'm saying thank you." In describing what kept her going through a particularly difficult situation, one TFE associate said it was "the little handwritten personal notes" she received from Rachel that helped her carry on. "Those handwritten notes are what kept me here."

There are few basic needs more important than to be noticed, recognized, and appreciated for one's efforts. Personal congratulations rank at the top of the most powerful nonfinancial motivators identified by employees.²⁷ Extraordinary achievements bloom more readily in climates marked with a high volume of appreciative comments. Research shows that performance recognition significantly impacts employee engagement at a rate of more than two to one. The same research finds that employees who receive strong recognition are more innovative, generating two times the number of ideas per month compared to those who receive weak recognition.²⁸

In our studies, those direct reports who rated their leaders above average on the leadership behavior "praises people for a job well done" were significantly prouder, more motivated, and more committed to the

organization's success than the direct reports whose leaders are rated below average on this behavior. Researchers have found that members of top-performing teams provide at least three, and as many as six, times the number of positive comments for every negative one they make. Medium-performing teams average about twice as many positive comments to negatives ones, but the average for the low-performing teams is almost three *negative* comments for every positive one.²⁹

It is always worth the time to recognize someone's hard work and contributions. All too often, people forget to extend a hand, a smile, or a simple "thank you." People naturally feel a little frustrated and unappreciated when their manager or a colleague takes them for granted. Sometimes they overlook this because people are under the pressure of deadlines, and the mandate to deliver on time overtakes expressing gratitude. However, it's critical that you stick around for that extra minute to say thanks. Olivia Lai recalled that when managing the customer service team at Kimberly-Clark, it genuinely mattered to her constituents that she said "Thank you" and "I really appreciate your help." "You should see the smile that it generates," she says. "It gives them a warm feeling knowing that their work was welcomed and recognized by others." Olivia understands that for leaders, it's not just about achieving financial results and delivering on annual objectives. It's also about creating a winning team through trust and a personal connection. It includes extending a simple pat on the back, a handshake, a smile, and a "Thank you for your hard work."

Expressing your thanks also has another, more personal benefit. Robert Emmons, professor of psychology at the University of California, Davis, finds that people who practice gratitude, compared to those who do not, are healthier, more optimistic, more positive, and better able to cope with stress. They are also more alert, more energized, more resilient, more willing to offer support to others, more generous, and more likely to make progress toward important goals.³⁰ From a similar perspective, David Novak, as co-founder and former chief executive officer of Yum! Brands, observed that the path to success wasn't about tasty food, excellent service, innovative menus, and value; it was in the power of recognition. "The important thing to understand about recognition,"

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he maintains, "is that it's simply good for people—all people—no matter who they are, what they do, or where they come from."²¹

The wonderful thing about expressing gratitude and providing recognition is that they aren't hard to do, and you don't need to be in a hierarchical perch to dispense them. They cost you next to nothing, and yet pay daily dividends. You can't ask for a better investment than that.



TAKE ACTION

Recognize Contributions

Exemplary leaders have positive expectations of themselves and their constituents. They expect the best of people and create self-fulfilling prophecies about how ordinary people can produce extraordinary actions and results. Exemplary leaders' goals and standards are unambiguous, helping people focus on what needs doing. They provide clear feedback and reinforcement. By maintaining a positive outlook and providing motivating feedback, they stimulate, rekindle, and focus people's energies and drive.

Exemplary leaders recognize and reward what individuals do to contribute to the vision and values. They express their appreciation far beyond the limits of the organization's formal systems. They enjoy being spontaneous and creative in saying thank you. Personalizing recognition requires knowing what's appropriate individually and culturally. Although recognizing someone's efforts may be uncomfortable or embarrassing at first, it begins by making a personal connection with each person. Learn from many small and often casual acts of appreciation what works for each of your constituents and how best to personalize recognition.

(continued)

To Encourage the Heart, you must *recognize contributions by showing appreciation for individual excellence*. This means you must:

1. Maintain high expectations about what individuals and teams can accomplish.
2. Communicate your positive expectations clearly and regularly.
3. Create an environment that makes it comfortable to receive and give feedback.
4. Find out the types of encouragement that make the most difference. Don't assume you know. Ask. Take the time to inquire and observe.
5. Be creative when it comes to recognition. Be spontaneous. Have fun.
6. Make saying "thank you" a natural part of your everyday behavior.