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The Power of Peer-to-Peer



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BY CAROL PATTON

Several months ago, Kathleen Kehoe, a project specialist at Zebra Technologies Corp., received a big surprise. A co-worker nominated her for an award because of her efforts leading a cross-functional team.

The recognition proved to be more valuable than the \$250 check accompanying the award.

"I was very honored," says Kehoe. "He took the time to say, 'Hey, I appreciate you.' I will go above and beyond for anything that he needs in the future. And it makes me want to be more aware of people around me and what I can do to recognize other employees."

Peer-to-peer recognition programs—like the one that encouraged Kehoe's award—are among an employer's most powerful, low-cost tools for reducing turnover, improving productivity and boosting employee morale. Unlike gifts through traditional recognition-and-rewards programs, peer acknowledgements are often unexpected, selfless and inspirational. Employees are usually so touched that they end up forming strong bonds with co-workers and become more motivated to do a better job.

Zebra Technologies, a global technology company that offers specialty digital-printing and automatic-identifications solutions, introduced its program—Star Award—to its 2,500 employees last year.

"It was just part of the change we were bringing in to be more transparent, and encourage recognition," says Joanne Townsend, vice president of HR at the Lincolnshire, Ill.-based company. "We had a lot of employee input that there was not enough appreciation and recognition for work done in the organization."

The company set aside \$1 million for the program's three tiers of recognition. Level one enables employees to send certificates of appreciation and spend up to \$100 without management approval for small gifts such as flowers or gift cards. Level two, which requires management approval, awards between \$350 and \$3,000. The last level, or CEO award, recognizes mostly cross-functional teams nominated by vice presidents and other executives. Winners receive the same monetary amount as level two, plus a crystal trophy.

While Townsend doesn't know how much of the original \$1 million is left, she says HR intentionally did not create a tracking mechanism. "We didn't want to be bureaucratic about it," she says, adding that the company's finance department would alert HR if spending grew out of control.

Next year, HR plans on measuring the program's success when it conducts an employee-engagement survey. Meanwhile, Townsend believes these recognitions have increased

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— **Jennifer Reimert, senior director of global compensation at Symantec**



company pride and developed a sense of family in the workplace because they come from the heart.

“We tended to be a little cynical in the past or critical of each other,” she says. “I can just tell you there’s a spring in people’s step a little bit more. [The program] builds a sense of community in the organization, camaraderie, friendships and really strong work relationships by giving each other some appreciation.”

Happy co-workers also translate into happy customers. That’s what convinced CDW to introduce its tiered, peer-recognition program five years ago entitled Cheers!, says John Smith, senior director for co-workers’ services at the technology company based in Vernon Hills, Ill.

Many of the organization’s 6,500 employees in Canada and the United States participate in the program’s first level, where they acknowledge peers online. The rest of the program is a bit more involved.

Every month, co-workers nominate each other for special accomplishments linked to business goals, says Smith. A panel of judges, which mainly consists of direct-line employees plus a manager or two, evaluates up to 100 submissions, then selects a monthly winner. Co-workers of the Month receive \$500 in cash, a plaque, a paid day off from work, branded company apparel and an invitation to the president’s annual achievement trip, which is attended by CDW executives. Winners are also featured in the company’s in-house magazine and their names are displayed on banners that hang from light posts in parking lots. At the end of the year, winners also deliver CDW teddy bears to patients at Children’s Memorial Hospital.

But the recognition doesn’t stop there. One Co-worker of the Month is then chosen as Co-worker of the Year. Prior to that selection, the company flies monthly winners to its headquarters to dine with the CEO for lunch. Afterwards, the 12 winners

lock themselves in a room for the afternoon with an HR meeting facilitator. They discuss each other’s accomplishments and collectively decide which one among them deserves the Co-worker of the Year award.

This individual receives \$1,000, two more paid days off, a crystal award during a traditional awards presentation and an embroidered company shirt. The winner’s nameplate is also added to the co-worker of the year “hall of fame.”

“Providing opportunities for individuals to recognize one another will actually drive business results, keep morale high, deliver performance and [build] a culture that will enable individuals to feel good about coming to work every day,” Smith says.

Longer Reach

While data about peer programs is hard to come by, WorldatWork, based in Scottsdale, Ariz., published a survey entitled *Trends in Employee Recognition 2008*. Forty-two percent of the 554 companies that responded offer peer programs. Of those, 67 percent stated the program’s impact on retention was moderate or high.

Despite their effectiveness, peer programs typically weren’t centralized within an organization. But that is changing.

“We’re seeing a trending toward organizations having more widespread, centralized programs,” says Anthony Luciano Jr., senior vice president of sales and marketing at TharpeRobbins, an employee recognition and rewards company in Statesville, N.C. “Companies know that, by having employees more engaged, they’re able to achieve more objectives.”

Luciano says small changes can impact a company's bottom line, something his company calls a "butterfly effect." He explains that employees continue demonstrating valued behaviors that are acknowledged or rewarded. Collectively, these behavioral changes, even small ones, add up and help drive the type of productivity organizations need.

That's what occurred at Symantec several years ago after the company took on a major acquisition that more than doubled its employee size.

"A lot of systems and programs broke," says Jennifer Reimert, senior director of global compensation at the Herndon, Va.-based manufacturer of PC security software. "It just didn't work when you went from 6,500 [employees] to 14,000, partly because, with an acquisition, you lose a sense of trust. There was a sense of anxiety in the company and lots of questions."

Reimert says the sudden growth represented an opportunity to build a culture of trust, enhance teamwork and improve employee engagement. She says refreshing the company's peer-recognition program would help accomplish these goals.

"It takes a lot of people to get a product launched from development to marketing to sales," she says, adding that fostering teamwork is critical. "There's such an acknowledgement when somebody outside your department recognizes you. When they know you value and acknowledge what they're doing, they'll work harder for you."

The program, called Applause, supports six tiers and uses a Globoforce product to engage employees and track the program's success on one technology platform worldwide. To start the process, employees log onto Applause, which is on the company's intranet; then write a brief narrative as to why a co-worker deserves a reward, tying their accomplishment to one of the company's core values: trust, innovation, action or customer-driven initiatives. The same recognition can be sent to an entire team or up to 180 co-workers. Notice of the recognition is then routed to the employee's manager for approval. Reimert says less than 1 percent of managers disapprove of a recognition.

Any award above \$100 requires approval from the nominating employee's next-level manager. Reimert says 5 percent of its employees receive a simple thank-you note while 34 percent are given a \$25 gift card of their choosing from more than 3,000 vendors. Another 28 percent are awarded \$100 gift cards, 17 percent receive \$250 cards, 9 percent get \$500 and 5 percent receive \$1,000 gift cards, called the Standing Ovation awards.

While the company rewarded between 5 percent and 10 percent of its employees, it now reaches 70 percent using the same amount of dollars.

"It's another vehicle that immediately rewards behavior," says Reimert, adding that employee engagement jumped 14 percent after the program's first year. "It's definitely enhanced the employee experience, which will help our turnover rate."

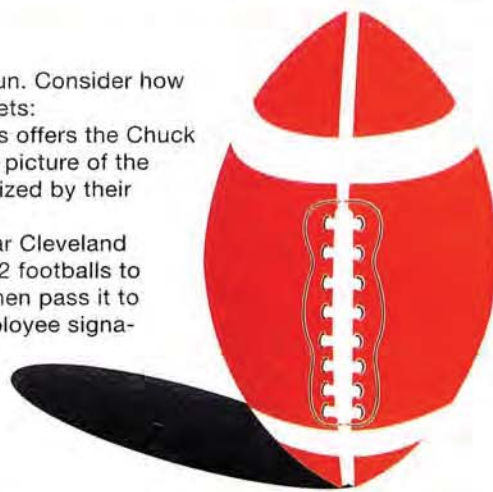
Assorted Fun

Some of the best peer programs are inexpensive but fun. Consider how these companies achieved big results with small budgets:

Walker, Texas Ranger: An architectural firm in Texas offers the Chuck Norris award. The company's president owns a signed picture of the actor standing beside him. Employees who are recognized by their peers are photographed holding this coveted picture.

HR Kick-Off: An automotive parts manufacturer near Cleveland developed the Great Catch program. HR handed out 12 footballs to deserving employees, asked each to autograph one, then pass it to other worthy employees. After being covered with employee signatures, the footballs were displayed in a trophy case by the employee entrance, along with football T-shirts autographed by company managers.

Source: Mike Byman, managing partner, Terryberry, Grand Rapids, Mich.



High-Tech, High-Touch

The key to peer programs is to maintain a personal touch; otherwise, they start feeling and looking artificial, says Roy Saunderson, founder and president of the Recognition Management Institute based in Montreal and New York.

Even cold technology can deliver a warm touch by offering employees public, yet noninvasive outlets. Consider social-media sites where peers acknowledge co-workers online, then post their photos. Likewise, e-mails may soon be embedded with videos that are sent straight to an employee's inbox.

"A lot of people don't want the 'stand up in front of the crowd' acknowledgement," says Saunderson. "I think we're going to get more personal in the delivery via the types of social-media technology that's becoming available."

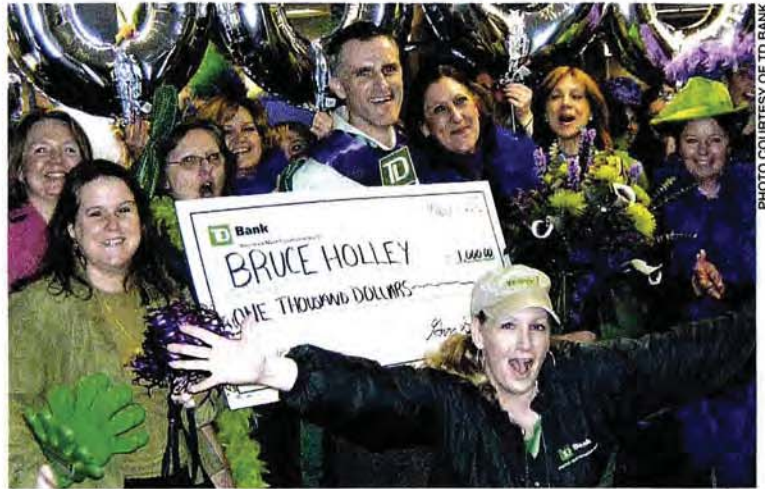


PHOTO COURTESY OF TD BANK

TD Bank has several peer-recognition programs in place, including WOW! brigades that storm the offices of honored employees.

TD Bank is a good example. With 23,000 employees working at more than 1,100 East Coast branches, the Canada-based company encourages employees to give online kudos to workers alongside brief stories that highlight their accomplishments.

In February, the company introduced its "Comment Engine," through which about 50 employees are recognized each month by employee comments, says Gary Dean, the bank's intranet-communications manager.

While an average of 10 workers write online comments per story, about 20 percent return to see their names and comments posted.

The bank is currently conducting an employee survey, which will measure the engine's success. Dean believes the outcome will prove the engine's value.

"It's powerful because it gives employees a voice and the opportunity to be heard online," he says, adding that even company executives are participating without being nudged. "It makes employees feel more part of a community."

So do the bank's WOW! brigades, or staff posses that storm the office or work area of the employee being recognized, says Crystal Reilly, vice president and head of WOW! at the bank. Members of the patrol may sing, chant, throw confetti or play music to celebrate the person's accomplishment. So far, 310 patrols have been formed this year.

"It's very customized to the employee," says Reilly, adding that the bank also formed a fraternity called Alpha WOW! Omega, which supports 400 employees who specialize in WOW! patrols.

"Fun," she says, "is allowed and encouraged."

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