

Food For Thought

February 2012

Spot Awards: Its Use, Misuse, and Abuse

Food for Thought is our way of sharing interesting concepts on corporate leadership and management with others who might find it useful. The thoughts offered are intended to be controversial and thought provoking. They always follow our motto of helping develop logical leadership.

Most leaders appreciate the value of encouraging the hearts of their employees. Companies adopt a variety of recognition tools. This month we discuss the values of a technique called Spot Awards and explore how they should be used, how they are often misused by companies and how unlikely it is that they are abused by the employees.

The concept of a Spot Award is to recognize, on-the-spot, a commendable behavior of an employee. The recognition is usually in the form of a token gift, say a small gift card. Many companies adopt this practice, but most companies restrict its implementation in one of two ways that significantly diminishes its value. They either restrict who can make the awards (usually managers) or they require that the awards be recommended to an approver who then approves the award, taking away the value of the empowerment inherent in the concept.

So, here is our recommendation of how Spot Awards might be implemented. Determine a nominal value and form of the award. We have traditionally used \$50 gift certificates available at the desk of some administrative person. Announce to the whole company that "any employee can make a Spot Award to any other employee, at any time, for any reason." Impose just two simple requirements of transparency and immediacy. Transparency can be achieved by asking the person recognizing the employee to provide a quotation to be published in the company

newsletter when they collect the award from the administrative person. Immediacy requires that the recognition be on-the-spot, presented to the recipient publicly, allowing all in the vicinity to celebrate.

Will employees abuse such privilege? Our experience points to the contrary. In fact, the transparency of the award causes employees to take that responsibility quite seriously. Most employees wish to demonstrate such high standards that they are reluctant to award it for anything but the very extraordinary. After all, they observe, "my name is going in the company newsletter as having made the award!"

An award encourages the hearts of three different parties: The onlookers who feel encouraged by a good deed recognized; the recipient who is obviously pleased by the recognition; but, most importantly, and often of most value, is the pride of the person doing the recognition. Empowered to give the award, the recognizer stands tall in recognizing the employee. This last and most useful value is lost when approvals and authorizations by management is imposed.

Even if abuse were to occur, what is the cost? An occasional frivolous award costs very little. And should there be any pre-meditated collusionary awards, you have a far bigger problem with those employees than the cost of those awards.

Recently, Julie Thorne Engles, Senior Vice President of Creative Design and Strategy at The Regan Group in Hawthorne, CA, implemented this concepts as YTB (You're the Best) Awards within her marketing department. Of her experience, she says, "it is interesting that the team is really reserving this recognition for special moments that are above and beyond the call of duty. (It is) very exciting to witness (an employee's extraordinary contribution) and then watch the team applaud her efforts and excellence. (This demonstrates how the employees have taken) full accountability." Julie emphasizes that "her team members fully respect the sanctity of the recognition, and reserve its use for truly deserving teammates."

We have received many responses to our Food for Thought mailings, asking if you can freely share and forward these thoughts. Indeed you can. All we ask is that a clear attribution to LogiStyle and our contact information are included. For the interested reader, we have archived some of our recent Food for Thought mailings at our website, and can be viewed at [LogiStyle: Food for Thought Archive](#). As always, we welcome your comments. We hope your business is

doing well. If we can be of any assistance please feel free to call - even, if just to chat.

Best Regards,

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