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Please Skip the Carrots

BY JIM DITTMAN

The carrot has become the ubiquitous symbol of the incentive industry. How did we ever let this happen? The carrot-and-stick idiom puts a farmer on the back of a donkey, with the carrot intended to be the incentive for the donkey to walk. If it doesn't do the job, the stick works as the other end. To make anything in this scene analogous to the performance improvement profession is to insult the practitioners and participants alike. When we use a symbol like the carrot, we oversimplify the service we provide and understate our importance to the economy. The carrot reduces a complex, powerful, nuanced marketing and HR strategy to a tactic.

The carrot is simple. A properly designed performance improvement strategy is not a simple idea. Nor is it a simple process. It involves thoughtful gap analysis, clear-headed articulation of objectives, identification of key performance indicators, establishment of baseline performance, definition and analyses of ROI and ROO, and translation of it all into a program architecture that influences behavior toward the objectives. Reward and recognition programs translate corporate values into action plans and move people to live those values. And the creation of these programs calls for a whole-brain approach with knowledge of human motivation principles as well as persuasive communications and precise math skills.

It requires attention to the principle of pressure-point marketing...putting pressure on the point of an organization or a channel that will generate the most significant beneficial response.

Delivering Emotional Gratification

Perhaps the carrot should be replaced with a big, broad smile. The job of the performance improvement business is to give people reasons to exceed themselves, to learn and grow. When they do, it feeds their self-esteem and produces great smiles of satisfaction. We layer on smiles when we deliver lifetime travel memories, brand-name merchandise, and personal awards and, most importantly, the appreciation and recognition of the client sponsor.

Carrots influence short-term behavior. Performance improvement programs effect permanent behavioral changes. Values-based programs help internal and customer-facing



employees understand the brand promise and their roles in delivering it. As we continue to claw our way out of the deep recession, it is all too easy to forget the importance of winning the war for talent. Many companies think that their best people won't leave because "they're happy to have a job." But it's smart to remember that the best ones can go anytime to anywhere. Companies that lose sight of the importance of recognition and rewards will watch their top people stream for the exits.

Stimulus-response programs work for the short term. But initiatives that truly effect permanent change are organically grown, taking into account the uniqueness of the company's workforce and the challenges at hand. Also, they are the programs that touch all the pressure points in the value chain. The power of sales and channel incentives multiplies when those who have to deliver the goods (the brand promise) buy in because they live in a culture of recognition and rewards.

Leveraging Personal Aspirations

We all aspire. Some to acquire. Others to be more today than they were yesterday. Either way, it is our job to inspire and motivate people by working with their desire to succeed, not intimidating them through fear of failure. Our tone in all communications must be personal and respectful and must pass the "pompous test." The goals we set must be reachable, but must force people to reach. We must help managers be better managers by making it easy for them to recognize and reward people. We must give people opportunities to earn things that they value.

Why? The only competitive advantage that endures is the commitment of a talented and engaged workforce – or, in other words, getting people to want to do what you need them to do.

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