

---

---

---

---

---

---

---

---

### The Carrot Principle

- The Missing Ingredient
- The Basic Four of Leadership
- Creating A Carrot Culture
- Are They Engaged and Satisfied
- The Building Blocks of a Carrot Culture
- The Building Blocks of Recognition
- Recognition Ideas
- Sustaining the Carrot Principle



---

---

---

---

---

---

---

---

### The Carrot Principle



---

---

---

---

---

---

---

---

## A Missing Ingredient

- The Charles Goodyear Story



 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

## A Missing Ingredient

- A leader who sets clear goals, communicates openly, respects people and treats them fairly, holds people accountable, and creates trusting relationships is a leader who:
  - almost has it right.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

## A Missing Ingredient

- An organization where people are coming to work on time, doing their jobs, and feeling satisfied is an organization that:
  - Is close to achieving it's full potential.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### A Missing Ingredient

- Almost
- Closer
- Nearer
- For leaders who are determined to reach beyond the ordinary to reach their Maximum Potential, "Almost There" is a frustrating place to be.



---

---

---

---

---

---

---

---

### A Missing Ingredient

- What we need is an accelerator.
- The relationship between a management accelerant and improved results in the workplace is highly predictable.
- The accelerant is the "Missing Ingredient"



---

---

---

---

---

---

---

---

### A Missing Ingredient

- The accelerant is:
- Purpose-based Recognition
- Of the people who report the highest morale at work, 94.4 percent agree that their managers are effective at recognition.
- In contrast, 56 percent of employees who report low morale give their manager a failing grade on recognition.



---

---

---

---

---

---

---

---

### A Missing Ingredient

- 79 percent of people who quit their jobs cite a lack of appreciation as a key reason for leaving
- 65 percent of North American workers report that they were not recognized in the least bit the previous year.
- The simple but transformative act of a leader expressing appreciation to a person in a meaningful and memorable way makes all the difference.




---

---

---

---

---

---

---

---

### A Missing Ingredient

- Purpose based recognition is the most dramatic accelerator of Human Potential, it's the most effective carrot.




---

---

---

---

---

---

---

---

### A Missing Ingredient

- What is a carrot?



- For a successful leader it's an acceleration tool
- The Oxford English Dictionary calls it "something enticing offered as a means of persuasion"




---

---

---

---

---

---

---

---

### A Missing Ingredient

- In the workplace, a carrot is something used to inspire and motivate an employee. It is something to be desired.
- It tops the list of things employees say they want from their employers.
- When employees know that their strengths and potential will be praised and recognized, they are significantly likely to produce value.



---

---

---

---

---

---

---

---

### A Missing Ingredient



- Is money the most effective Carrot?



---

---

---

---

---

---

---

---

### A Missing Ingredient

- \$\$ Money is not as powerful a reward as many people think.
- Pay and bonuses must be competitive to attract and retain talented employees but smaller amounts of cash, anything short of \$1,000, will never make the best rewards because they are so easily forgotten.



---

---

---

---

---

---

---

---

### A Missing Ingredient

- In fact, 1/3 of people you give a cash award to will use that money to pay bills.
- Another 20% won't have any clue in a few months where they spent the money or even how much they received.
- Did you save the bank deposit slip from the last time someone gave you a bonus? Is it tucked away in a scrapbook of memories?



---

---

---

---

---

---

---

---

### A Missing Ingredient

- The reality is that most workers are locked into a routine of sameness, paycheck to paycheck.
- "When people joined us, they obviously agreed on the pay. What they are hoping for is a good environment where they can use their capabilities and talent to good advantage and then be recognized for it."

Elizabeth Martin-Chua, VP, Phillips Electronics



---

---

---

---

---

---

---

---

### A Missing Ingredient

- What do You Really Want From Your Job?
  - 3000 people interviewed in a 2005 survey
    - 1. Career Learning and Development opportunities
    - 2. Recognition
    - 3. Pay
    - 4. Relationship with the manager



---

---

---

---

---

---

---

---

### A Missing Ingredient

- 200,000 person study by HealthStream Research
  - The central characteristic of truly effective management is a managers ability to recognize employees talents and contributions in a purposeful manner.



---

---

---

---

---

---

---

---

### A Missing Ingredient

- Managers using this purposeful recognition have:
  - Lower turn-over rates
  - Achieved enhanced results
  - Are seen as much stronger in these leadership areas:
    - Goal setting
    - Communication
    - Trust
    - Accountability



---

---

---

---

---

---

---

---

### A Missing Ingredient

- Watching the impact of recognition on a company is a bit like watching the center pole lift up the middle of a large tent.
- Everything else rises to except one thing – turnover.
- With effective recognition, that can drop like a rock.



---

---

---

---

---

---

---

---

### A Missing Ingredient

- Turnover absorbs resources at an astonishing rate and is by far the most uncalculated expense in the workplace.
- Organizations that fail to effectively recognize their employees are losing the very workers they wish they could keep.




---

---

---

---

---

---

---

---

### A Missing Ingredient

- Hidden cost of replacing a Police Officer:
  - \$3,300 Tuition to State Academy in Nashville
  - Salary while in school, \$6,720 (assume \$14/hour)
  - Overtime in school, \$1,050
  - Uniforms and weapon, \$1,500
  - Total hidden cost, \$12,570, this does not include the salary (mostly overtime) to fill the shift with another officer while the new officer is in school.




---

---

---

---

---

---

---

---

### A Missing Ingredient

- An insidious result of turnover is the psychological damage to employees who stay. Turnover decimates the remaining workplace because many employees mentally follow their departing colleagues:
  - They worry about their futures
  - Passively wait for things to get better
  - Actively look for new positions themselves




---

---

---

---

---

---

---

---

### A Missing Ingredient

- A fascinating survey conducted 3 times since 1949 by author Lawrence Lindahl who studies human behavior at work. Each time the results have been the same. Managers were asked what they thought employees wanted:
  - Every time managers responded
    - Good wages
    - Job security




---

---

---

---

---

---

---

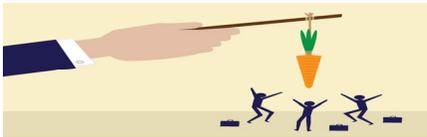
---

---

---

### A Missing Ingredient

- Workers responded in the same survey with what they wanted:
  - Feeling appreciated
  - Being kept informed




---

---

---

---

---

---

---

---

---

---

### A Missing Ingredient

- The U.S. Department of Labor Statistics show the number one reason people leave organizations is that “they don’t feel appreciated”
- A Watson Watt Reward Plan Survey of 614 employers with 3.5 million employees showed the average turnover rate of employers with a clear reward strategy is 13% lower.




---

---

---

---

---

---

---

---

---

---

### A Missing Ingredient

- The Wyatt Survey specifically asked employees to identify “very significant” motivators of performance.
- 66 Percent said: APPRECIATION.
- What this data shows us, in a very significant way, is that recognition is one of the key characteristics of effective management and great organizations.



---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

- Managers who achieve enhanced results are significantly more likely to be seen by their employees as strong in four areas of leadership:
  - Goal Setting
  - Communication
  - Trust
  - Accountability



---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

- A 200,000 person study by HealthStream Research gives the following results:
  - Any result above .5 is considered strong (Pearson’s correlations coefficients)
  - Goal Setting
    - My manager gives me measurable goals to achieve .70



---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

– Communication

- I can rely on my manager to answer questions .74
- My manager listens to employees .74
- My manager keeps me informed of my performance .70
- My manager is available when workers need to talk .69
- My opinions matter to my manager .75

---



Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

– Trust

- I trust my immediate manager .76
- My manager is fair to all employees .76
- My manager treats me with respect .73
- My manager cares about me as a person .72
- My manager stresses the importance of teamwork .70

– Accountability

- My manager holds everyone in our department accountable for their work .64

---



Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

- For the manager the bottom line is this:  
“Great management is born when recognition is added to the other characteristics of leadership.”  
This is The Carrot Principle. It is a simple concept but one that works every time.  
When recognition is applied to the Basic 4 of Good Leadership, it serves as an accelerator of employee performance and engagement.

---



Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

- Setting Clear goals
  - Help the organization succeed by getting everyone on board with meaningful goals and then rewards for achievement
  - Deprived of direction, employees coast along, getting nowhere fast.
  - Infuse employees work with a clear sense of purpose. Employees need clarity from their leaders.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### The Basic 4 of Leadership

- Trust
  - The moment you recognize someone for a contribution, the trust meter shoots off the scale.
  - A specific, sincere compliment reaches employees on an emotional level. It is extremely professional and incredibly personal.
  - It is a simple concept – we all work harder for people we like and respect.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Creating A Carrot Culture

- Carrot Culture – a rare environment where employees are valued and appreciated for their contributions, which creates a passion and performance among the workforce.
- Recognition makes an employee feel that everything – every extra minute, every once of effort was worth it. It can be an emotional experience they won't soon forget.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Creating A Carrot Culture

- Recognition can take many forms:
  - The best reward is always personal
  - Tailored to employee interests and lifestyle
  - Given by a manager who cares enough to find out what motivates each individual
  - Managers who invest time in choosing relevant awards suddenly find themselves becoming much more relevant as well



---

---

---

---

---

---

---

---

### Creating a Carrot Culture

- Manager Relevance
  - Relevance means that you matter, you have an impact to those in your care
  - A manager shouldn't just be someone who monitors employee time, or corrects them when there is an error. A manager should be someone who facilitates a positive environment, someone who employees see as an asset.
  - Recognition is a rare experience in the workplace



---

---

---

---

---

---

---

---

### Are They Engaged and Satisfied

- HealthStream Research's research shows engaged employees demonstrate the following virtuous qualities:
  - Innovation and creativity
  - Taking personal responsibility to make things happen
  - Desiring to contribute to the success of the organization



---

---

---

---

---

---

---

---

### Are They Engaged and Satisfied

- When employees are engaged and satisfied:
  - Employees are Ambassadors for your organization
  - Believe in goals and vision of your organization
  - Committed to personal and organizational success
  - LOW RISK OF TURNOVER



---

---

---

---

---

---

---

---

### Are they Engaged and Satisfied

- How do you measure?
- Statistical correlation between highly engaged employees and employees positive responses:
  - Employees consistently put in extra effort, beyond what is expected
  - Employees are highly motivated to contribute to success of the organization
  - Employees consistently look for more efficient and effective ways to get the job done



---

---

---

---

---

---

---

---

### Are They Engaged and Satisfied

- Employees have a strong sense of personal accomplishment from their work
- Employees understand how their roles help the organization meet it's goals
- Employees have a positive attitude when performing their duties at work
- My manager does a good job of recognizing employee contributions



---

---

---

---

---

---

---

---

### Are They Engaged and Satisfied

- How do you measure employee satisfaction?
  - At work, I have the opportunity to do what I do best every day
  - My performance is evaluated in a manner that makes me feel positive about working
  - Conflicts are managed in a way that results in positive solutions
  - My opinions seem to matter to my manager



---

---

---

---

---

---

---

---

### Are They Engaged and Satisfied

- I receive the information I need to do my job
- I trust my immediate manager
- During the last year, communication between leadership and employees has improved
- My manager does a good job of recognizing employee contributions
- I have recently received praise for my work



---

---

---

---

---

---

---

---

### Are They Engaged and Satisfied

- Carrot Principle Managers build employee engagement and satisfaction by answering three common questions:
  - What is important around here?
  - How can I make a difference?
  - What's in it for me when I do make a difference?



---

---

---

---

---

---

---

---

### The Building Blocks of a Carrot Culture

- The reality is that the corporate culture has to run deeper than the posters mounted on the wall.
- In a Carrot Culture, managers understand this
  - They reinforce the organizations core values
  - They set a clear vision and reward the right behaviors
  - The culture becomes a rallying point for their people, who understand mgt. expectations



---

---

---

---

---

---

---

---

### The Building Blocks of a Carrot Culture

- If your organization were a computer, your corporate culture would be the operating system
  - Guiding how your team members think, feel and act on the job
  - Culture is the foundation of everything you embrace, and the reason for everything you do



---

---

---

---

---

---

---

---

### The Building Blocks of a Carrot Culture

- It is not possible to achieve sustained, long-term success without a strong, positive corporate culture.
  - Studies have found that great cultures are built best by
    - Frequent
    - Specific
    - Timely team recognition celebrations and individual recognition



---

---

---

---

---

---

---

---

### The Building Blocks of a Carrot Culture

- What is most interesting is what happens to the psyche of people in celebrating cultures. They start to believe that they are part of a company of champions and that generates pride.
- Building a culture that celebrates is a key responsibility of a leader, when celebration stops, achievement slows to a trickle.



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

- Great organizations and effective managers create a Carrot Culture one person at a time using a variety of inclusive and meaningful recognition experiences.
- Four common forms of recognition make up the backbone of a healthy recognition culture.



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

- Day to day recognition
- Above and beyond recognition
- Career recognition
- Celebration events



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

– Day to Day Recognition

- Pats on the back
- Handwritten notes
- Team lunches
- On-the-spot award certificates
- Gifts of thanks and other ways that you regularly express praise and gratitude to your employees.
- This is often low-cost but always high-touch recognition



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

– Above and beyond recognition

- When your people go above and beyond, they deserve a more formal response from your organization.
- These awards provide a structured way to reward significant achievements that support your core goals.



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

– Career recognition

- Most organizations provide a formal program to recognize people on the anniversary of their hiring date.
- This gives managers a prime opportunity to highlight cumulative contributions.
- In most organizations, this is the most underused vehicle for rewarding and engaging employees.



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

- Celebration events
  - These celebrations reinforce your brand and thank everyone in a team, division or an entire organization.
  - Events to celebrate include
    - The successful completion of a key project
    - The achievement of record results
    - The end of property tax collection



---

---

---

---

---

---

---

---

### The Building Blocks of Recognition

- These four recognition types are essential tools of the Carrot Culture and it's vital to know how to use them.
- The following ideas are grouped into the five areas of the Carrot Principle
  - Goal setting, Communication, Trust, Accountability, and Recognition



---

---

---

---

---

---

---

---

### Recognition Ideas

- Goal setting
  - On a new employees first day, set expectations high by planning a small celebration.
  - Tell employees frequently and sincerely, "I know you can do it".
  - When employees have to work on a weekend, provide a catered lunch for them. Make it even better by inviting their families to join them for lunch.



---

---

---

---

---

---

---

---

### Recognition Ideas

- Are people getting hot under the collar? Make an ice cream run and give everyone a treat on you.
- Rather than criticizing an employee who is off track, make a “positive course correction”. Describe in detail what they must do to meet expectations. Then express your confidence in their ability to make the necessary changes.

---



Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- Communication
  - Take a lesson from the Boy Scouts: Be Prepared. Carry gift cards to your people’s favorite restaurants wherever you go. Recognize an employee on the spot with something they will remember and value.
  - Make a commitment to call people by name and say good morning to them every day.

---



Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- Each day, spend 10 minutes looking for someone doing something that furthers your organizations goals. When you find it, recognize that person on the spot.
- How do you recognize a poor performer? Carefully. The idea is to praise even the smallest movement towards valued behavior.
- Research has shown that fewer than half of managers even try to recognize their people.

---



Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- Don't forget that the correct ratio to preserve employee morale, motivation and commitment is five compliments for every one criticism.
- Kindness counts at the office. Just ask yourself: Would you do better work for someone you liked and who liked you? Would you prefer to work for someone who is aloof and intimidating?

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- Trust
  - Once every 7 days. That's how often day-to-day praise and recognition need to happen to build a committed, trusting workforce.
  - Learn to be an active listener. Practice eye contact. The more you demonstrate that you can be trusted with concerns and ideas, the more your people will open up to you.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- When was the last time you asked one of your employees for their opinion? Trusting their judgement and then acting on it is one of the greatest compliments you can give a person.
- Think of the one person in your workforce that you trust above anyone else. Set up a time to talk to that person and let them know how much you appreciate them.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- Accountability
  - The responsibility for recognition falls squarely on you as a direct supervisor. Employees value praise from you more highly than from anyone else in the organization.
  - Dependability is a trait that is often overlooked. You have someone on your staff that is always there and does a great job, but is rarely recognized. Make a point to change that today.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Recognition Ideas

- Whenever you praise an employee, make note of it in an employees file to review again during the next performance appraisal.
- The next time you go out to lunch as a team, formally toast a recent employee achievement.

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

### Sustaining the Carrot Principle

- Research from more than 200,000 interviews has illustrated the undeniable correlation between recognition and organizational and individual manager success.
- Managers rated as “Very Effective” at recognition by their employees were also rated as:
  - Better goal setters

 Municipal Technical Advisory Service  
INSTITUTE FOR PUBLIC SERVICE

---

---

---

---

---

---

---

---

## Sustaining the Carrot Principle

- Better communicators
- More trustworthy
- Able to hold people accountable



---

---

---

---

---

---

---

---

## Sustaining the Carrot Principle

- Research leaves no doubt that recognition is the missing ingredient in successful leadership of groups with higher TRUST, TEAMWORK, PRODUCTIVITY, and OVERALL SUCCESS.
- The best way to begin a recognition program is just to begin. Keep it focused. Keep it simple. But most important, DON'T WAIT.



---

---

---

---

---

---

---

---



## Questions



---

---

---

---

---

---

---

---