

Recognize the importance of incentives and rewarding employees

[Nation's Restaurant News](#), [August 21, 2000](#) by [Jim Sullivan](#)

"America's most underutilized resource is recognition."

-- Dick Kocenivich, Wells Fargo

Using employee incentives, contests, recognition and rewards is becoming commonplace in our industry. But even the best intentions can cause indifferent results if your incentive ideas don't resonate with the team you're trying to inspire. Over the last five years, I've had the pleasure of designing and implementing employee and manager incentive-recognition programs for many of the Top 100 restaurant chains. I thought I'd share a few basic guidelines and creative ideas you can use to measure improved performance among your hourly workers and management team:

Recognition is different than incentives. The first step is to clarify the difference between employee recognition and employee incentives. Both you and your team need to understand how incentives and recognition differ in order to reap the benefits of both. Incentives are usually rewards that are promised in advance of a desired action, a bonus for exceeding a service goal on Mystery Shops, or exceeding a check-average sales goal by 5 percent, for example. Recognition, while it also may be financial, is an after-the-fact event. Recognition should always include praise -- either publicly or privately.

Is cash king? Relative to rewards leas talk about cash first. I've never been a big fan of awarding small cash rewards as a prize, because it has no "trophy" value. But, the fact is that it does resonate with many servers as an incentive. If you do choose this route, my suggestion is that you don't use traditional bills when you give cash rewards for outstanding effort. If you hand a team member a \$20 bill as a gesture of gratitude, the emotional buzz lasts anywhere from 12 to 15 seconds. The cash goes into a wallet and disappears. Instead, give cash in two dollar bills. Servers or cooks will remember where these came from each time they spend one. Gift certificates. Gift certificates can make a longer-lasting impression than cash in my opinion. The special trip the employee makes to multimedia or department store, or to attend an event, such as a concert, sporting event or festival, reinforces your appreciation and thanks. And gift certificates can be cost-effective if you exchange your restaurant's gift certificates for others from local supermarkets, multimedia, or clothing stores.

Experience certificates. Laura Bell Way, a manager with Olsen Incentives in San Francisco, points out a new incentive trend: experience certificates. Instead of gift certificates, reward performers with vouchers from ski schools, golf schools, spa retreats, backpacking excursion groups, and racecar driving schools.

Reward employees seven days a week. Want to surprise and reward your workers at the same time? Susan Lundine, in the Orlando Business Journal, suggests trying the Olive Garden approach. She reports that the popular restaurant chain once surprised top workers by sending them a different reward every day for seven straight days. One day, workers received a letter of congratulations from top managers; the next day they received chocolate; then movie tickets; restaurant gift certificates; ODS; denim shirts; and, finally, wristwatches.

King for a day. Think beyond traditional rewards like travel or merchandise. When The Automatic Answer Co. asked salesman John Gurden what he wanted as a reward, he said, "I'd like to have a day in my honor." His surprised sales manager replied, "You got it!" On the designated day, everyone answered the phone by saying, "Today is John Gurden Day" John enjoyed himself immensely and it cost the company nothing." I saw this idea in Selling Power magazine, and thought how much fun it would be to offer as a prize in one of our own restaurants.

Include your employees in the nominating process. You can't be everywhere. "Listen to your employees," says Williamsport, Pa., restaurant manager Bob Snyder, "and give them the authority to nominate their fellow servers, bus boys or cooks for recognition. Allow them to recognize their colleagues themselves without having to go through managers. Don't presume it will happen without your promoting it."

Fraction of the action. Outback Steakhouse has long been recognized as taking a leadership role in showing manager appreciation. The chain, only open for dinner, allows managers to buy into the store they manage. This idea is borrowed from the old Sambo's employee-ownership initiative called "fraction of the action." This gives Outback managers an obvious investment in their particular unit's success.

Give the gift of time. Olive Garden Restaurants converted from a three-manager system to a five-manager system to allow a 50-hour week with two days off. At the Cheesecake Factory, managers get two days off in a row every week just like a "real job."

Recognize employees who talk your company. Recognize people not only for their performance but also pay attention to what they say about your restaurant when they're not at work. If your employees promote the company's image and reputation by publishing articles in trade publications making presentations at restaurant shows, or writing a simple letter to the editor of the local newspaper touting your restaurant, be sure to recognize that fact. If you're lucky you'll find more employees working hard to spread the good name of your organization to others.

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Variety is the spice of life. Boston Pizza training director Shannon Washbrook points out that one of the most cost-effective and fun rewards is merely ordering in food that your restaurant doesn't serve as an employee meal. Boston Pizza managers often order-in Chinese food after a busy lunch rush, or send out for staff Slurpies from the local convenience store.

What's your appreciation ratio? Finally, understand that recognition is a philosophy, not a program. Write down every day the name of each employee working your particular shift. After you compliment or recognize each team member, cross his or her name off the list. In these days of triple-digit turnover ratios, this task is as critical as anything you can accomplish.

And so, the bottom line is that you get more than you give when you give more than you get. And don't forget: a pat on the back is just a few vertebrae up from a kick in the ass.

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Jim Sullivan is an award winning restaurateur, author and consultant. If you'd like to read more of Sullivan's ideas on service, sales, training, and marketing, check out the www.sullivision.com or www.nrn.com websites. You can reach him at (920) 830-3915 or email him at myob@execpc.com. His new book, "Mind Your Own Business: People, Performance, Profits," has been published by Lebhar-Friedman books.

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