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RECOGNISING CHAMPIONS AT SIEMENS

A peer-to-peer recognition programme called Champions at global company Siemens has paid out the equivalent of £3.8 million in awards to employees since its launch in May 2009.

It's designed to align with company values, driving employee behaviours that support responsibility, innovation, excellence and a commitment to zero harm.

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WEB: www.e-reward.co.uk TEL: 0161 432 2584 EMAIL: paul@e-reward.co.uk

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E-REWARD.CO.UK LIMITED

33 Denby Lane Heaton Chapel Stockport Cheshire SK4 2RA United Kingdom

Tel: + 44 (0)161 432 2584

Email: paul@e-reward.co.uk

Web: www.e-reward.co.uk

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EDITORIAL AND SUBSCRIPTION ENQUIRIES

Editor: Paul Thompson Researcher: Sarah Silcox Production: Patrick Armstrong <u>www.pabps.co.uk</u> Contact: Paul Thompson on tel: +44 (0)161 432 2584 or email: paul@e-reward.co.uk

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RECOGNISING CHAMPIONS AT SIEMENS

A harmonised recognition programme called *Champions* at global company Siemens has paid out the equivalent of more than £3.8 million in awards to employees since its launch in May 2009. The programme is designed to align with Siemens' company values, driving employee behaviours that support "responsibility", "innovation", "excellence" and its commitment to "zero harm".

The Champions recognition programme covers just over 14,500 people and is designed to ensure that Siemens in the UK, Ireland, Denmark, Sweden, Finland and Norway delivers its customers the highest quality service and products. In common with other aspects of reward, it is tied in with the Siemens values (see page 6), with the aim that employees deliver the best possible solutions in the best possible manner, building trust amongst customers and other stakeholders.

Champions started life in the IT division of Siemens in the UK: "Siemens is a large organisation and operated a number of different schemes, which were harmonised into a single one provided by **P&MM** in 2009," Amanda Bullough, reward consultant at the company explains.

"We looked at two or three recognition scheme providers, but were impressed by P&MM because of its capacity and software and, in particular, its ability to provide a flexible approach based around a range of different types of award."

After its origins in the UK, Champions was rolled out to Siemens operations in Ireland and subsequently the Nordic region, giving it a definite international feel, Bullough adds.

BOX 1: ORGANISATION PROFILE

Name: Siemens.

Employees: 13,564 in UK.

Main locations in UK: Frimley, Surrey (Head office).

Business activities: Siemens in the UK is a major engineering, healthcare and infrastructure company, delivering a wide range of projects from medical imaging to offshore wind turbines.

Financials: In financial year 2014, Siemens UK had sales of £3.776 billion.

Web site: www.siemens.co.uk

BOX 2: WHO E-REWARD INTERVIEWED

Amanda Bullough is reward consultant at Siemens UK. She joined the company in 2008 as a sales graduate within the financial services division and moved through a number of roles before joining the reward team in 2013. In addition to recognition, Amanda looks after a range of other compensation topics, including pay, bonuses and incentives.

ALIGNED RECOGNITION

Champions is embedded in the Siemens global values which, taken together, drive what the company does in terms of its mission statement. The recognition programme also dovetails with particular initiatives operating at any one time in the company globally. For example, a current *Vision 20/20* plan focuses on a commitment to "deliver great customer service and ingenuity, in other words, engineering the future of Britain".

A number of the top award winners last year received recognition for demonstrating behaviours that contribute to the Vision 20/20 aims.

What's more, the programme is designed to improve overall employee engagement. Its peer-to-peer basis means that all employees are encouraged to nominate each other, rather than waiting for managers to nominate individuals in their teams as is the case in all too many programmes.

The range of awards on offer, from a simple "Thank you" up to a nationally-significant gold award, means it is possible to mesh the company values and awarding criteria in a way that recognises all contributions, from very visible inventions through to less visible customer service improvements.

CHAMPIONS DESIGN

The scheme is anchored in peer-to-peer recognition, offering employees the opportunity to nominate colleagues' exemplary behaviour and reward one another through a tiered system, starting with a simple eCard "Thank you" up to high-value gold awards presented at a glitzy annual ceremony (Box 3).

A points total representing the value of a monetary award is deposited into an individual's P&MM reward account and employees can select how to redeem it.

"Most people opt for a re-loadable gift card – 30% of all points awarded are redeemed through Amazon cards," Bullough says. "Merchandise is less popular."

P&MM offer a "concierge" service for gold awards and larger accrued points balances, sourcing particular services or products for employees. "In one case, this was a boat, but more often it's a case of putting together a special trip or holiday," Bullough says.

There is no limit on how many recognition points an individual can build up in their account.

First-level recognition consists of an online card with a simple "Thank you". The next level of instant awards, worth between ± 5 and ± 100 , require sign-off from a nominee's manager, followed by bronze, silver and gold podium awards.

Eight corporate-level gold awards, judged by a panel at corporate level, are awarded annually. These awards are worth £1,500 and a gold award is made under each of the four Siemens value categories – responsible, excellent, innovative and zero harm. There are four further award categories for gold awards: customer first, Business Excellence, unsung hero and a chief executive award for the team or individual who has really impressed the CEO with their contribution. For example:

The account team looking after a major utilities customer won a gold award in the **customer first** category in 2015. The team worked hard and in collaboration to turn a complex relationship around, rebuilding reputation and securing future prospects by quickly adopting a new toolkit.

One of the nominees in the unsung hero category last year was cited for enthusiastically promoting a range of employee

engagement and wellbeing initiatives, championing the company's **zero harm** culture.

A nominee in the **CEO award** category shared his own experience as an apprentice by producing a handbook for future apprentices, speeding up their induction and making them quickly feel part of the team.

BOX 3: CHAMPIONS RECOGNITION PROGRAMME STRUCTURE

	eCard Thank you	Instant awards	Podium awards
When to use	Instant recognition of a behaviour which has a positive impact.	Awarded when performance is above and beyond expectations.	Awarded for a significant achievement which has provided considerable business success.
Purpose	Simple "Thank you" for a job well done.	Instant recognition with a financial value attached.	Prestigious award to recognise value-orientated behaviour.
Monetary value	None.	Between £5 and £100.	 Bronze: up to £250; typically adjudicated and awarded at business unit level. Awarded in instances when an individual's behaviour results in a considerable positive impact on colleagues, customers or the business. Silver: up to £1,000; typically adjudicated and awarded at a division level. Bronze award winners are automatically put through to be considered for a silver award. Gold: £1,500; adjudicated at corporate level by the chief executive and HR director. There are nine gold awards available, which are presented at an annual awards ceremony. Winners of silver awards are considered for gold awards.
Approval	None.	Nominees' line manager and expenses approver.	Podium award adjudication panels.
Timing	Available all year round.	Available all year round.	Bronze: nominations all year round; Silver: awarded three- monthly; Gold: awarded annually.
Individual or team-based	Both.	Both.	Both.

Source: Siemens.

RECOGNITION NOT REWARD

Bullough and her colleagues make it explicit that the Champions programme is about recognising contribution over and above what is expected, in other words, recognition is separate from other aspects of reward or performance management.

"Our employee value proposition sets out each element of total reward and makes it clear that Champions has its own purpose," she explains.

The budgeting process for recognition is a separate cost item and the reward team at Siemens recommends that each finance department in the group budgets a specific amount per head for the programme.

Bullough adds: "The amount spent on recognition has increased each year since the launch of Champions, from around £500,000 in 2009 to over £1 million in 2015."

Siemens actively reviews and refreshes the recognition offer so that it keeps fresh and appropriate, for example, stripping back and simplifying the branding in October 2015 and using management information to explore which gift cards or merchandise are proving popular.

Bullough says her team also receive strong support from P&MM: "Our provider is always looking to refresh the offer, for example, it introduced a pre-paid Mastercard called e-Spree recently."

The company has implemented a recognition policy alongside Champions to ensure that the value of recognition awards is appropriate to nominees' achievements.

"Also, the panel members making decisions on the higher value podium awards tend to have a quality assurance background so understand the value of individual and team achievements," she adds.

Most line managers are effective at calibrating the value of an instant award when they receive requests for approvals, for example, responding quickly to an online nomination.

Approval times for Champion rewards have fallen by 40% compared with the previous recognition programmes. New managers are encouraged to peer check their recommendations for approving awards before conveying a final decision. The recognition scheme is a standing item on all team meetings and employees are invited to share news about receiving an award on social media and at meetings, making it a very visible process.

KEY FIGURES

- Since Champions was launched in May 2009 Siemens employees have received £3,829,723 worth of recognition awards (as at October 2015).
- In the 12 months to September 2015 alone, employees received £1,047,185 in recognition awards.
- Over 18,900 individual nominations were received in the financial year 2014/15.

EVALUATING THE IMPACT

Bullough and her team use a wide range of management information on the Champions programme to demonstrate participation and impact. This includes basic information on unique visits to the programme web site (of which there were 10,183 in the 12 months to September 2015); quarterly reports on the amounts redeemed; information highlighting any issues with management approval and system access.

"We do report quarterly to the board but they understand how difficult it is to produce hard figures on the programme's impact," Bullough says. However, Siemens does get an indication of employee attitudes to the programme from its employee engagement survey which includes a question on recognition.

"The budget for Champions has held up in a period of financial prudence, which is testament to how it is perceived at the highest level," she adds. The account management fees total around \pounds 70,000 a year.

COMMUNICATING THE PROGRAMME

Communications are vital in any recognition programme and Siemens decided 18 months ago to stop using nonpersonalised, "broadcast" emails to promote Champions. The strategy is now to use local communications partners in the different operating businesses to promote the programme.

Bullough says: "The communications partners are close to the leadership teams in their own business and know their people and the best way to communicate with them."

All managers are required to "get on board and role model Champions", supported by bite-size online training sessions and sessions on recognition during inductions.

Bullough explains: "The main, and perhaps most effective, type of communications occurs when people get an award and talk about it. We encourage employees to post online about what they've used their points to 'buy', which all works to present the scheme as a business-led one, rather than an HR initiative."

UNIQUE CHARACTERISTICS

Bullough believes the way in which Siemens communicates the programme, and in particular, its use of branding, makes the Champions programme stand out. The fact that it is a peer-to-peer programme rather than a top-down one, also gives it the edge, she argues.

The gold award ceremony is also special: "We make a huge investment on the night: in 2015 there were 50 nominations for nine awards, with over 80 champions attending. The director of communications compered the evening, which also included video presentations on all the winners."

LESSONS LEARNT

Bullough suggests the following "do's" and "don'ts" for those wanting to align recognition with business values and strategy:



Do:

- Make your external provider a strong partner: select a firm that can offer industry best practice.
- Make the scheme as broad as possible, for example, by providing different levels of award so both ends of the spectrum are covered.
- Implement a strong communications plan that reflects the aims and purpose of the programme.

DOCUMENT EXTRACT: REFLECTING SIEMENS VALUES

Don't:

- Omit to consider how employees will access any online platform, particularly those who might not have easy online access at work.
- Have a scheme that is out of kilter with your corporate values.
- Operate a scheme that rewards behaviours counter to your business strategy.

The Champions recognition programme is structured so that awards reflect the company values of responsibility, innovation, excellence and causing zero harm.

Responsible	Honesty. Openness. Integrity: being responsible is about doing the right thing: respecting others, putting the customer first, acting like it is our own company and taking care of the world in which we live.	 A responsible champion: Is committed to ethical behaviour and takes responsibility for their actions. Works to the benefit of the environment and communities in which Siemens operates. Always acts with honesty and integrity.
Innovative	Vision. Creativity. Ingenuity: Everyone can innovate! It is about challenging the way we do things and giving our customers the edge over the competition. It is about showing entrepreneurship by acting on great ideas and standing firm to do the right thing for Siemens and the customer.	 An innovation champion: Shows passion to delivery by taking the initiative to drive things forward. Keeps commitments with internal and external customers alike, making sure we stay ahead. Is brave and smart in challenging the status quo and seizing opportunities.
Excellent	Expertise. Commitment. Challenge : Being excellent is about what you do and how you do it; working as a team, breaking down barriers and creating a sense of true collaboration. Being clear on our purpose through dedication to Siemens; empowering others and giving them the freedom to perform, understanding our customers' needs and going the extra mile to meet them.	 An excellence champion: Goes the extra mile for the customer Uses their passion to make changes that improve the business. Instils a sense of pride and ownership.
Zero harm	Taking care of each other and the world we live in:Zero harm encompasses not only safety but also the health and wellbeing of our employees and the impact of organisation on the environment.Promoting a culture where the protection of the environment and the health and safety of our colleagues is "business as usual" for everyone.Creating a climate of trust and safety that supports the business.	 A zero harm champion: Acts as a role model, putting the health and safety of themselves and colleagues first. Takes care of the world we live in, being mindful of our environmental impact every day.



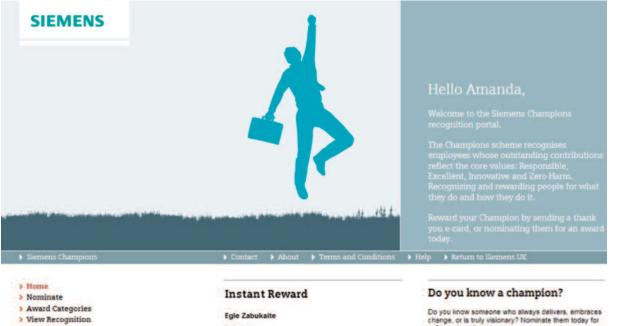




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