

# Developing Rewards and Recognition for Knowledge Sharing

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In a perfect world the benefits of accessing and contributing knowledge would be intrinsic. People who share knowledge are better able to achieve their work objectives, can do their jobs more quickly and thoroughly, and receive recognition from their peers and mentors as key contributors and experts.

However, the need to create more structured rewards and recognition systems to encourage employees and managers to change their behavior is no doubt necessary in most organizations. And reconciling different reward and recognition approaches across the enterprise can pose challenges.

The correct approach to rewards varies across stages of KM implementation, as described in APQC's Road Map to Knowledge Management Results™. In later stages, for instance, it may be necessary to add rewards tied to formal measurement and performance appraisal. Whether these rewards are tangible or intangible, they are a means of acknowledging the value of sharing and knowledge, appreciating the contributions people make, and increasing awareness about the importance of not hoarding what you know.

"American Management Systems (AMS) uses a combination of tangible and intangible rewards for participation in its knowledge system," said Carla O'Dell, APQC's president. "Employees desire to be recognized as internal subject matter experts, and therefore strive to make contributions that present a compelling case for their nomination and confirmation as an associate. Employees can also receive cash awards for showing the value of the knowledge they've leveraged throughout the year."

No matter how your organization chooses to reward and recognize employees for their role in knowledge management, make sure it aligns with and is supported by your culture. If knowledge sharing isn't inherently rewarding, celebrated, and supported by the organization, then token awards will be viewed as worthless and may actually have a negative effect.

## DEFINITIONS

There is a distinction between "recognition" and "rewards":

- Recognition is visible, public reinforcement to individuals and teams for their contributions and role-modeling of knowledge-sharing behavior. Recognition may be at the community, store or center, business, or enterprise level. Sometimes recognition is accompanied by rewards.
- Tangible rewards may include money, promotions, and substantial gifts. Rewards may or may not be public, but they typically reflect exemplary contribution or performance.

Different approaches to rewards and recognition are appropriate for different stages of knowledge-sharing programs. The goal is to reinforce desired behavior with desirable rewards – recognition, time, endorsement, etc.

## GENERAL PRINCIPLES

1. Time to use and create knowledge has to be recognized and rewarded; if participants feel that they have to "steal" time from the "real" work to do this, they won't.
2. Using the knowledge system has to be self-rewarding to the consumer; users have to get something out of it, be it knowledge they need or a sense of status and recognition.
3. Recognition lies in being perceived as an expert by employees and management. Ensure that an internal expert's name is attached to documents, guidelines, and presentations they created.
4. Create recognition for sharing, transferring, and using knowledge and best practices; you can do that by celebrating best-practice success stories and propagating tales of big savings and important contributions.
5. Recognize all parties or units involved, both those who share knowledge and those who receive knowledge. If both ends are not feeling rewarded, you won't get the results desired.
6. A "standardized" reward system may help institutionalize the practice into the common culture.

## OPTIONS FOR ADDRESSING THE ISSUES

The goal is to address the recognition and reward issues raised in the assessment as barriers to knowledge sharing. There are two approaches to consider:

Option 1: Develop guidelines, not a corporatewide approach. Charter a cross-functional task force of human resources, KM, and representatives from some business to develop guidelines and suggestions for all groups to encourage knowledge sharing. This group might also address the question of whether knowledge sharing should be part of performance appraisal.

Option 2: Let each department and business create their own approach. The KM core group works with each business unit to develop its own understanding, paradigm, and approaches to recognition and rewards.

## ISSUES TO ADDRESS

There is usually a great deal of variation across departments and business units on the kinds of rewards and recognition they offer in general (independent of the knowledge-sharing initiatives). How much variation is appropriate for knowledge sharing?

- Other recognition and reward systems exist across the organization. Identifying and understanding these other initiatives is important in influencing cultural change.
- How much emphasis should be put on recognizing desired behavior and activities versus results?
- How much will knowledge-sharing behavior and results be included in performance appraisal?

## EXAMPLES FROM BEST-PRACTICE ORGANIZATIONS

Best-practice organizations use two different approaches to reinforce the discipline of knowledge sharing that are dependent on their overall approach to integrating knowledge sharing with daily work.

**Host visible knowledge-sharing events.** Best-practice organizations that host visible knowledge-sharing events tend to reward people directly for contributing to knowledge. These organizations also make contributing to the company's knowledge base part of individual performance appraisal. In most cases, contributions are generally well-researched and provide descriptions of best practices.

**Embed sharing knowledge into "routine" work processes.** Best-practice organizations that follow this strategy typically do not reward people directly for knowledge contributions. Instead, they rely on the link between knowledge sharing and everyday work processes to reinforce the discipline of sharing.

Whichever approach best-practice organizations take, they all see the need to align companywide reward and recognition systems and approaches with knowledge-sharing behaviors. Best-practice organizations do not see reward and recognition as a way to motivate people to share. Instead, they see reward and recognition as a way to acknowledge the value of sharing knowledge, appreciate the contributions people have made, and increase awareness of the importance of sharing knowledge.

Chevron believes the most powerful lever is building KM into the regular work process--making it the way Chevron works. Therefore, metrics around sharing and reuse are being built into the annual performance evaluation, technical career ladders, promotion, and job-posting processes.

Siemens measures and rewards individuals for participation in ShareNet. Contributors earn ShareNet Shares, relative to the quality and reusability of the contribution—assessed through a peer rating. Top ShareNet contributors will be rewarded with an invitation to the ShareNet global knowledge-sharing conference. Additional incentives include:

- being part of a community,
- pride of excellence,
- reducing the time known experts spend answering standard questions,
- expert exchange, and
- knowledge targets become part of the individualized incentive system.

At Hewlett-Packard Consulting, the Knowledge Masters Award recognizes the employees whose knowledge mastery best exemplifies the culture of balancing innovation with reuse and contributes to significant and measurable business impact. Winners receive companywide recognition and an all-expense-paid trip or cash award. Hewlett-Packard Consulting has identified that besides the award's power to motivate employees, the process of chronicling outstanding practices represented in the winners' stories resulted in capturing information about millions of dollars in cost savings attributable to KM.

Knowledge sharing is also rewarded at Xerox. In communities, being recognized by peers is a measure of success in itself. To formalize the recognition process at the individual level, Xerox created the “Eureka Hall of Fame.” Individuals are rewarded by product type based on the number of times their tips were used by others in their community. They get both a cash or prize award as well as a nomination to the Hall of Fame. Similarly, validators have a “Validators Hall of Fame.” They are rewarded for the cleanliness of their databases.

At the corporate level, knowledge sharing has now been added as a component of the prestigious Presidents Award. Like HPC Knowledge Masters, this program provides a platform to recognize and reward behavior—and showcase KM successes.

Solidifying a commitment to knowledge sharing is key. And rewarding and recognizing through every stage of KM implementation ensures that everyone continues to strive toward the same goal. A knowledge-sharing culture enhances the organization’s success and can also be personally and professionally beneficial to all employees.

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