Merger or acquisition, it all comes down to the successful meshing of two cultures. It’s a process O.C. Tanner often partners with other companies to optimise. However, when the company began its own international expansion it was forced to put its practices to the test in a very personal way. This whitepaper details the results of O.C. Tanner’s UK-based operation – O.C. Tanner Limited’s efforts to combine effective assessment, goal setting, communication, training, and strategic recognition practices to inspire a corporate and cultural turnaround. A turnaround that was so successful the company was recently recognised with the prestigious Investors in People Gold Award.
BACKGROUND

O.C. Tanner Limited is the UK base of the O.C. Tanner Company, the world’s leading provider of employee reward and recognition programmes. The company partners with organisations all over the globe to create strategies to appreciate great work, improve employee engagement, and drive business results.

Originally created through the acquisition of an established distributor, O.C. Tanner Limited quickly became a key player in both the promotions and incentives industry as well as the reward and recognition sector. The company worked with suppliers such as Sony, JVC, Thompson, Philips, Toshiba and Panasonic.

In November 2003, O.C. Tanner Limited migrated its UK business model to more closely reflect that of its parent company. Focusing on long-term, strategic partnerships, the company approached well-respected clients such as Royal Mail to provide its long-service awards as a start to creating a complete culture of appreciation for its clients. Such client partnerships ultimately focus on enhancing employee engagement and business results.

While client partnerships found success, after acquiring a second incentive supplier in May of 2004, O.C. Tanner Limited found itself in a corporate cultural crisis. Significant changes in management and ongoing restructuring had taken its toll on employees and the business. Instability trickled into every aspect of the company’s operations. On-time delivery averaged just 35 percent, items were regularly out of stock and ownership over such issues was in short supply. Blame became the focus of daily battles; communication, respect, and trust were lacking as confusion over company goals and priorities ruled the day.

“It seems almost hard to imagine now, but the company was a truly dreadful place—and not because of our business model,” says Carol Ellis, operations director for O.C. Tanner Limited. “Our problems stemmed from miscommunication, misalignment, lack of recognition, and lack of respect. The business suffered because of the situation, and it was most definitely a people problem.”

With staff turnover at a staggering 75 percent, the fledgling company needed to make some positive changes quickly if it was to survive in the new market. Ironically, this new branch of the global leader in creating a culture of appreciation needed to evaluate its own culture—and fast. O.C. Tanner Limited needed to unite employees under its mission and move the business forward.

CULTURE SHIFT

Flash forward five years. As necessary transitions in management, staff, processes, and location occurred, a change also began within the walls of O.C. Tanner Limited and within the employees of the company. So much so that when The Assessment Network, the evaluation arm for the prestigious Investors in People award, interviewed current O.C. Tanner Company Limited employees they concluded, “The introduction and implementation of O.C. Tanner philosophies and practices are seen as transforming the way people feel about their work.” And with that the company earned the highest ever score for a first-time Investor in People accreditation. Indeed, O.C. Tanner earned IiP Gold status, an honour bestowed on less than 1 percent of the over 35,000 organisations recognised as Investors in People.
How does a company go from self-defeated to thriving?

“The solution to our ethos problem did not come from firing everyone and starting over,” says Jacob Boateng, marketing manager. “Instead we took the opportunity, as we often request of our clients, to take a step back, clearly define our organisational goals, openly identify problems, put steps in place to make changes, and then train our own managers the way we train our clients—to regularly and sincerely appreciate great work.”

For O.C. Tanner Limited, the turnaround was an exercise in practising what you preach. In order to begin the transformation from a reactive environment where employees felt the weight of hierarchy and were uninspired by confining roles and an atmosphere of blame, the new O.C. Tanner Limited management team put into practice the very culture-building principles it counsels its 8,000+ clients worldwide to adopt. The company used appreciation of great work as the accelerator to the basic four areas of successful leadership*: goal setting, trust, accountability, and communication.

THE ACCELERATOR: APPRECIATING GREAT WORK

O.C. Tanner Limited began its transformation by creating a framework to define, establish and recognise great work within the organisation.

“No one wants to come to work and do less than their best. We had to readopt that basic assumption,” says Hitesh Patel, financial controller. “For so long we were so focused on all that was going wrong when something finally did go right it only seemed to heighten the blame. We had to develop the recognition tools that would support the culture we were trying to create and then clearly train managers on a new way to communicate; one that was more positive, more frequent, and more focused on the bigger goals of the company. Our recognition programmes helped us achieve that new way of thinking.”

The company created a scheme whereby employee actions that demonstrated commitment to the company’s core values, mission, and goals were both acknowledged and publicly rewarded. Initial programmes included: milestone recognition, performance recognition, peer-to-peer appreciation, on-the-spot thank you certificates and other informal tools and training focused on giving tools to managers to recognise and appreciate employees.

Recognition of great work at O.C. Tanner Limited became strategic and its acknowledgement focused specifically on the action being honoured and the company goal it supports.

“The impact of recognition on our employees’ attitudes and willingness to give more of themselves truly accelerated our ability to reach critical business goals and improve client service,” says Beth Blake, client relations manager. “Campaigns to achieve company initiatives were previously met with some resistance and were rarely effective on their own. By focusing on appreciating great work and saying thank you in memorable and meaningful ways, we have been able to add fuel to the fire we all needed to light within ourselves and the company.”
RECOGNITION AND THE BASIC FOUR:

Being seen by employees as strong in the Basic Four areas of leadership: Goal Setting, Communication, Trust, and Accountability, is critical for managers who hope to achieve enhanced business results. This according to a 200,000-person study by The Jackson Organisation (now HealthStream Research) reported in *The Carrot Principle*. O.C. Tanner Limited’s management team went to work putting in place recognition solutions to support and reinforce each of these key areas.

GOAL SETTING:

» The organisation adopted a comprehensive and inclusive process of target setting, cascading such goals into team and individual targets. Employees are highly engaged in discussing progress on a regular basis and feel accountable for results.

» Recognition programmes were designed to consistently reinforce larger company goals and mission and the actions that help to support such goals.

COMMUNICATION:

» Strong commitment and communication from senior management as to the importance of new policies, practices, and training reinforce management’s commitment to company values and continuous improvement on all fronts.

» Open communication policies regarding company goals and progress encourage feedback and empower employees to find solutions.

» Recognition presentations and communication materials focus on the important role employees play in moving the company forward.

TRUST:

» Training efforts that invest in developing employees and managers have raised the trust level significantly. Greater resources are now directed toward performance coaching centered on creating a culture of recognition. This training goes beyond learning, and focuses on behavioural elements as a central feature of embedding the ethos that lives and reflects the company values.

» Regular opportunities for gathering employees and recognising great work publicly has led to greater feelings of trust for management. Employees also report greater feelings of respect and feel that managers treat employees more fairly.

ACCOUNTABILITY:

» Well-defined goals and expectations reinforced through recognition of those who demonstrate and achieve those goals has resulted in greater feelings of ownership and accountability.

» Employees understand what is expected of them and understand they will be appreciated when they go above and beyond to accomplish a goal.
O.C. Tanner Limited’s renewed focus on The Basic Four, using recognition to accelerate success in each area, has resulted in an environment where the tie between the employee’s action and the company value or business initiative it supports is made clear. And by showing appreciation for actions that support and exemplify company values and objectives, recognition becomes an opportunity for the recipient’s co-workers to better understand what it means to demonstrate exceptional performance as well. This has driven important improvements and business results for the company.

RESULTS

As the organisation adopted its own best practices, a culture shift began to take place. Employees felt welcomed, valued, empowered, appreciated. Such a shift was reflected in employee comments in the company’s IiP report such as, “There are lots of opportunities here to further your career; it really is up to you. If you make an effort to improve your skills it will be recognised.”

The change was so tangible and significant it surprised IiP assessor, Claire Laidler.

“We only suggest organisations that have already been recognised for the basic standard several times to stretch themselves a little further and go for the profile standard which requires substantially more on all elements,” says Laidler.

“But O.C. Tanner Limited chose to pursue the profile standard first. So I have to admit when I first walked through the door I was a bit cynical as they had been in business for such a short time in UK.” Laidler adds, “But it only took me until 10 o’clock in the morning to realise that this is a different organisation. Not only are all of you completely and utterly engaged in what your organisation does but that you are also benefitting from a long history of empowering, valuing, and training your staff to achieve the highest standards.”

The final report from O.C. Tanner Limited’s Investors in People assessment had this to say of the transition:

“The behavioural aspects are completely embedded evidenced in the ways people interact with each other. The company has series of established, explicit practices which emphasise the importance of a way of treating people and these are the backbone of the way the company operates. These have been established by the parent company as a result of considerable experience and reflection over a period of 80 years. The UK company has engendered these principles exceptionally well and this is particularly impressive as the original, [acquired] company had a very different culture.”

For more information on engaging your workforce and achieving key results by recognising great work, visit www.octanner.com.
O.C. Tanner is the world leader at helping companies grow by appreciating people who do great work. Because celebrating great work inspires people to invent, to create, to discover. And when people are inspired, companies grow. Our performance awards, service awards, web-based recognition tools, and other incentive programs turn corporate goals into reality for more than 8,000 well-known customers worldwide.

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