

Outline of Presentation

The importance of an effective Recognition & Rewards Process to support your Improvement Journey

Background – what do we mean by Improvement Journey

1. Defining Recognition vs Reward
2. What level should you focus on?
3. Do suggestion systems really work?
4. Some examples of good practices
5. How to develop an effective Recognition & Reward process

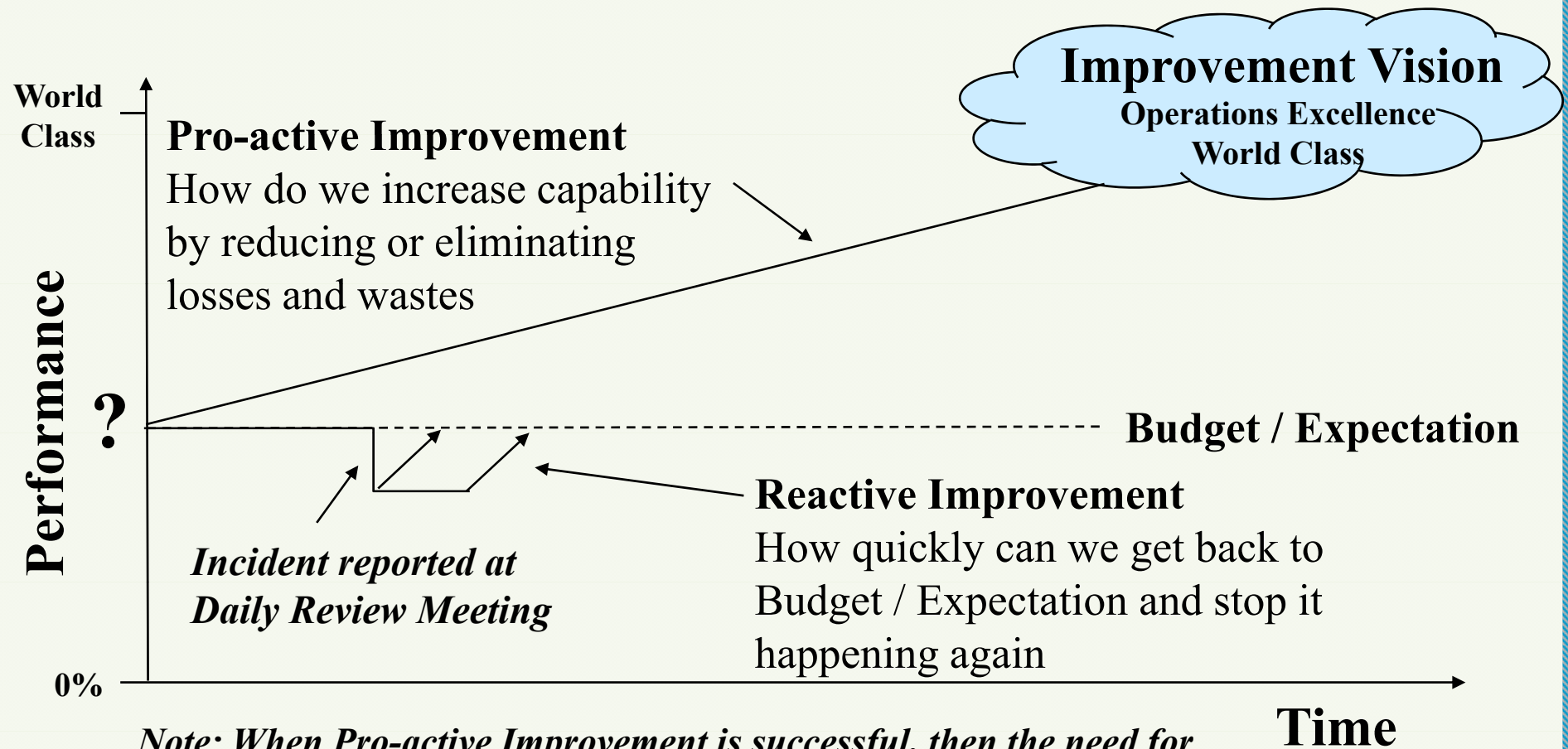


Background

2 Types of Improvement

Reactive – ensure you achieve Budget / Expectation

Pro-active – take you above current Budget / Expectation



Note: When Pro-active Improvement is successful, then the need for Reactive Improvement should significantly reduce

Background

1. What is Effective Reactive Improvement?

It is your ability to rapidly recover from an event or incident that stops you from achieving your budgeted or expected performance for the day or shift

and most importantly

initiate corrective actions so that the event or incident will not re-occur anywhere across the organisation.

Frontline Problem Solving / Root Cause Analysis leading to an A3 Summary Sheet

Background

2. What is Pro-active Improvement?

1. Technology & Automation Improvement
2. Project & Event Improvement
3. On-going Improvement focused on developing all people to enhance their Practices & Behaviours

Background

On-going Improvement focused on developing all people to enhance their Practices & Behaviours

so as to identify and address Problems in the Workplace at the earliest possible time

On-going Improvement involving Everyone

Cross-functional Teams	Area Based Teams
5%	5%
Problem Solving	Prevention at Source
Visual Workplace	

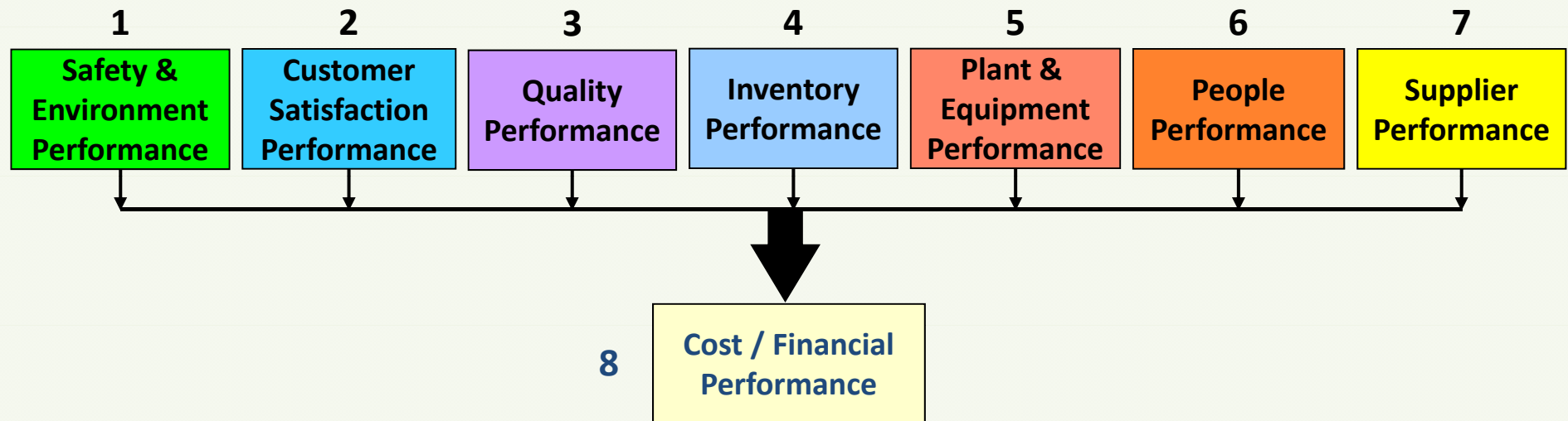
Where 5% = approx 2 hrs / week

1. Defining Recognition vs Reward

Reward	
Monetary	Non Monetary
<i>Impacts on salary / take-home pay</i>	<i>Has Value / Useable</i>
<ul style="list-style-type: none">• Profit Share• Bonus based on Key Success Factors for Operations	<ul style="list-style-type: none">• Voucher• Movie Tickets• Clothing• Gift• Meal / MT / AT

Key Success Factors for Operations

'Cause' Key Success Factors



'Effect' Key Success Factor

1. Defining Recognition vs Reward

Reward		Recognition	
Monetary	Non Monetary	Presentation	Announcement
<i>Impacts on salary / take-home pay</i>	<i>Has Value / Useable</i>	<i>Non-usable</i>	<i>Written or Spoken</i>
<ul style="list-style-type: none"> • Profit Share • Bonus based on Key Success Factors for Operations 	<ul style="list-style-type: none"> • Voucher • Movie Tickets • Clothing • Gift • Meal / MT / AT 	<ul style="list-style-type: none"> • External Award • Internal Award • Trophy for Cycle • Medallions • Certificates 	<ul style="list-style-type: none"> • Newsletters • Magazine Article • Site Briefing • Dept Briefing • Toolbox Briefings

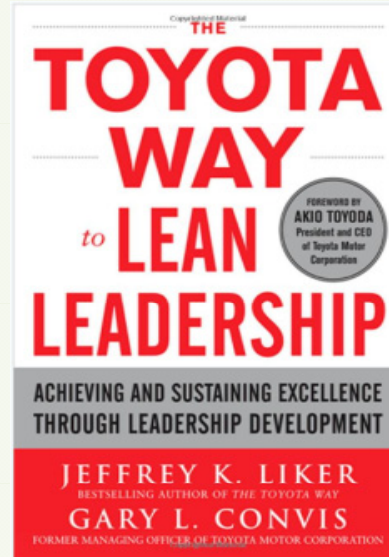


2. What level should you focus on?

Level	People Involved	Group Focus	Individual Focus
Site	All people at site	External Award* Internal Award	Voucher Movie Tickets
Departments or Defined Area	All people in Dept or Area	Plaque Shield Trophy for Cycle	Clothing Gift Meal / MT / AT
Cross-functional Team	All Team Members or All people in area where team was focused	Best Team Cup	Certificate Voucher Movie Tickets
Area Based Team	All Team Members	Best Team Cup	Clothing Send to Conference
Individual	A particular individual		Send to Forum Send to Plant Tour

***CTPM has developed the 5 Level Milestone TPM³ Excellence Award involving a Trophy plus a Flag and Certificate for each level
Commenced in 2002 with 40 awards to date covering 19 sites**

3. Do suggestion systems really work?



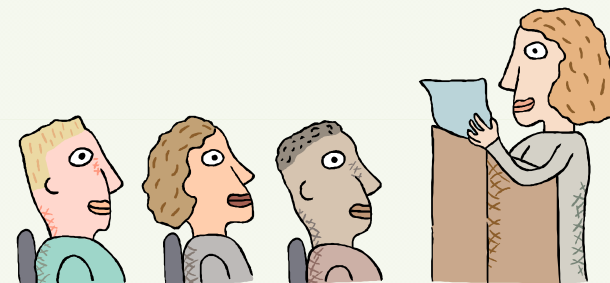
**Suggestion systems are easy to abuse if you
take your eyes off standardised work**

Jeffrey K Liker and Gary L Convis:
The Toyota Way to Lean Leadership

Oct 2011



Ask the Audience



Role of Suggestion Systems

1. Improve Process
2. Give your people a self-development opportunity

However

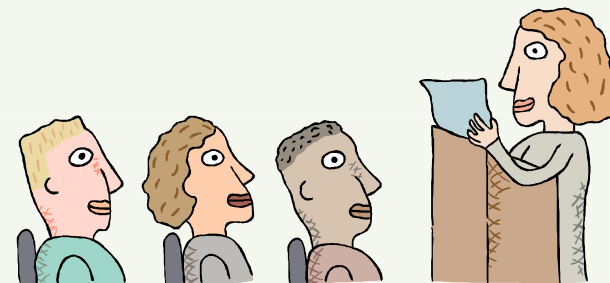
How do you tell whether a suggestion is going to produce a measurable and significant improvement?

Hence

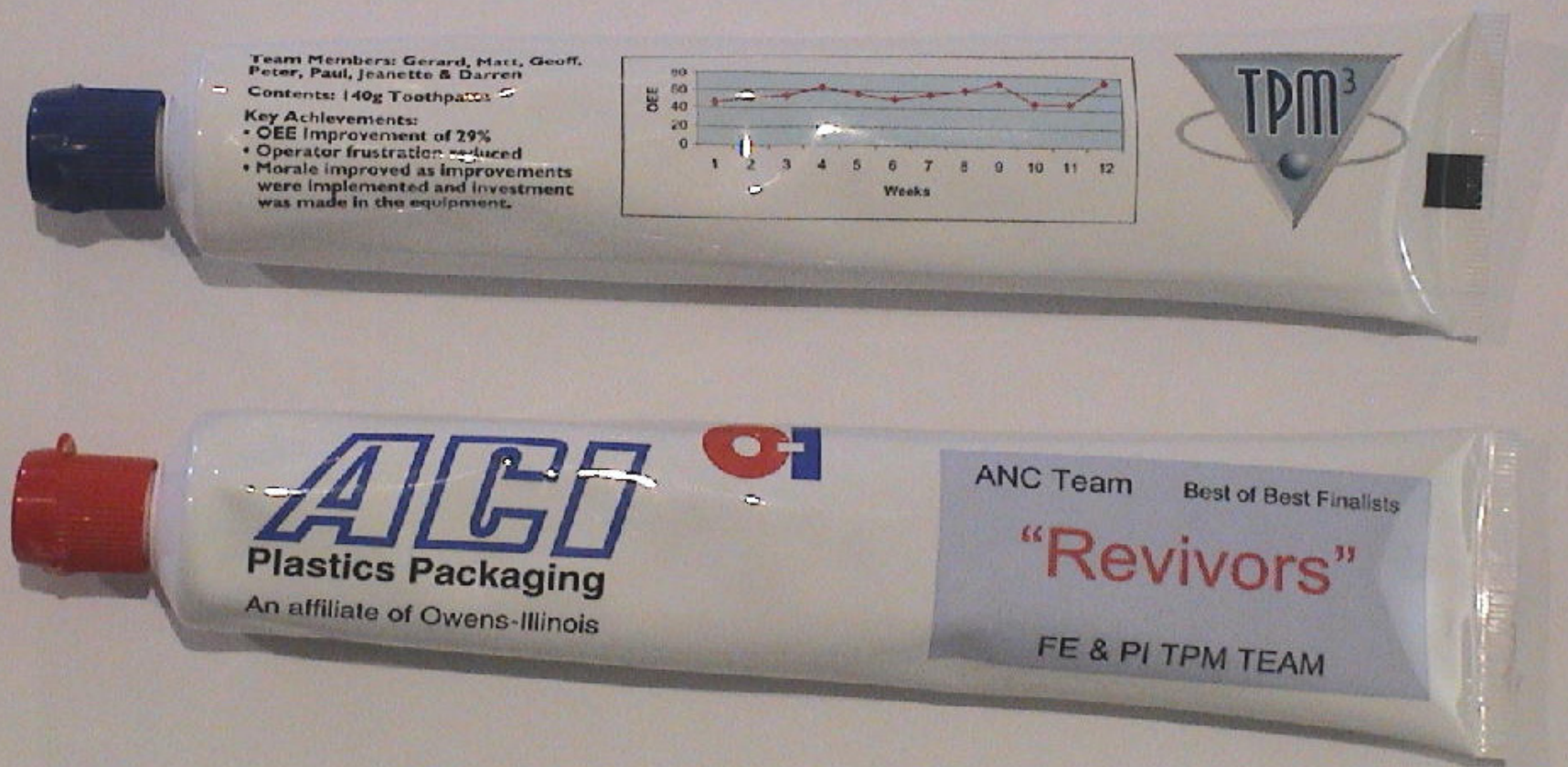
The need for **Standardised Work** to measure the impact of the suggestion



Ask the Audience



4. Some Examples of Good Practices



4. Some Examples of Good Practices



4. Some Examples of Good Practices



5. How to develop an effective Recognition & Reward process

1. Determine what improvement you wish to recognise and or reward
2. Develop clear policies to support ‘consistency of purpose’
3. Determine what level and type of recognition and reward will be used

What should we be Recognising & Rewarding?

Reactive Improvement

- Frontline Problem Solving / Root Cause Analysis

Pro-active Improvement

- Technology & Automation Improvement
- Project & Event Improvement
- Cross-functional Improvement Teams
- Area Based Improvement Team Activities

Role of Recognition & Reward Policy

Policy: All recognition & reward for formal Reactive and Pro-active improvement activities to be consistent across the site.



What Level and Type?


Level	People Involved	Group Focus	Individual Focus
Site	All people at site	External Award* Internal Award	Voucher Movie Tickets
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How can we help?

TPM³ Milestone Assessment Process – Self Assessment Sheets 5 Level Milestone TPM³ Excellence Award

Level 1

 **TPM³ Milestone Assessment Process – Levels 1 to 5**
1.2 Leadership - Information

1.2.3 Recognition System Assessment Sheet

Site: _____

TPM³ Champion: _____

Internal Assessor: _____

Date of Assessment: _____

Rating Legend

- 0 – No evidence of activity or 0%
- 1 – Attempted but no results or 10%
- 2 – Little evidence of activity or 25%
- 3 – Half-way to full implementation or 50%
- 4 – Close to full implementation or 75%
- 5 – Fully implemented or 100%

Is there an effective formal recognition system for all TPM³ activities?

Activity Description	0	1	2	3	4	5	Comments
1. A formal documented recognition system has been established to ensure recognitions are consistent across the site							
2. The recognition system includes a Site recognition policy or process							
3. The recognition system includes a Department recognition policy or process							
4. The recognition system includes a Defined Area recognition policy or process							
5. The recognition system includes a Team recognition policy or process							
6. The recognition system includes an Individual recognition policy or process							
7. All TPM ³ teams conduct a mid-way presentation and receive appropriate recognition at the time for their efforts from a Leadership Team member							
8. All TPM ³ teams conduct a final presentation and receive appropriate recognition at the time for their efforts from their TPM ³ Champion							
9. Agreed Leadership Team attendance occurs at all TPM ³ team presentations							
10. All personnel in each Defined Area progressing TPM ³ Cross-Functional Team activity are recognised for their contribution rather than just the Cross-Functional Team members							
Totals							Total / 50 X 2 = %

(Dates of Last Update: 10 January 2012)



Question Time



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