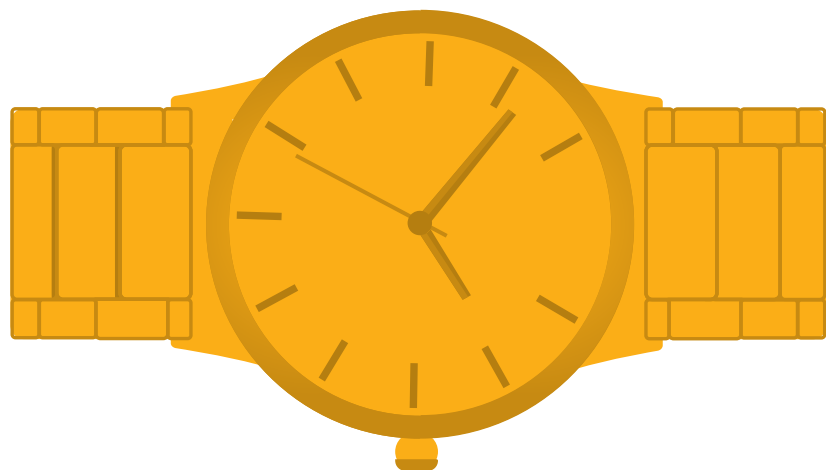


Employee recognition: back then



Traditional recognition practices like doling out gold watches for years of service and employee of the month certainly were effective decades ago, but often miss the mark in the modern workplace. Baby boomers are hard-working, dedicated professionals who traditionally realize long careers under one employer. They value commitment to employers and work to make the world and their organizations a better place. This generation worked to put in the hours and the “face time” necessary to prove dedication to their work.

These practices were considered effective at keeping employees loyal to their organizations, which resonate with the Baby Boomer brand of hard work and professional development. This group has remained the largest living generation for decades and has subsequently shaped the workforce as we know it. At the height of Boomer dominance, longevity was a primary metric of career success. Longevity prompted many employee recognition practices by way of service anniversary programs.

evolution of the workplace & what it means for recognition

In 2015, Millennials overtook Baby Boomers as the largest cohort of the US workforce.

This group prioritizes career and professional growth over things like marriage and family. They seek employers that provide purpose, meaning, and development. Take a look at how different generational groups view the workplace:

Gen Xers value work-life balance and autonomy.


Disloyalty between organizations and employees began to emerge as Gen Xers entered the workforce. This generation of “latchkey kids” grew up independent, as their hard-working Boomer parents worked long, dedicated hours. They also witnessed their loyal parents being laid off from

long-standing careers as the economy slowed and families separated as divorce rates soared. As Gen Xers joined the workforce, their upbringing inspired a preference for autonomy, minimized work hours, and work-life balance as they worked to compete with hard-working Boomers.

Boomers and Gen Xers have much different priorities from those of today's growing Millennial workforce. For example, Baby Boomers are notoriously loyal and work tirelessly for corporations. Gen Xers place greater value on family than on career and prioritize work-life balance over long careers and organizational loyalty. Millennials prioritize career and professional growth over things like marriage and family. In fact, one study found that only 26% of Millennials marry between the ages of 18 and 32, compared

to 48% of Baby Boomers and 65% of Silents. Baby Boomers are dedicated to their careers and trust their employers to take care of them financially in return. Millennials, however, expect employers to supply feedback, value their opinions, and encourage personal growth. Gallup found that 87% of Millennials say that professional development is very important to them in a job. This group tends to job-hop in search of fulfilling, exciting, lucrative, and meaningful careers.

Technology morphs the workforce



But Millennials aren't the only ones with such expectations; the technology available to consumers of all age groups has created a sizable shift in the way they live; purchase decisions, from dining and entertainment to vacation can be made in seconds. Communication between brands and consumers has shifted from a one-way broadcast to a two-way conversation. As organizations work to catch up, the employee base itself is changing. The future is blended. That is, the future workforce will be made up of

part-time, full-time, freelance, and contracted workers. The blended workforce brings diversity, scalability, and flexibility to organizations and allows outside perspective to eliminate problems and complete projects, all while cutting cost on office space.

As such, businesses have begun to adapt organizational strategy to attract and retain young talent, as well as adjust to the digital lifestyle the majority of the workforce is accustomed to.

The new organization

New-age perks like the omnipresent beer fridge, ping pong tables, and flexible hours of tech startups have begun to bleed into the workplaces of seasoned, traditional corporations as a result of evolving talent demands. But that's not the only difference.

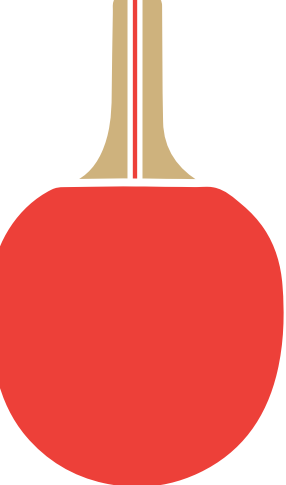


53%

When looking for new opportunities, 53% of employees cite the ability to have greater work-life balance as very important

Deloitte's Global Human Capital Trends research indicates organizational restructure has been a top priority for respondents for the last two years. Many organizations operate on dated hierarchical business models—namely those created for the Industrial Revolution—which were developed for predictable supply and demand and designed to maximize efficiency. With today's rapidly evolving advancement of technology comes a new level of expectation of employers, a new generation of young talent with new demands, new communication methods, and a need for new organizational strategy. This rapid advancement requires agility and adaptability.

Many leading companies are adapting structure to allow for flexibility between employees with different sets of skills in order to collaborate and complete projects. They are providing them with the tools and time required to quickly move between teams and tasks, eliminating hierarchical, compartmentalized thinking altogether. Organizations have also embraced new employee demands by incorporating learning, coaching, and development with culture: 83% of business leaders surveyed say they are shifting culture to welcome development through offerings like dynamic projects and experiences rather than providing the traditional, static career path.



The new organization

When looking for new opportunities, 53% of employees cite the ability to have greater work-life balance as very important. Flexibility also topped the list of priorities: 54% of employees say they would leave a job for one with more flexible work time. As “teams” become more prevalent, employees expect agile business models which offer increased flexibility. Employees also seek meaning and purpose from their employers. While the majority of the US workforce is not engaged in their work—that is, indifferent—the percentage of employees that are engaged derive meaning from their day to day. In fact, the number one influencing factor in the Millennial job search is the opportunity to learn and grow.

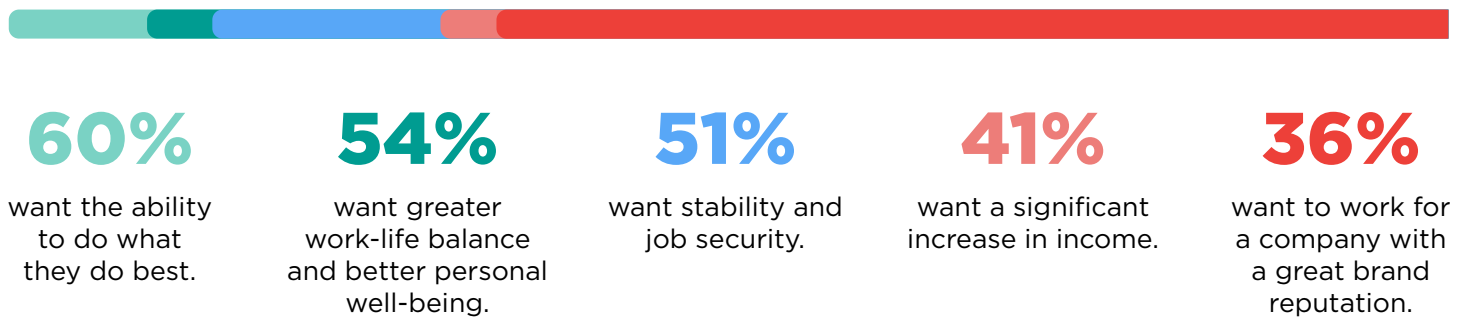
An organization will typically invest heavily in building its brand reputation to appeal to its target markets, yet fail to invest the same in building its reputation as an employer.

Employees act as advocates for a company just as consumers do for a brand. And with the added bonus of total digital transparency (think Glassdoor), an employee advocate is more valuable now more than ever.

For example, Ford Motor Co. is currently undergoing a massive business transformation to focus on customer experience while simultaneously applying the same research and strategy to transform the employee experience. IBM recently created an intelligence platform geared toward career growth that recommends challenges and new jobs within the organization based on performance data. The tech giant even has a People Analytics department dedicated to using data to identify proactive retention methods. General Electric recently created new positions dedicated to the employee experience.

The more employees feel their employers' values align with their own, the more likely they are to be engaged—that is, more productive, feel valued, believe in the mission, enjoy working with their teams, and are more likely to put in extra effort. The more employees feel that they are valued, the more dedicated they are to their work for the benefit of themselves and for the good of the company.

What do employees today want?



Employees today are accustomed to a largely digital, on-demand lifestyle and expect the same experience from employers. From the start of the job search to the retirement process, employees expect a holistic work experience that compliments their professional, physical, emotional, and financial well-being. And

they expect the ability to remain digitally connected to their work lives and employers. In fact, 83% of respondents to a 2017 Deloitte's Global Human Capital Trends survey say their organization is shifting to flexible, open career models that offer enriching assignments, projects, and experiences.

Why are employees leaving?

- career growth opportunities
- pay and benefits
- manager or management
- company
- job fit



Why does traditional recognition fail today?

Employees today will not likely stick around for 20 years to receive a gold watch, and being employee of the month pales in comparison to being individually recognized by the CEO for valuable contribution to a project. Traditional recognition can often come across as disingenuous or impersonal when delivered as a one-size-fits-all approach. Think of cookie-cutter recognition given to one achiever once a month at a recurring meeting. This structured, systematic, predictable type of recognition provides little value to today's employee whose professional self worth is driven by growth and contribution to a larger purpose.

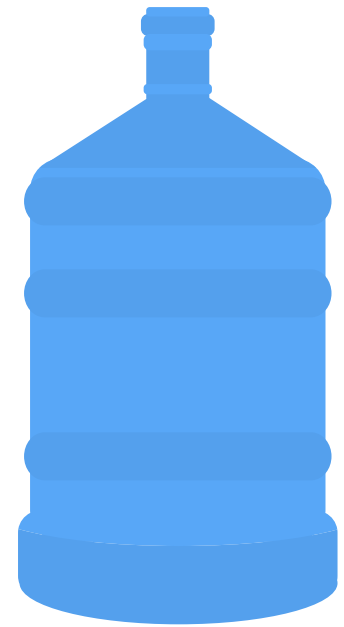
what is employee engagement, anyway?

Employee engagement is defined as the emotional commitment the employee has to the organization and its goals. An engaged employee is one who is enthusiastic about their work and is invested in their organization's reputation and interests.

[download our infographic](#)

70% of the US workforce is not engaged

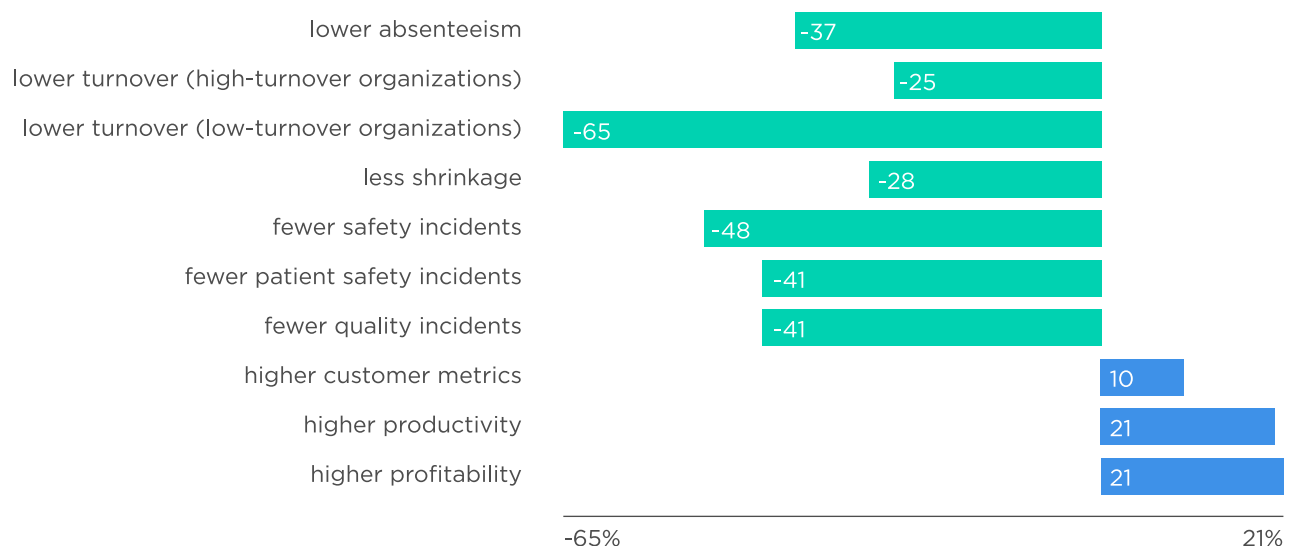
Employee engagement, while highly correlated to employee satisfaction and happiness, is largely tied to successful business outcomes. Gallup's 2016 State of the American Workplace found that businesses with engaged employees experience decreased turnover and absenteeism and increased sales and productivity. Other studies by Gallup also show that organizations with engaged employees have higher earnings per share.



**Organizations
with a highly
engaged
workforce realized
21% higher
profitability in
2016.**

The Employee Engagement Effect

Gallup





What is employee recognition?

Recognition programs can vary from top-down to peer-to-peer and from informal to formal. Top-down recognition requires consistent involvement by upper management and direct managers. Some studies show that recognition from a CEO is more meaningful than from a manager or peer, while others argue that this type of recognition can appear insincere or forced. For example, Paul White, author of *The Vibrant Workplace: Overcoming the Obstacles to Building a Culture of Appreciation* explains, “When employees do not believe that others are genuine or sincere in their communication of appreciation, reactions include cynicism, lack of trust, disbelief, skepticism, resentment.”

4 reasons to recognize

1. ATTRACT & RETAIN

2. BOOST MORALE

3. INCREASE PRODUCTIVITY

4. INCREASE PROFITABILITY

To avoid insincerity, be sure that the program aligns with company values/mission, is widely promoted and encouraged, and comprehensively adopted by management. Gallup's data reveal that the most effective recognition is honest, authentic and individualized to how each employee wants to be recognized. Regardless of the messenger, all forms of recognition should be reinforced by company values, and come from a genuine place of gratitude to avoid forced or mechanical perceptions.