

# The Role of Recognition in the Employee Experience

**W**ith U.S. unemployment rates at historic lows, organizations are moving beyond the concept of employee engagement and examining whether they offer a complete employee experience that will set them apart from their rivals.

Employee engagement, once the paramount focus in human resources, has evolved into the idea of employee experience, which envelops any and all factors that contribute to an employee's satisfaction, from engagement to wellness to physical environment. The end goal of building positive relationships with employees, however, remains elusive. Employees who have a positive relationship with their employer perform better, contribute more and positively impact the organization's profitability.

**In fact, Deloitte Insights found that 80% of executives rated employee experience as “important” or “very important”, but only 22% said they are excellent at building one.**

## What's the Motivation?

Before employee experience was recognized as a concept, organizations focused on narrower measures of employee satisfaction, such as whether workers liked their benefits and compensation or felt that their boss supported them. These are all important factors on their own, but employee satisfaction is largely a qualitative assessment of how happy or unhappy an employee is at work.

Human capital professionals realized that some areas of satisfaction couldn't necessarily be quantified, so they began to look at measures that would translate how people felt about their jobs into how “engaged” they were. Employee engagement became a key performance indicator, using data analytics to correlate metrics such as absenteeism and turnover with productivity and revenue.

Engagement is largely an indicator of how motivated employees are to do their jobs, and it manifests in their behavior. Gallup defines engagement as employees having basic psychological needs met that are required for performance. Some needs are more straightforward, such as knowing what's expected in the job and having the materials or equipment to do it properly.

Other needs are emotional or social and not always so straightforward. In his widely-referenced TED Talk on motivation, expert Dan Pink examined what keeps people engaged with their jobs and proposed that in the business world, the desire to do more for personal reasons — “intrinsic motivators” — are important drivers. Pink outlined these drivers as autonomy to direct our own lives; mastery and the urge to get better, or develop skills; and purpose, or the need to do what we do for reasons bigger than ourselves.

In addition to intrinsic motivators, people also thrive on extrinsic motivators, those that originate outside the individual. In a business setting, these take the form of rewards from the organization, such as money, praise and positive feedback. Formalized employee reward and recognition programs offer extrinsic motivation for people to do a good job. The entire gamut of intrinsic and extrinsic motivators is what adds up to the employee experience.

## **What Works When**

When Gallup examined the difference between engagement and experience, they found an employee's complete experience in the workplace moves through seven stages: attract, hire, onboard, engage, perform, develop and depart. Several other aspects of their workplace, like their manager, role, team, workspace, well-being, purpose, brand and culture, also influence it.

Employees spend the majority of their time in three of the seven employee experience stages: engagement, performance and development, where building strength and purpose, driving expectations, and career growth present the best opportunities for companies to make a lasting impression on them. Recognition programs at these stages can have a significant effect on the overall employee experience.

## **Recognition That Boosts Engagement**

Employees value knowing that their work is appreciated and that their contributions have been noticed. Whether it's verbal praise, public recognition or a premium parking spot, reward

programs provide reinforcement for a job well done. The Cheesecake Factory recognizes its frontline workforce through an initiative called “Wow Stories,” a collection of stories that share associates’ outstanding service across the organization. Reinforcing and praising positive behaviors — like putting in extra hours or finding a unique solution to a problem — keeps employees motivated and coming into work with vigor and enthusiasm because it helps them realize what they are doing matters.

## **Recognition That Enhances Performance**

One of the best ways to encourage future performance is to offer incentives or rewards for achieving individual, departmental and organizational objectives. It’s important to keep in mind that incentives need to be tied to measurable goals that can be accomplished in a reasonable period of time, such as a month or a quarter. We often think of incentives as associated with meeting sales goals, but organizations are increasingly using cash and non-cash incentives to drive particular behaviors and meet other kinds of performance objectives, like reducing safety incidents.

## **Recognition Through Training and Development**

Most people want to learn and are motivated by the chance to enhance their proficiencies or gain new skills. Employer-provided training, attendance at conferences and workshops are all good ways to recognize and retain employees. Supermarket chain Wegmans invested \$50 million in employee training in 2017, which included programs to help workers gain specific skills or move into management positions. Professional development opportunities are a clear demonstration that the company values the individual by investing in their future. Once employees have attained a particular level of professional development, they should be recognized for that accomplishment.

Organizations can structure employee recognition programs in many ways, but with the increased focus on the employee experience it is important to evaluate whether the program is providing adequate opportunities for recognition across these three important stages. Viewing a rewards and recognition program through this lens helps maintain organizational focus on a positive, end-to-end employee experience.

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