

FINAL QUESTION

What kinds of recognition and benefits attract, retain, and develop employees?

INTRODUCTION

We all want to feel recognized for what we do. Whether that is at home or in the workplace, we want to feel that what we are doing contributes to something beyond ourselves and we want to be recognized for it. In the workplace, employee recognition refers to the practice of acknowledging employees' contribution, whether that is for great success on a major project or completing small tasks excellently. It matters because it emphasizes what an employee has done, showcases a goal achieved, and reinforces behaviors. Recognition can come in a monetary form, but non-monetary forms can be just as powerful. A greater focus will be placed on this latter form of recognition in this summary. It is crucial to make a big deal out of what employees are doing.¹²

NON-MONETARY RECOGNITION**Cultivating Experiences**

A unique way to recognize employees is by providing them with "experience-driven" rewards.⁹ These refer to rewards in which employees are given the opportunity to participate in an activity whether alone, with coworkers, or with family and friends. The goal of these sort of experience-driven recognition methods is to create a memorable experience that the employee connects to the company. It has the potential to build commitment to the brand if used appropriately. Below are a few creative ways to expand upon current practices.

Working-time Flexibility

PwC's Employee Financial Wellness Survey showed that one in five employees desire "flexibility and/or work-life options".¹ Rewarding employees with increased flexibility leads to not only a better work-life balance, but also more ownership over one's schedule. A few creative ways in which to adjust a company's paid-time off ("PTO") policies is by implementing paid or unpaid sabbaticals, reduced workweek, unlimited sick time, and floating holidays to adjust to people's preferences. Effectively creating and using a PTO policy is crucial to preventing employee burnout.⁴ Also, organizations have reported higher employee retention rates as a result of unlimited PTO.² Moreover, other effective practices to consider when implementing PTO include making it company wide, offering employee rewards when PTO is used promoting "real" vacations (e.g., monetary reward for five consecutive days off), and setting parameters.² These policies can also be used as reward mechanisms for high performing employees.

Volunteering Time

Employees can be rewarded for their achievements with additional paid time to spend volunteering for causes they are passionate about. An important aspect of this perk is to ensure that employees know it is an option.¹¹ This is a way in which the employer supports diversity, equity, & inclusion. Including it as part of the total rewards package signals to employees that the company cares about the impact that it is having and wants to enable employees to be a part of that. Companies can also offer charity matching contributions to high performers.

Well-being Incentives

Mental and physical health has been a hot topic in the workplace. Out of 361 organizations in Canada or the United States, 54% offered some form of wellness incentive.⁶ By enabling employees to care for their well-being, a company not only attracts top talent, but also retains them and sets them up for success in their work. A company can introduce services that improve employees' physical health such as offering flu shots, standing/walking workstations, or healthy snacks in the office.⁶ It would also be important to encourage employees to be active outside of work by offering gym subsidies and or paying for a portion of workout equipment. An interesting idea within this is supplying employees with pedometers of some sort and encouraging health competitions in the workplace for steps taken throughout the day.¹⁰ Not only will these incentives reward employees, but they will also have a positive impact on the business by improving productivity and performance.¹⁰

AFFIRMING EMPLOYEES

Workplace affirmation, including meaning in work and words of encouragement, can result in higher employee retention and performance, and a positive workplace culture.^{3,5} Language of appreciation can also be a powerful form of alleviating employees' stress, and it indicates that teamwork is valued.¹⁰ Further, organizations with clear strategies and employees that believe their job is meaningful have improved financial performance, which is measured by return on assets.³

Meaning & Values Contribution

Employees want to know that their work has meaning and contributes to a greater good. Thus, another way to acknowledge them is to emphasize how what they are doing contributes to the overall mission and values of the organization. For many people, work is a source of meaning.³ Helping employees feel that they are contributing in this way will help them feel recognized. Practically, managers can publicly and privately affirm employees for contributing to the greater good.

Words of Encouragement

Results from over 100,000 respondents on a survey measuring people's primary language of appreciation showed that the most frequently reported language of appreciation was receiving words of affirmation compared to tangible gifts, acts of service, quality time, and physical touch.⁵ Love languages are also applicable in work relationships. Examples of words of affirmation included acknowledging an employee when they have handled a situation well (including in the presence of other teammates), saying "thank you" or giving a specific compliment, and giving a department/team a compliment when they have performed well.⁵ By applying the concept of love languages to the workplace, managers have the power to incentivize their employees through positive affirmations.

CONCLUSION

Employees are shown to be motivated to achieve higher goals and be involved in the overall success of an organization when they have a combination of performance-based incentive payments and non-monetary recognition tools. Furthermore, empowered employees receiving monetary incentives are likely to pursue new ideas and have a more creative mindset.⁷ Companies can empower their employees through giving them stretch tasks within their roles and projects outside of their day-to-day tasks. By encouraging them in these special projects, managers show they have trust in their employees and employees feel recognized for their contributions.

CITATIONS

1. “2021 Health and Well-Being Touchstone Survey.” *PwC*, <https://www.pwc.com/us/en/services/consulting/business-transformation/library/touchstone-survey.html>
2. Berman, Marc S. “Unlimited Vacation: An Elixir for Increased Retention and Business Growth.” *LinkedIn*, 3 May 2016, <https://www.linkedin.com/pulse/unlimited-vacation-elixir-increased-retention-business-marc-s-berman/>.
3. Cassar, Lea, and Stephan Meier. “Nonmonetary Incentives and the Implications of Work as a Source of Meaning.” *Journal of Economic Perspectives*, vol. 32, no. 3, 2018, pp. 215–238., <https://doi.org/10.1257/jep.32.3.215>.
4. Fisher, Jen, et al. “The Disconnect Disconnect - Deloitte.” *Deloitte Insights*, 2021, https://www2.deloitte.com/content/dam/insights/articles/6701_CIR-Prioritized-time-off/DI_CIR-the-disconnect-disconnect.pdf.
5. Hamrick, Natalie, and Paul White. “Specific Acts of Appreciation Valued by Employees.” *Strategic HR Review*, Emerald Publishing Limited, 24 Apr. 2020, <https://www.emerald.com/insight/content/doi/10.1108/SHR-03-2020-0024/full/html>.
6. Held, Justin. “Trends Benefit: Expanding the Meaning of Workplace Wellness.” *International Foundation of Employee Benefit Plans*, 2022.
7. Ilyana, Sariatul, and Mahfud Sholihin. “The Effect of Incentives and Leadership Styles on Creative Performance.” *Journal of Indonesian Economy and Business*, vol. 36, no. 1, 2021, p. 14., <https://doi.org/10.22146/jieb.59893>.
8. Kuk, Kenneth, and Monica Martin. “Harnessing Total Rewards to Drive ESG Goals.” *Willis Towers Watson*, 16 Sept. 2022, <https://www.wtwco.com/en-US/Insights/2022/09/harnessing-total-rewards-to-drive-esg-goals>.
9. Kurtz, Rod. “Firms Turn to Perks in Lieu of Bonus Checks.” *Inc*, vol. 26, no. 13, Dec. 2004, p. 26. *EBSCOhost*, <https://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=15002659&site=ehost-live&scope=site>.
10. Scott, Tim. “Leading on Mental Wellbeing.” *Training Journal*, July 2017, pp. 26–29. *EBSCOhost*, <https://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=124093939&site=ehost-live&scope=site>.
11. Tyukodi, Michael. “If You've Got It, Flaunt It: Using Culture to Differentiate Your Total RewardsM.” *Willis Towers Watson*, <https://www.wtwco.com/en-US/Insights/2022/02/if-you-ve-got-it-flaunt-it-using-culture-to-differentiate-your-total-rewards>.
12. Welch, Jack, and Suzy Welch. “Keeping Your People Pumped.” *BusinessWeek*, no. 3977, Mar. 2006, p. 122. *EBSCOhost*, <https://search.ebscohost.com.proxy.library.cornell.edu/login.aspx?direct=true&db=bth&AN=2008811 &site=ehost-live&scope=site>.