



Timeless Performance:
Recognition Programs
for a Multi-Generational
Workforce

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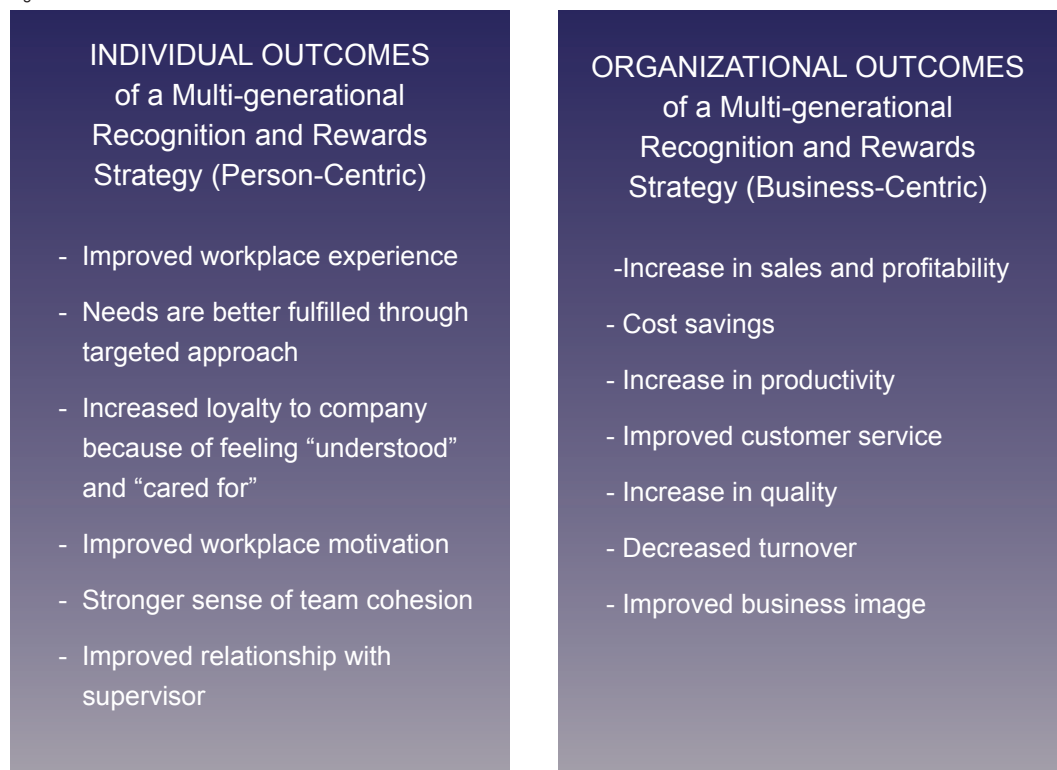
Timeless Performance

Recognition Programs for a Multi-Generational Workforce

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The U.S. workforce currently spans more than 60 years of age and is becoming increasingly demographically diverse.¹With four generations working side-by-side in many organizations, the need to recognize multi-generational characteristics in the workplace has never been greater. Propelled by an increasing retirement age² and high labor market competition due to talent shortage³, understanding intergenerational dynamics has become an imperative to many leading organizations.⁴Growing evidence shows, and forward-thinking managers know, that there is a direct link between addressing age diversity in the workplace and achieving success in several dimensions of business performance. According to the Sloan Center on Aging and Work, aligning an age diversity strategy (that is, programs and policies that are inclusive of different generations within the workplace) with the organization's mission and values can help employers enhance employee recruitment, retention, and engagement, and improve organizational culture and customer service.⁵Additionally, as shown in figure 1, companies can achieve better leadership continuity and direct increases in profitability when the composition of their workforce more closely reflects a multi-generational market.⁶

Figure 1



1 Bureau of Labor Statistics: Employment outlook 2010 – 2020. Retrieved on <http://www.bls.gov/opub/mlr/2012/01/art3full.pdf>

2 Gallup Economy. Retrieved from <http://www.gallup.com/poll/162560/average-retirement-age.aspx>

3 Manpower Group: Talent Shortage 2013. Retrieved from <http://www.manpowergroup.com/wps/wcm/connect/manpowergroup-en/home/thought-leadership/research-insights/talent-sources/2013-talent-shortage#.UmX9NxZLSwF>

4 The Sloan Center on Aging and Work. Age: a 21st Century diversity imperative.

5 Pitt-Catsoupes, M., Matz-Costa, C., & Besen, E. (2009). Age & Generations: Understanding experiences at the workplace. Retrieved from: http://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/RH06_Age_Generations.pdf

6 AARP: Leading a multigenerational workforce. Retrieved from http://assets.aarp.org/www.aarp.org/cs/misc/leading_a_multigenerational_workforce.pdf

To human resource managers, the demographic and social shifts of the workforce represent both a challenge and an opportunity. On one hand, the increasing generation gap often creates tension among employees' wide-ranging experiences, perspectives, expectations, priorities and work styles. Conflicts, frustration, and poor morale arising from age differences are common in the workplace and can generate a lack of engagement at the individual level as well as, damage the workplace culture at the organizational level. Alternatively, multi-generational representation in the workforce offers unique opportunities to leverage the diversity in knowledge and skills of all employees. In this capacity, reward and recognition programs play a fundamental role. By capitalizing on the strengths and values of different generations, recognition programs can realize the full potential of an organization's talent pool and create an enduring competitive edge.

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Most importantly, we must emphasize that simply comprehending generational demographic preferences is **not enough**. In addition to the typical age, race, and gender breakdown in the workforce and work-style proclivities across generations, companies need to understand the unique *psychographic* characteristics of their population. Psychographic data typically provides insight into the attitudes, lifestyle, personality, and values of an individual or group. Without some understanding of these characteristics among your workforce, companies can unintentionally devalue their rewards and recognition programs. Employees may feel as if leadership lacks authenticity behind their actions – or worse, that the organization does not even have a basic comprehension of the people who essentially “make the company run.”

Similarities and Differences across Generations: Exploring Demographics and Psychographics

People of all ages have much in common, on a fundamental level and also with respect to expectations about the workplace and work experience. ⁷Regardless of age and type of work, people consistently rank family, integrity, love, spirituality and happiness as top priorities. ⁸In the workplace, employees across all age groups share a fundamental desire for flexibility and a supportive work environment, as well as a need for career development and commitment to their organizations. ⁹The intergenerational differences come into play in subtle ways, which can cause substantial harm if not understood and managed. For instance, employees from different generations usually have different perspectives on issues like leadership, authority and work ethics. They also tend to differ with respect to learning and communication styles, recognition preferences, and work-life balance needs, all of which are psychographic characteristics. Figure 2 represents a few of the main similarities and differences between generational groups.

⁷ Society for Human Resource Management (SHRM). The Multigenerational workforce: Opportunity for competitive success

⁸ Jennifer J. Deal (2011). Retiring the generation gap: how employees young and old can find common ground.

⁹ AARP: Leading a multigenerational workforce. Retrieved from http://assets.aarp.org/www.aarp.org/_cs/misc/leading_a_multigenerational_workforce.pdf

Figure 2

Similarities	Differences
Core values	Recognition preferences
Desire for flexibility	Communication style
Desire for supportive work environment	Work-life balance needs
Commitment to organization	Learning style
Need for career development	Perspectives on leadership, authority and work ethics
Fundamental need for recognition	Desired rewards
Job security	Need to maintain loyalty to a specific employer
Desire for belonging	Perspectives on how and when to socialize during (and outside of) work

Characteristics, Needs and Preferences of Multiple Generations: Defining and Applying Psychographics

While it is important to avoid stereotyping people from different age groups, the concept of “generations” provides some general insight into the values and expectations of different individuals in the workplace. Individuals from different generations have lived through shared experiences – including significant events, advancements, and circumstances – which collectively shape their approach to work and life. For example, the baby boom generation (1946–1964) grew up in a post-world war era of rebuilding economies. As a result, this cohort developed strong work ethics and team orientation. On the other hand, the millennial generation (1980–2000) grew up in the fast-paced Internet era, defined by unprecedented global interconnection. This shared context led this group to develop unique technology savviness and the ability to multi-task, as well as a strong sense of collective action. Figure 3 is a summary of key shared traits of each generation, along with the unique motivators, needs and preferences that they present on recognition, rewards and communication in the workplace.^{10, 11, 12, 13, 14}

Figure 3

	World War II (Before 1946)	Baby Boomers (1946–1964)	Generation X (1965–1980)	Generation Y (1980–2000)
Defining characteristics	Experience, stability, loyalty, emotional maturity, focus, dedication, perseverance	Team perspective, service orientation, experience, knowledge	Independence, adaptability, tech literacy, creativity, willingness to challenge status quo	Optimism, ability to multi-task, tech savviness, social responsibility, drive to learn and grow
Leadership style preferences	Directive, fair, consistent, respectful, clear, logical	Democratic, mission-oriented, warm and caring, equal treatment	Flexible, informal, direct, competent, results-oriented, supportive, genuine	Motivational, collaborative, positive, structured, achievement-oriented, coaching
Rewards and recognition preferences	Tangible symbols of loyalty, commitment and service, including plaques and certificates. Flexible work hours, temporary work, hourly shifts if close to retirement	Personal appreciation, promotion, recognition. Help with retirement planning, sabbaticals, training on technology	Free time, opportunities for development, upgraded resources, certifications to add to resume. Skill development, flex-work schedules, fun activities	Awards, certificates, tangible evidence of credibility. Immediate concrete and tangible awards, similar to those desired by Gen X
Communication preferences for recognition delivery	Memos, letters, personal notes, individual interactions	Phone calls, personal interactions, face-to-face, structured networking	E-mail, voicemail, casual, direct and immediate	Instant messages, text messages, e-mail, collaborative interaction Analyzing Psychographics using Sodexo’s Personix™ Tool

¹⁰ AARP: Leading a Multigenerational Workforce

¹¹ Ajilon: Recruiting, retaining and inspiring a multigenerational workforce

¹² Society for Human Resource Management (SHRM). The Multigenerational workforce: Opportunity for competitive success

¹³ Motivation across generations. http://talentmgmt.com/articles/view/motivation_across_generations/1

¹⁴ IBM Center for the business of government. Engaging a multigenerational workforce: practical advice for government managers

Analyzing Psychographics using Sodexo's Personix™ Tool

Personix™ is Sodexo's proprietary end-user segmenting tool aimed at developing and adapting our services to best fit consumers' psychographic characteristics and needs through an in-depth understanding of their behavioral traits. The Personix™ questionnaire focuses on 5 topic areas:

- People (socio-demographic information about the individuals present onsite, i.e., age)
- People as employees (i.e., seniority in the company)
- Site activity (i.e., type of industry)
- Life at work (i.e., communication channels, organizational patterns)
- At-work services (i.e., catering services, office space planning)

The Personix™ model is based on a complex information processing system that uses fact-based data collected from a worksite. The tool relies on an algorithm to analyze the data collected from the worksite; the main outputs are maps representing the psychographic breakdown of the site into one or more "families" and environments. When we categorize an employee population into different families, the resulting output is an *individual-centric map*, where consumers are in the "driver's seat." For recognition and reward purposes, this map could be used to determine which types of rewards and which forms of recognition would be most valuable based on individual personality characteristics.

In general, the six families are characterized as the following:

PROTECTORS: View workplace services as part of their employee entitlement and are averse to change and very defensive when their routines are altered or their organization frame of reference is disturbed. In terms of rewards and recognition:

- They need structure and predictability of rewards programs.
- Rewards must be functional and of value.
- Rewards and recognition should be equitable across the company.

ACHIEVERS: Are often in multi-tasking mode and are concerned about how they can progress within the company and reach their professional goals efficiently and in due time. In terms of recognition and reward:

- The way recognition and rewards are presented are as important as the rewarded behavior itself.
- Rewards must be able to be redeemed quickly and efficiently.
- They expect very high value of the rewards pool the company is offering.
- Recognition and reward strategies must be uniquely tailored to this group.

FREESTYLERS: Tend to go by their own tune and rhythm, are good at working in teams that are formed and dissolved according to their needs, and work according to projects rather than fixed schedules. In terms of recognition and reward:

- Rewards programs should have a wide variety of choices.
- Some participants may elect to "save up" for an experiential award – like a mini vacation, high-end dinner, etc.
- Recognition should be varied, with an emphasis on authenticity.

NETWORKERS: Socialize and interact with colleagues and look for ways to facilitate the quality of relations and exchanges among people who work onsite. In terms of recognition and reward:

- The program must meet the needs of the entire group.
- On-site recognition strategies should facilitate the quality of relations and exchanges.
- Participants might prefer group rewards that create shared experiences and allow time for social interactions.
- Some special rewards should offer an element of “entertainment” in order to recognize the high value placed on rewards; for instance, providing a wellness day event with demos, booths, giveaways, etc.

TRADITIONALISTS: Are very loyal to their employer and need to feel valued and protected by their employer as compensation for their strong corporate engagement. In terms of recognition and reward:

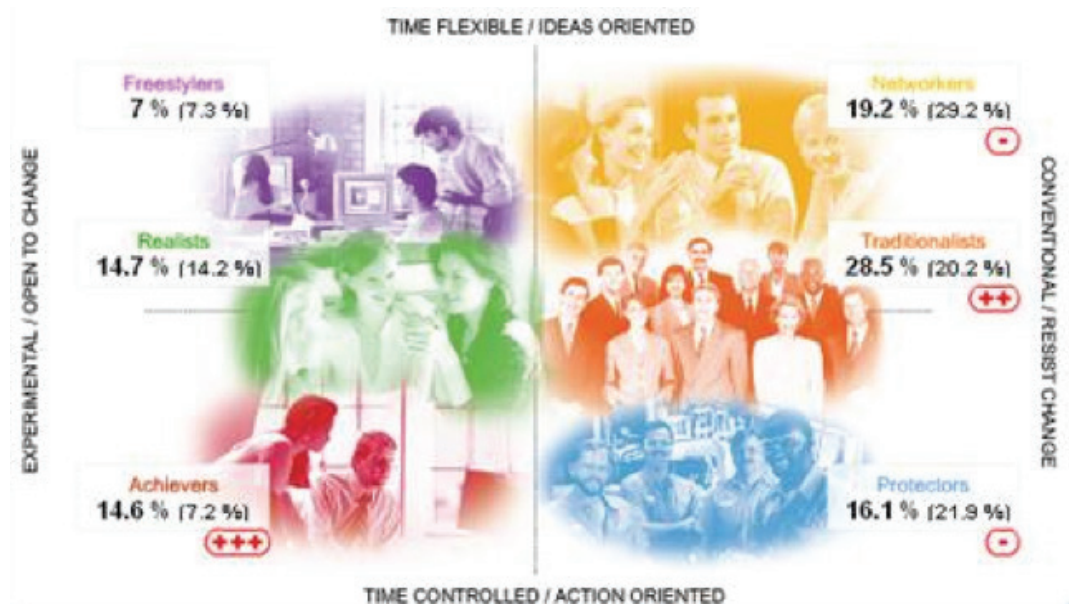
- The recognition and reward strategy must support the company’s image and reputation.
- There must be a large choice of delivery systems and offers for rewards.
- Any services provided as rewards should demonstrate that the company is rewarding staff for the effort they put in, e.g., subsidized meals, concierge service.

REALISTS: Are experienced buyers, have a sixth sense to detect value and price-to-quality ratios, need to “renew and refresh” themselves during breaks, and strive to effectively balance their work/life priorities. In terms of recognition and reward:

- They appreciate rewards options that hint at a bit of decadence, like gift cards for a coffee shop, a dessert store, or high-end shopping.
- They prefer when recognition is impactful, but not drawn out and overly flashy.
- They appreciate rewards that make sense for the environment and/or individual well-being.

A Case Study in Personix™ Psychographics

A full Personix™ assessment was conducted at a Large National Insurance company, with the resulting individual-centric map below:



Based on the map, the recognition and reward strategy would likely focus on the two families with the highest prevalence, while still also taking into consideration the needs of those in other families. In this individual family map, traditionalists constitute almost 29% of this company's population (national norms are in parentheses to the right of each number), while networkers make up the next highest category of individuals with 19%. Other families are relatively equitably balanced in prevalence, with the exception of freestylers who are in the minority.

Using this information, a recognition and reward platform could be developed that focuses on high-profile awards for traditionalists, emphasizing individual contribution and credibility. This could include a robust array of service awards, innovation awards in a certain technical area, etc. Recognition should be sincere, succinct, and impactful – as opposed to “showy.” For networkers at this worksite, rewards should include sharing opportunities or group celebrations. Recognition is typically more casual, inclusive, and should emphasize an individual's contribution to the overall good.

In sum, the Personix™ results can be used to propose a customized recognition and reward offer based on the profile of on-site employees, in addition to a suite of other services that were tailored to their particular needs.

Best Practices in Recognition and Reward Programs for Multiple Generations

With more and more human resource leaders incorporating multi-generational strategies into recognition and reward programs, a set of best practices has emerged. While each organization has a particular approach that best fits its culture and mission, successful programs possess specific characteristics that are aligned throughout the entire management cycle, from planning to implementation and evaluation.

Integrate into Overall Business Strategy: It is crucial to fully integrate a multi-generational rewards and recognition program into the broader talent retention and business strategy. Formalizing the program and managing its performance systematically will ensure that the necessary levels of resource and leadership commitment are in place to enable it to deliver on its full potential.

Set Goals & Measure Outcomes: Managers should set clear goals and utilize specific outcome metrics with respect to the multi-generational aspect of the rewards and recognition program. For example, an organization might aim to increase collaboration and knowledge sharing among certain generational groups, or improve engagement among other groups.

Get Employee Input: Another powerful, yet simple practice is to periodically survey employees on what they value and their reward preferences. Building the recognition strategy around employees' preferences avoids wasting resources and increases the impact of recognition on worker behavior. Indeed, sometimes a “thank you” note provided to the right person at the right time is of more value than an annual formal award dinner; for other workers, having the opportunity to save up points toward a large prize is motivating and rewarding in itself.

Be Inclusive: Offering opportunities for recognition to all workers is also a defining trait of successful programs. While the type of rewards may vary, being inclusive drives the organizational culture more effectively, not to mention the increased perception of fairness from the workers' perspective.

Be Flexible: Reconciling the diverse needs and desires of people from different generations requires flexibility in program implementation, particularly as it refers to communication and recognition tactics. The key to striking a balance between rigorous standardization and uncontrolled variability is to prioritize a product or service mix that matches the workforce profile, while presenting high leverage for behavior change.

Leverage Technology: As workforce dynamics are becoming increasingly complex, technology has taken on a central role. Best-in-class rewards and recognition programs make extensive use of technology, not only as a means to deliver timely and targeted recognition, but also to enable management oversight and real-time monitoring even in large-scale, multi-site projects.

Evaluate & Improve: Lastly, managers should consistently evaluate the impact of their rewards and recognition programs, in order to determine their value-on-investment¹⁵ to the organization, as well as opportunities for continual improvement.

Checklist of Best Practices in Multi-Generational Recognition and Reward Programs

The statements below can help HR managers assess the degree to which their recognition and reward programs are designed to meet the needs and preferences of multiple generations. The more statements that match practices in your workplace, the more your organization is likely to be effective in engaging employees of all ages.

- We approach our recognition and reward program as a key talent retention and development strategy
- We have clearly defined objectives and metrics related to managing multiple generations in the workplace
- We ask our employees what they value and build our recognition and reward program around their needs and preferences
- We offer opportunities for rewards and recognition to all
- We are flexible in the ways we communicate with employees from different generations
- We are flexible in the ways we recognize and reward employees from different generations
- We use technology to deliver timely and consistent recognition and rewards
- We evaluate our recognition and reward programs frequently and systematically
- We act upon the results of our evaluations to continuously improve our programs
- We understand employee psychographic characteristics and realize that there are differences within the generations

15 Sodexo. Demonstrating value in employee recognition programs: why VOI is the new ROI. Available at <http://www.sodexomotivation.com/download/ROI%20WP.pdf>

Conclusion

Recognition programs are a powerful tool to engage the workforce and achieve business goals. Building bridges across generations and tailoring recognition programs according to the characteristics of each age group impact key business indicators, such as productivity, organizational growth, customer service, and profitability. As the makeup of the U.S. workforce continues to trend toward increasing age diversity and as individual needs and preferences evolve, empowering and supporting workers from multiple generations must become a priority in human capital management. Flexibility, effective use of technology, and systematic management are defining features of recognition programs that truly align all employees around an organization's core mission and values. When designed and managed with age diversity in mind, recognition programs can create a competitive edge that endures generation after generation.

As the global leader in designing, managing and delivering tailored, comprehensive and measurable recognition and reward programs, Sodexo can offer new solutions and help your organization strengthen existing programs for increased impact in a multi-generational workforce. To learn more, contact us at sales.sodexopass.usa@sodexo.com or 888-663-4437.

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