THE EFFECT OF WORK RELATIONSHIPS ON ORGANIZATIONAL CULTURE AND COMMITMENT
ABOUT THE SURVEY

The Fall 2014 Workforce Mood Tracker™ survey was conducted by Globoforce® from August 13 to 18, 2014. This is the seventh deployment of the semi-annual survey since its launch in Spring 2011. This edition of the survey was conducted by independent market research firm MarketTools. The final sample of the survey was composed of 716 randomly selected fully employed persons in the United States (aged 18 or older) who are employed at organizations with a staff size of 500 or more employees. The survey had a margin of error of +/- 3.9 percentage points at a 95 percent level of confidence.

ABOUT GLOBOFORCE

Globoforce is the leading provider of social recognition solutions, helping companies build strong cultures of engaged employees through the power of thanks. Named one of the Best Workplaces in the US and Ireland by the Great Place To Work Institute, Globoforce is trusted by some of most admired companies in the world to inspire and energize employees and create best places to work. Our award-winning SaaS technology and proven methodologies empower HR and business leaders to take a modern, more strategic approach to recognition programs. The result: measurable business results, qualified by increases to employee engagement, retention, and productivity. Globoforce is co-headquartered in Southborough, Massachusetts, and Dublin, Ireland.
EXECUTIVE SUMMARY

It is hard to underestimate the impact our co-workers have on the experience of working for a company. Those connections can energize or destroy the quality of our work lives. They also strongly impact how we look back at our career and achievements. They inspire and motivate us. They bring us closer to our companies, and they make us want to stay.

Twice a year, we talk to fully-employed workers in the United States to gain insight into their attitudes and perspectives on their work life. In past editions of our Workforce Mood Tracker we have shown the power of connecting people to their peers through recognition. Something that we’ve noticed—but had not yet explored in depth—is the powerful relationships that underlie those work connections, or what companies can do to leverage that shared history of recognition and camaraderie.

This report focuses on those relationships, and in particular on workplace service anniversary awards: what about them is working, and where we have opportunities for improvement. We looked at how service awards are impacted by the changes that technology and social recognition have brought to the workplace. In thinking about the potential of years of service awards, we also thought about what it means to connect with friends at work, how recognition makes us feel, and how companies might build on those feelings to grow commitment and loyalty.

In the first part of this survey, we asked about work connections—the friendships and emotional ties that connect co-workers. Then in the second part of the report, we examined the potential impact of those ties on the service milestone experience... first getting a sense of where we are and then asking workers how they would like to see their milestones evolve.

These are our findings, compiled from 716 survey respondents:
SUMMARY OF FINDINGS

1. **Peer relationships are critical to the modern work experience.** As we spend more time at work, we are investing more, emotionally and professionally, in the relationships we make at work. They have become central to the quality of our lives.

2. **Having friends at work increases commitment to the company.** Our engagement, trust in leaders, satisfaction, and intent to stay hinge on having friends at work. The more friends we have, the more committed we become to our companies.

3. **Years of service awards that include all colleagues yield better results.** Leveraging the power of co-worker relationships, and including their stories in the milestone experience, improves the quality of years of service programs.

4. **Years of service awards with emotional impact are more effective.** When service anniversary awards are moving or poignant experiences, they are more likely to inspire employees and encourage them to renew their commitment to the company.

5. **Social Recognition® amplifies the effectiveness of years of service programs.** Deploying values-based recognition in addition to a years of service program makes the program more effective. Recent recognition amplifies the impact of milestone awards.

6. **Workers yearn for a more shareable and meaningful milestone experience.** There is room for improvement in today’s milestone experiences. Employees are looking for more shareable service awards that reflect their memories and contributions.
Peer relationships are vital to the modern work experience.

Having friends in our organizations is important to our work lives—especially for those of us who have seen the incredible impact that peer-to-peer recognition can have on engagement and work happiness.

Most people know instinctively that co-worker relationships matter a lot—perhaps because most of us have experienced the impact first-hand. In order to explore the importance of peer relationships in the anniversary experience, we decided to first test that peer relationships are important to begin with.

That is indeed what we found.

We began by asking workers how much time they spend at work and whether they have made friends through work. We found that most people spend more time with colleagues than with their own families (Figure 1) and that 95 percent have made at least one friend through work. (Figure 2) It is surprising to see that people are putting in so much time with co-workers—given the advent of flexible work arrangements, work from home and a more common 30-hour work week.
For a work anniversary our only acknowledgement is from an automated system that says, “Today is your (blank) anniversary.” when you clock in for the day.

– SURVEY RESPONDENT

Given this large footprint of co-workers in the day-to-day lives of workers, we looked next at the quality of these work relationships. We found that they carry a rather high level of social capital. 87 percent of workers report that they trust their co-workers (vs. 68 percent who report trusting company leadership). (Figure 3) But we also found that 93 percent of respondents say it was at least somewhat important to them that their colleagues in return have a high opinion of them—with 19 percent citing that they found it “extremely” important. (Figure 4)

**FIGURE 3**

88% TRUST THEIR CO-WORKERS

- Q: Do you trust your co-workers?
- Q: Do you trust your company leadership?

**FIGURE 4**

93% VALUE THE RESPECT OF WORK FRIENDS OR COLLEAGUES

- Q: How important to you is the high opinion of your work friends or colleagues?
Perhaps more revealing were the next two questions, where we looked at how much emotional capital is being invested in work relationships. We asked respondents if they’d ever laughed so hard they (almost) cried with co-workers (Figure 5) and asked if co-workers had supported them during a hard time (Figure 6). In both cases a strong majority of workers report that they are emotionally invested with their co-workers, in good times and bad.
The qualitative story here speaks as loudly as the quantitative. We found the results particularly powerful in the comments section for this latter question—where respondents shared stories such as:

“My colleagues helped me financially and emotionally when my son was dying of cancer.”

“Two friends at work made my children still believe in Santa because they bought them some pretty pricey items for Christmas one year when the kids knew we didn’t have any extra money.”

“I have a friend at work who went through IVF to have a baby. This friend has been very helpful now that I am going through the same thing with my wife.”

“I was going through a tough time at home with my parents and I wanted to quit, but they encouraged me to continue and work harder to get to my goal.”

“We lost a couple of co-workers to sudden deaths and we really supported each other.”
“There are six of us from different departments who have aging, frail parents. We discuss each other’s current situation and share resources for common issues.”

“I had emergency surgery and a co-worker took me to the doctor, then the hospital and home via the drug store for my meds. Not sure what I would have done without her! We remain good friends making happy memories.”

“We are a family in our office. We share the good and the bad, and sometimes things that we can’t share at home are shared here.”
The impact of the connections among colleagues is obvious and irrefutable. And employees themselves recognize this. When we asked them to be reflective, 74 percent agree that they have a shared history of memories and experiences with their current work colleagues (Figure 7), and 89 percent say that work relationships are important for their overall quality of life. (Figure 8)

**Figure 7**

**EMPLOYEES HAVE SHARED HISTORY AND MEMORIES WITH COLLEAGUES**

- 74% YES
- 26% NO

**Q:** Do you have a shared history of memories and experiences with your work colleagues?

**Figure 8**

**89% SAY WORK RELATIONSHIPS MATTER TO QUALITY OF LIFE**

- 37% Extremely important
- 34% Very important
- 18% Somewhat important
- 9% Not very important
- 2% Not at all important

**Q:** How important are work relationships to the quality of your life?
2 / Having friends at work increases commitment to the company.

Our previous finding established a baseline that proved work relationships are important to quality of work and personal lives. We then examined the effect these rich work friendships have on our organizations, and in particular on the business metrics HR watches most carefully. (There is a reason that one of the key questions Gallup uses on their Q12 survey to determine employee engagement is “Do you have a best friend at work.”)

The results here are somewhat dramatic. We found that those friendships actually seem to strengthen the employee’s emotional contract with the organization as a whole.

There is a significant difference in having even just one friend. Those who do not feel connected to their organizations through their co-workers appear to be disconnected from their organizations in every way. Those with many friends are much more deeply connected to their companies, and indeed are almost three times more likely to say they love working there. (Figure 9)

![Figure 9](image-url)

**FIGURE 9**

**EMPLOYEES WITH FRIENDS ARE MORE LIKELY TO LOVE THEIR COMPANIES**

- **25+ Friends**
  - Yes: 71%
  - No: 29%

- **6-25 Friends**
  - Yes: 64%
  - No: 36%

- **1-5 Friends**
  - Yes: 45%
  - No: 55%

- **No Friends**
  - Yes: 24%
  - No: 76%

Q: Do you love your company?
Next, we looked at questions that impact HR’s goals to create a best-in-class culture. Trust in leaders, for example, is one of the questions the Great Place to Work Institute™ measures on their surveys. Pride is also a key component they cite in their literature. As the Great Place to Work® Institute writes: “Trust is the defining principle of great workplaces — created through management’s credibility, the respect with which employees feel they are treated, and the extent to which employees expect to be treated fairly. The degree of pride and levels of authentic connection and camaraderie employees feel with one another are additional essential components.”

It’s clear that creating a culture that prioritizes and cultivates friendship and emotional ties can go a long way in helping on that journey. Employees with 6 or more friends are twice as likely to say they fully trust their company leadership (Figure 10) and three times more likely to say they are proud of their company and co-workers than those with no friends. (Figure 11)
Retention is another key metric that is critical for HR. And unsurprisingly, turnover is also strongly impacted by whether or not employees have formed close bonds with their co-workers. Here we measured poachability, by asking if employees would take a job if it were offered. (Figure 12) Results showed that the number of friends inversely impacted employees’ willingness to jump ship.

Finally, we examined employee engagement. The number of employees who self-identify as highly engaged runs higher when we ask them directly. But in this case, self-identification can tell us a lot about employee’s attitudes toward their own discretionary effort. Again, we see a strong impact on engagement when employees have even one friend in the organization. The delta between those with no friends and those with the largest number of friends is more than 100 percent. (Figure 13)
3 / Years of service awards that include peer participation yield better results.

Most years of service, or milestone anniversary awards, are intended to impact employee satisfaction, loyalty, turnover and engagement. Traditionally they are a company-to-employee or manager-to-employee based transaction, and involve words of congratulations with the addition of a certificate, company merchandise (pins or plaques) or the choice of a gift from a limited selection or plateau. They typically do not invite the participation of peers or focus on the emotional capital built in an organization.

We looked at three areas of impact in particular: job satisfaction and engagement, intent to leave, and the quality of the milestone anniversary itself.

We examined workers who said they had had a milestone anniversary, and compared those who said “Yes, my company gave me an award” with those who said “Yes my company and my peers celebrated with me.”

In all three cases there was a definitive impact when peers were included in the milestone experience. We looked at how appreciated overall those employees felt. Workers are 24 percent more likely to feel appreciated if they worked in companies where co-workers had been included in their anniversary. (Figure 14) Likewise, employees who had peer recognition of their milestones are more likely to say they love their jobs and their companies. (Figures 15 and 16). They are also 21 percent more likely to identify themselves as highly engaged. (Figure 17)
Q: Do you feel appreciated at work?

FIGURE 14
FEELING MORE APPRECIATED
Q: Do you feel appreciated at work?

COHERENCE TWELVE YEARS OF SERVICE ANNIHERARIES CORRELATES WITH:

Celebrated with Company & Coworkers
Celebrated with Company Only

87%
63%

FIGURE 15
LOVING THEIR JOBS
Q: Do you love your job?

76%
59%

FIGURE 16
LOVING THEIR COMPANIES
Q: Do you love your company?

78%
47%

FIGURE 17
HIGH ENGAGEMENT
Q: Which statement best describes you?

62%
41%
For the next questions, we looked specifically at that milestone experience itself. We see a significant impact on satisfaction with milestones when peers are included. Workers were nearly three times more likely to report that the milestone experience made them feel valued (Figure 18), 26 percent more likely to say that the milestone was a positive experience (Figure 19), and they were more than five times more likely to find the experience emotionally moving. (Figure 20)

**FIGURE 18**

**EMPLOYEES FEEL MORE VALUED WHEN PEERS PARTICIPATE IN ANNIVERSARIES**

Q: How did your anniversary make you feel?

- 70% Celebrated with Company & Coworkers
- 24% Celebrated with Company Only

It made me feel more valued

**FIGURE 19**

**ANNIVERSARY MILESTONES ARE MORE POSITIVE WHEN PEERS ARE INCLUDED**

Q: Was your anniversary experience more positive or negative?

- 98% Celebrated with Company & Coworkers
- 78% Celebrated with Company Only

Positive
One common result companies hope to see from years of service initiatives is employee loyalty and retention. When we asked workers about their intent to stay, those who had milestone experiences are less likely to be job hunting. (Figure 21)

**FIGURE 20**
ANNIVERSARY MILESTONES ARE MORE EMOTIONALLY IMPACTFUL WHEN PEERS ARE INCLUDED

Q: Was your last milestone anniversary an emotional, moving or poignant experience for you?

- 32% Celebrated with Company & Coworkers
- 6% Celebrated with Company Only

**FIGURE 21**
WORKERS WITH PEER-CELEBRATED MILESTONES ARE LESS LIKELY TO JUMP SHIP

<table>
<thead>
<tr>
<th>Celebration Type</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>No Celebration At All</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>Celebrated with Company Only</td>
<td>66%</td>
<td>34%</td>
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<tr>
<td>Celebrated with Company &amp; Coworkers</td>
<td>52%</td>
<td>48%</td>
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Q: Would you accept a new job if it were offered to you?
Years of service awards with emotional impact are more effective.

In the previous finding we noted that anniversaries that include co-worker participation are more likely to result in a more moving or poignant milestone experience.

Most of us celebrate anniversaries of some kind in our home lives—whether of our birthdays or other important events—and those tend to be emotionally charged moments where we reflect on how far we’ve come and our experiences along the way, and we look toward the future. At work, however, traditional milestones rarely include this more human, emotional quality. In fact, many respondents of this survey describe milestone experiences delivered by mail, rubber stamp, and in one case a read out on their time clock when they punched in for the day. They consisted of a message from the company or gift such as a pin, and were devoid of any human component at all.

Given the body of findings in this report, our next step was to look more carefully at how emotion impacts the milestone experience, and indeed the experience of working for a company.

We found that when workers report their last milestone as “an emotional, moving or poignant experience” they are significantly more likely to see that anniversary as positive (Figure 22) and three times more likely to say it made them feel more valued. (Figure 23)

But that impact resonates beyond the experience itself, as workers are more likely to report feeling proud of their work (Figure 24) and more likely to report themselves as highly engaged. (Figure 25)

Finally, when we asked workers if they consider a work anniversary a time to re-evaluate their jobs and renew their commitment to the company, a strong majority of those with emotional experiences answered yes. (Figure 26)
EMOTIONAL ANNIVERSARIES MAKE EMPLOYEES FEEL:

<table>
<thead>
<tr>
<th></th>
<th>Emotional Anniversary</th>
<th>Unemotional Anniversary</th>
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<tbody>
<tr>
<td>MORE VALUED</td>
<td>81%</td>
<td>27%</td>
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<tr>
<td>Q: How did your anniversary make you feel?</td>
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<table>
<thead>
<tr>
<th></th>
<th>89%</th>
<th>58%</th>
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</thead>
<tbody>
<tr>
<td>HIGHER PRIDE IN WORK</td>
<td>Q: Are you proud of the work that you do?</td>
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<table>
<thead>
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<th></th>
<th>77%</th>
<th>44%</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGHER ENGAGEMENT</td>
<td>Q: Which statement below best describes you?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>68%</th>
<th>47%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORE REFLECTIVE AND INVITE US TO RENEW OUR COMMITMENT</td>
<td>Q: Do you consider a work anniversary a time to re-evaluate your job and/or renew your commitment to your company?</td>
<td></td>
</tr>
</tbody>
</table>
Social Recognition amplifies the effectiveness of years of service programs.

In many ways, a service milestone anniversary is a more punctuated and potent (albeit more predictable) form of employee recognition. Like recognition, it is a moment of reflection on an employee’s achievement and a moment of appreciation where we stop to say thank you.

Often, years of service efforts are done as stand-alone programs via a single manager and not in conjunction with formal recognition efforts that tie recognition back to company goals and values. We examined what the difference would look like between a stand-alone years of service effort, and one that was amplified through frequent, values-based recognition.

We looked at employees with years of service programs and then broke them into two groups—those who had been recently recognized (within the last six months in a formal recognition program tied to company values) and those who had no recent recognition (and no formal recognition program).

We found that recent recognition based on values does have a significant amplifying effect on employee satisfaction with the years of service experience. Employees were more likely to report that the experience was positive (Figure 27), and three times more likely to say that it made them feel more valued. (Figure 28) In fact, the impact of recognition exactly mirrored the impact of an emotional milestone experience. They were also more than five times more likely to report that the experience had been emotionally moving. (Figure 29)

On my 5th year, we looked back on when I first started as an apprentice and how I have improved and grown in my job since. It made me laugh to hear the silly mistakes I made when I was green, but it also made me realize and appreciate how patient my co-workers were to take the time to teach me and pass down the tricks of the trade.

— SURVEY RESPONDENT
FIGURE 27
ANNIVERSARIES WITH RECOGNITION ARE MORE POSITIVE

Q: Was your anniversary experience more positive or negative?

With Recent Recognition: 95%
Without Recognition: 71%

FIGURE 28
ANNIVERSARIES WITH RECOGNITION MAKE EMPLOYEES FEEL MORE VALUED

Q: How did your anniversary make you feel?

66% With Recent Recognition
19% Without Recognition

It made me feel more valued

FIGURE 29
ANNIVERSARIES WITH RECOGNITION ARE MORE EMOTIONALLY IMPACTFUL

Q: Was your last milestone anniversary an emotional, moving or poignant experience for you?

32% With Recent Recognition
6% Without Recognition

Yes, I found my milestone moving or poignant
When we asked employees for a qualitative reaction to their recent milestones, those who had been recognized report that they are fun, they renew commitment to the company, and they remind them why they work there. (Figure 30) Those who had not been recognized recently had a significantly dimmer view of milestones, reporting that they didn’t care or didn’t notice, or that the anniversary is anti-climactic. (Figure 31)

**FIGURE 30**
**TOP FEELINGS ASSOCIATED WITH MILESTONE ANNIVERSARIES WITH RECENT RECOGNITION**

- They are fun: 46%
- They renew my commitment to the company: 40%
- They remind me why I love working here: 40%

**FIGURE 31**
**TOP FEELINGS ASSOCIATED WITH MILESTONE ANNIVERSARIES WITHOUT RECENT RECOGNITION**

- I don’t care about them: 37%
- They are anti-climactic: 26%
- I don’t notice them: 20%

Only some people are recognized on their anniversary. It makes those that are not all the more depressing.

— SURVEY RESPONDENT
Workers yearn for a more shareable and meaningful milestone experience.

There is a wide gulf between traditional years of service programs—which focused mainly on the gold watch and pin—and modern service anniversary experiences. As employers, our ROI ambitions for YOS are also growing, and we predict that, in the future, few companies will be content to keep programs in place that are not showing business results.

In that spirit, this survey did not simply ask employees about their existing work culture and anniversary programs, but it also invited them to imagine a transformed service anniversary experience, and share with us their thoughts on the changes that are currently revolutionizing the service milestone experience.

We began by getting a sense of the status quo. A full 77 percent of workers surveyed had reached some sort of milestone anniversary at their jobs. And we know from our Summer 2012 Mood Tracker findings that 81% of companies have some kind of YOS program in place.

Next we asked about the reality of what those moments achieve. In our previous research we noticed that a large proportion of employees had reported that milestone anniversaries didn’t change anything for them. In that survey, when we offered them a wide range of possible reactions, 51 percent told us that the award had changed nothing at all. This time we decided to cut down the possible answers a bit and look only at whether or not the experience made workers feel valued. 59 percent of respondents saying it changed nothing for them, and only 36 percent felt more valued. (Figure 33)
We turned next to the future, and asked employees what sort of milestone celebration they would prefer. The vast majority of workers prefer the participation of their peers—more than twice as many as any other choice—citing shared memories and congratulations from co-workers and managers as their choice. (Figure 34)

We asked if we could make the milestone experience more meaningful, and 65 percent say shared stories and memories would move the needle for them, while 72 percent like the idea of including a retrospective of their career accomplishments. (Figure 35)

**FIGURE 34**  
**EMPLOYEES PREFER SHARED MEMORIES AND CONGRATULATIONS**

Q: Which anniversary celebration type would you most prefer?

- Shared memories and congratulations from co-workers and managers: 45%
- Being mentioned at an event or meeting called for another purpose: 20%
- Private congratulations from a manager alone: 17%
- Public congratulations from a manager: 13%
- Being the guest of honor at an event: 6%

**FIGURE 35**  
**EMPLOYEES WANT A BALANCED RETROSPECTIVE OF STORIES AND OUR WORK ACHIEVEMENTS**

Q: Would a milestone award that included career accomplishments make your experience feel more meaningful?

- 72% Want Recognition of Career Accomplishments
- 65% Want Memories and Stories from Co-workers

- 65% Want Recognition of Career Accomplishments
- 72% Want Memories and Stories from Co-workers
We also asked them about the reward portion of their anniversary milestone, and the #1 choice they made was a gift or gift card from a wide selection that would offer them choice for their reward. (Figure 36)

And finally, we asked them, if they got a meaningful tribute, whether they would share that tribute with their family—something that suggests both feelings of pride and a more “sticky” lasting, and memorable experience—and 87 percent of them say that they would. (Figure 37)
If satisfaction at work is dependent on the quality of our connections, then the service anniversary is an opportunity to showcase those relationships, reminding employees why they stay and inviting a renewed sense of commitment.

Profound shifts brought by the technological, mobile and social workplace are transforming milestone anniversaries. In our Fall 2014 Globoforce Workforce Mood Tracker, we examined work relationships—in particular as they relate to service milestone anniversaries and their effectiveness. We have seen the impact of highlighting these connections during a service anniversary—a time when many of us are inclined to be most reflective about our career path.

There is also a strong argument in this data for companies to be more thoughtful about the cultures they are creating, and to actively promote the development of work friendships and emotional connections among employees. An emotionally charged anniversary milestone clearly offers a much more potent experience. If your goal with a years of service program is to make employees feel more positive and valued, and to renew their emotional contract with your organization, then tapping into the emotional currents that underlie the experience will help you better achieve it.

When you consider that half of all employees think of an anniversary as a reflective time where they can re-evaluate their jobs and renew their commitment to the company, it can be considered a huge miss that many companies are not moving the needle to make their employees feel valued by their colleagues.

If you are trying to drive metrics like engagement, retention and build a best place to work, a key place to start will be in encouraging co-workers to establish strong emotional bonds with one another and then including those voices in the years of service experience. As Gallup points out in their 2012 Q12 Meta analysis: “The best managers do not subscribe to the idea that there should be no close friendships at work; instead, they free people to get to know one another, which is a basic human need. This, then, can influence communication, trust, and other outcomes.”
And finally, it is clear that years of service that come from a culture of frequent, values-based recognition are more impactful and positive for employees. Companies should consider running these two initiatives in tandem to gain this amplifying effect.

From 716 respondents we uncovered the following five findings:

#1: Peer relationships are critical to the modern work experience.
#2: Having friends at work increases commitment to the company.
#3: Years of service awards that include all colleagues yield better results.
#4: Years of service awards with emotional impact are more effective.
#5: Social Recognition amplifies the effectiveness of years of service programs.
#6: Workers yearn for a more shareable and meaningful milestone experience.
Learn more about social recognition and how it can drive business results for you.